

EUROHOLD BULGARIA

ANNUAL MANAGEMENT REPORT



2022

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§ ABOUT THIS REPORT

Eurohold Bulgaria AD (Eurohold, Company, Holding) prepares Annual Management Report including:

- > Annual separate financial statements reflecting the results and financial position of the Company; and
- > Annual individual activity report presenting information essential for all interested parties regarding the Company's activity during the reporting period, future development, corporate governance, remuneration policy and the main risks and uncertainties to which it is exposed.

» Regarding the annual separate financial statements

Basis for preparation

The annual separate financial statements of Eurohold Bulgaria AD have been prepared in accordance with the 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 in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council).

The annual separate financial statements of Eurohold Bulgaria AD gives a true view of the Company's assets, liabilities, financial position and results.

» Regarding the annual separate activity report

Basis for preparation

- Article 100n of the Law on the Public Offering of Securities Act (POSA);
- ORDER № 2 of 09.11.2021 on initial and subsequent disclosure of information during public offering of securities and admission of securities to trading on a regulated market (amended and supplemented, № 27 of 05.04.2022)
- Art. 39-41 of the Law on Accounting;
- Art. 187e and Art. 247 of the Commercial Law

Information contained in the corporate governance statement:

- Art. 100n, para. 8 of Law on the Public Offering of Securities Act (POSA);

Information contained in a remuneration report:

- Art. 12 of Ordinance № 48 of the Financial Supervision Commission of March 20, 2013 on requirements for remuneration;

Reporting period

The annual individual report covers the period January 1 - December 31, 2022.

Reporting currency

The reporting currency the Company is Bulgarian Lev (BGN).

1 BGN = 1.95583 EUR

Translation

This separate management report of the Eurohold Bulgaria AD is available in Bulgarian and English. The Bulgarian version is the original. The English version is an unofficial translation. We have made every reasonable effort to avoid any inconsistency between the different language versions. However, if such inconsistencies exist, the Bulgarian version will prevail.

Consolidated annual report

Eurohold Bulgaria AD also prepares a consolidated management report, which consolidates the results of the parent company, subsidiaries and associated enterprises. In order to gain a complete picture of the financial position of Eurohold Group, users of this annual separate report should read it together with the consolidated annual report of Eurohold Group for 2022.

Additional information about Eurohold Bulgaria is available on the Company's website: www.eurohold.bg

A

FINANCIAL STATEMENTS

2022

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A.1 Annual separate financial statements 2022

Annual separate statement of profit or loss and other comprehensive income for the year ended 31 December

		2022	2021
	Notes	BGN '000	BGN '000
Revenue from operating activities			
Dividend income	3	2 102	223
Gains from the sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations	4	1 202	819
Interest income	5	359	35
Other financial revenue	6	21	846
		3 684	1 923
Expenses on operating activities			
Interest expenses	7	(21 710)	(19 547)
Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations	8	(16 313)	(21 519)
Impairment costs of investments in subsidiaries	13.1	(52 715)	(64 772)
Other finance expenses	9	(6 197)	(999)
Hired services expenses	10	(4 733)	(9 098)
Employee benefits expense		(980)	(899)
Depreciation	14.1, 14.2	(295)	(679)
(Expenses) / Reversal of expenses from impairment of financial assets, net	11	(2 310)	(609)
		(105 253)	(118 122)
Loss from operating activities		(101 569)	(116 199)
Other revenue/(expenses), net	12	(578)	(189)
Net Loss		(102 147)	(116 388)
Total comprehensive loss for the year		(102 147)	(116 388)
Loss per share (in BGN per share)	19.3.	(0.3921)	(0.5127)

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 3 April 2023.

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Auditor's report issued by:
Grant Thornton OOD, audit firm, registration № 032
Mariy Apostolov, managing partner
Silvia Dinova, registered auditor responsible for the audit

**Annual separate statement of financial position
as of 31 December 2022**

	Notes	31.12.2022 BGN '000	31.12.2021 BGN '000
ASSETS			
Non-current assets			
Investments in subsidiaries	13	651 950	717 093
Property, plant and equipment	14.1	1 204	1 452
Intangible assets	14.2	1	3
Receivables from related parties	15	-	169
		653 155	718 717
Current assets			
Related parties' receivables	16	23 759	849
Other receivables	17	16 460	651
Cash and cash equivalents	18	2 238	115
		42 457	1 615
TOTAL ASSETS		695 612	720 332

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 3 April 2023.

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**Annual separate statement of financial position
as of 31 December 2022 (continued)**

	Notes	31.12.2022 BGN '000	31.12.2021 BGN '000
EQUITY AND LIABILITIES			
Equity			
Share capital	19.1	260 500	260 500
Share premium	19.2	144 030	144 030
General reserves	19.2	7 641	7 641
(Retained loss) / Retained earnings		(67 422)	48 966
Loss for the year		(102 147)	(116 388)
Total equity		242 602	344 749
Subordinated debts	20	8 580	7 201
Non-current liabilities			
Bond liabilities	22	234 111	78 233
Loans and borrowings	21	16 555	9 006
Related parties' liabilities	23	13 797	60 926
Other non-current liabilities	24	1 141	1 241
		265 604	149 406
Current liabilities			
Loans and borrowings	21	165 124	37 630
Bond liabilities	22	1 571	136 987
Related parties' liabilities	26	9 275	41 603
Trade payables	25	1 374	1 328
Other current liabilities	27	1 482	1 428
		178 826	218 976
Total liabilities and subordinated debts		453 010	375 583
TOTAL EQUITY AND LIABILITIES		695 612	720 332

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 3 April 2023.

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**Annual separate statement of cash flows
for the year ended as of December 31**

	Notes	31.12.2022 BGN '000	31.12.2021 BGN '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(102 147)	(116 388)
Adjusted for:			
Depreciation		295	679
Interest income	5	(359)	(35)
Interest expenses	7	21 710	19 547
Dividend income	3	(2 102)	(223)
(Gains)/ Losses from sale of investments, net		14 160	20 709
(Gains)/ Losses from revaluation of investments, net		53 666	64 434
Foreign exchange differences		14	(57)
(Expenses for)/reintegration of impairment of financial assets, net		2 310	609
Adjustments in working capital:			
Decrease in trade and other receivables		1 237	395
Increase in trade and other liabilities, other adjustments		6 309	6 404
Net cash flows from operating activities		(4 907)	(3 926)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(25 950)	(172 766)
Proceeds from sale of investments		7 296	-
Loans granted		(8 877)	(17 034)
Proceeds from loans granted		757	16 708
Interest received on loans granted		2 474	-
Dividends received		2 102	223
Other payments from investing activities		-	(206)
Net cash used by investing activities		(22 198)	(173 075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	2.26, 19	-	157 436
Proceeds from loans	2.26	283 294	136 742
Repayments of loans	2.26	(232 184)	(99 563)
Interest and commissions paid	2.26	(21 275)	(16 881)
Lease payments		(321)	(741)
Other payments from financing activities		(278)	(151)
Net cash generated/(used) by financing activities		29 236	176 842
Net increase/(decrease) in cash and cash equivalents		2 131	(159)
<i>Effect of expected credit losses</i>		<i>(8)</i>	<i>7</i>
Cash and cash equivalents at the beginning of the year	18	115	267
Cash and cash equivalents at the end of the year	18	2 238	115

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 3 April 2023.

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Annual separate statement of changes in equity
as of 31 December 2022

	Share capital BGN '000	Share premium BGN '000	General reserves BGN '000	Retained earnings BGN '000	Total Equity BGN '000
Balance as of 1 January 2021	197 526	49 568	7 641	48 966	303 701
Issue of share capital	62 974	94 462	-	-	157 436
Transactions with owners	62 974	94 462	-	-	157 436
Loss for the year	-	-	-	(116 388)	(116 388)
Total comprehensive loss for the year	-	-	-	(116 388)	(116 388)
Balance as of 31 December 2021	260 500	144 030	7 641	(67 422)	344 749
Balance as of 1 January 2022	260 500	144 030	7 641	(67 422)	344 749
Loss for the year	-	-	-	(102 147)	(102 147)
Total comprehensive loss for the year	-	-	-	(102 147)	(102 147)
Balance as of 31 December 2022	260 500	144 030	7 641	(169 569)	242 602

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 3 April 2023.

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A.2 Notes to the annual separate financial statements

Notes to the annual separate financial statements for 2022

1. Information about the company

Eurohold Bulgaria AD (the Company) is a public joint stock company established pursuant to the provisions of article 122 of the Law for Public Offering of Securities and article 261 of the Commerce Act.

Founded in 1996, Eurohold Bulgaria AD operates in Bulgaria, Romania, Northern Macedonia, Ukraine, Georgia, Greece and Belarus through a large number of subsidiaries in the sectors of insurance, financial services, energy, car sales (until 30.06.2022) and car leasing (until 30.06.2022).

The company is registered in the Sofia City Court under corporate file 14436/2006 and is formed through the merger of Eurohold AD registered under corporate file № 13770/1996 as per the registry of Sofia City Court, and Starcom Holding AD, registered under corporate file № 6333/1995 as per the registry of Sofia City Court.

Eurohold Bulgaria has its seat and registered address in the city of Sofia, P.B. 1592, Iskar Region, 43 Hristofor Kolumb Blvd., UIC 175187337.

The governing bodies of the company are the General Meeting of Shareholders, the Supervisory Board and the Management Board /two-tier system/ comprising the following members as at 31.12.2022:

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.

By decision of the Supervisory Board on 16.08.2022, entered in the Commercial Register on 25.08.2022, a decision was made to withdraw the power of attorney of Assen Emanouilov Assenov.

As of 31.12.2022 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 procurator.

The Audit Committee supports the work of the Management Board, monitors and supervises the Company's internal control system, risk management and financial reporting system.

As of 31.12.2022, 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.

The number of employees in the Company as of 31.12.2022 is 24 (31.12.2021: 21 employees).

1.1. Scope of Activities

The scope of activities of Eurohold Bulgaria AD is acquisition, management, assessment and sales of participations in Bulgarian and foreign companies, acquisition, management and sales of bonds, acquisition, assessment and sales of patents, granting patent use licenses to companies in which the company participates, funding companies, in which the Company participates.

1.2. Types of Activities

As a holding company with a main activity of acquisition and management of subsidiaries, Eurohold Bulgaria AD performs mainly financial activities. As a holding company, Eurohold Bulgaria AD does not carry out regular business activities.

The companies in the portfolio of Eurohold Bulgaria operate in the following markets: insurance, energy, automotive, leasing and finance. Investments in the automotive and leasing segment were sold on 30.06.2022.

Insurance and Health Insurance line:

- Insurance services
- Health insurance services
- Life insurance services

Energy line:

- Public supply of electricity according to the Energy Act
- Access and transmission of electricity through the electricity distribution network and connection of new consumers to the electricity distribution network
- Management, maintenance, repair and development of the electricity distribution network, as well as auxiliary facilities and networks and transport of electricity through the network
- Trade in electricity, heat, gaseous fuels and all kinds of other energy sources
- Production, construction and operation of energy systems and sites / parks related to renewable energy sources
- Research, consulting, design, financing and construction of energy sites, supply of energy efficient services, implementation of services under contracts with guaranteed results
- Trade in integrated systems in the field of information and communication technologies, provision of information and technological services, as well as other technical and consulting services.

Automobile line (until 30.06.2022):

- Sales of new cars
- Car repairs

Leasing line (until 30.06.2022):

- Leasing services
- Car rentals

Financial line:

- Investment intermediation

2. Summary of the company's accounting policy

2.1. Basis for Preparation of the Separate Financial Statements

The separate financial statements of Eurohold Bulgaria AD have been prepared in compliance with International Financial Reporting Standards (IFRS), issued and published by the International Accounting Standards Board (IASB) and adopted by the Commission of the European Union (EU). For paragraph 1, point 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 under Regulation (EC) 1606/2002 of the European Parliament and the Council.

The Company also prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), issued and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), in which investments in subsidiaries are accounted for and disclosed under IFRS 10 "Consolidated Financial Statements".

The annual separate financial statements are presented in Bulgarian lev (BGN), which is the functional currency of the Company. All amounts are presented in thousands of BGN (000'BGN) (including the comparative information for 2021), unless otherwise stated. As of 1 January 1999, the Bulgarian lev has a fixed exchange rate against the euro: BGN 1.95583 for 1 euro.

These annual separate financial statements have been prepared on a historical cost basis, modified in certain cases with the revaluation of some assets and/or liabilities at their fair values at the date of preparation of the separate statement of financial position as specified in the notes.

Highlights of the activity in 2022

As a holding company, Eurohold Bulgaria does not perform regular business activities and does not provide financial services. As of 31 December 2022, the current liabilities of the Company exceed its current assets by BGN 136 369 thousand, the loss for 2022 is BGN 102 147 thousand and the Company has reported negative cash flows from operating activities in the amount of BGN 4 907 thousand. Despite the loss, equity as of 31 December 2022 is in amount BGN 242 602 thousand (31 December 2021: 344 749 thousand), which is 0.93 times higher than the share capital (1.32 times higher than the share capital for 2021).

Eurohold Bulgaria supports the dividend distribution policy, with a total dividend of BGN 5 831 thousand distributed from 2015 to 2019 inclusive. In 2020, 2021 and 2022 the company has not distributed a dividend.

Eurohold Bulgaria AD ends 2022 with a net operating result of a loss of BGN 102 147 thousand. The realized negative financial result for the reporting period is mainly in connection with:

- accrued interest expenses on the financing received in recent years, necessary to cover the capital requirements of any of the subsidiaries by increasing their share capital, as well as to finance the expansion of activities through new acquisitions (*Note 7*);
- reported one-off effect – expense from impairment of investments in a subsidiary in the amount of BGN 52 715 thousand (*Note 13.1.*);
- reported one-off effect – loss from sale of subsidiaries in the amount of BGN 13 470 thousand (*Note 13.1.*);
- reported one-off effect - expenses in the amount of BGN 6 141 thousand for bank fees, related with granting and management of loans (*Note 9*).

In 2022:

- The Company issued a new bond loan worth EUR 40 000 000 with ISIN: BG2100002224 in March 2022. This is the third issue of ordinary, commemorative, dematerialized, interest-bearing, secured, non-convertible, non-preferred and freely transferable bonds. The maturity date of the issue is 8 March 2029, and the principal is repaid once at maturity. Interest payments are made every six months, starting from the date of registration of the issue (8 March 2022), at a fixed nominal interest rate - 3.25% on an annual basis. The purpose of the debenture loan is to raise funds that are expected to be used to reduce the issuer's indebtedness by repaying maturing short-term and / or long-term liabilities of the Company (*Note 22*).
- During 2022, the Management will continue the policy of disposal of non-key assets for the Group and will improve its dividend policy in order to provide cash inflows to cover its current indebtedness to related parties and third parties. In this regard:
 - With Share Purchase Agreement dated 30.06.2022, the ownership of the 80 001 available, registered, non-privileged shares, owned by Eurohold Bulgaria AD, was transferred to a third party, representing 99.99% of the capital of Auto Union AD. As a result of the transaction, Eurohold Bulgaria AD reports a profit from the sale of investments in subsidiaries in the amount of BGN 97 thousand (*Notes 5 and 17*).
 - The ownership of 510 861 available, registered, non-privileged shares owned by Eurohold Bulgaria AD was transferred to a third party with the Share Purchase Agreement dated 30.06.2022, representing 90.01% of the capital of Eurolease Group AD. As a result of the transaction, Eurohold Bulgaria AD reports a loss from the sale of investments in subsidiaries in the amount of BGN 13 465 thousand (*Notes 8 and 17*).
- The company has renegotiated the EMTN program with ISIN XS1731768302, which as of 31.12.2022 is an extended EMTN program with maturity until 07.06.2026, fixed interest rate 6.5% (six and a half percent) on an annual basis and frequency of interest payment once in the year in arrears. At the end of 2022, the Company received consent to extend by 42 months the final repayment period of European medium-term bonds issued under the European Medium-Term Bond Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange. As of 31.12.2022, the company owns repurchased own securities with a nominal value of EUR 31 000 thousand. (*Note 22*).

Impact of the war between Russia and Ukraine on the Company's activities

The company also has liabilities under bank loans with a book value of BGN 45 662 thousand as of 31.12.2022, which were received from the International Investment Bank, Russia and the International Bank for Economic Co-operation, Russia (*Note 21*). 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.

Apart from the loans described above, the Company has no direct material investments or settlements with customers and suppliers from Russia or Ukraine as of 31 December 2022 and due to the nature of its business, namely holding activities related to investment management and the provision of services, as well as due to the lack of dependence on supplies of raw materials, management's assessment is that there are no identified circumstances and factors that call into question the validity of the going concern principle or that have a direct and negative effect on the Company's activities as a result of the military conflict that has arisen between Ukraine and Russia in 2022.

The war between Russia and Ukraine had an indirect impact on Eurohold Bulgaria AD through its subsidiary Euroins Insurance Group AD, which held 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. The business in the two countries was insignificant, forming less than 1% of the insurance group's revenues for 2022. The two subsidiary companies in Ukraine continue to perform their activities.

The management of Eurohold Bulgaria AD actively monitors and analyzes the manifestation of 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.

Influence of macroeconomic factors on the Company's activity

Rising commodity and energy prices have led to significant inflation in the Eurozone and the USA, with the US Federal Reserve, the European Central Bank and the Bulgarian National Bank raising key interest rates several times in 2022 in an attempt to rein in rising consumer prices. Because the Company has interest-bearing borrowings with floating interest rates, it is possible that interest expense will be increased in future periods as a result of rising interest rates.

A part of the indirect subsidiaries of the energy segment are directly exposed to the increase in the price of electricity and to specific regulatory risks related to the price of electricity for domestic and commercial consumers. More information about these risks is disclosed in their 2022 annual financial statements and was taken into account when testing for indications of impairment of investments in subsidiaries as of 31 December 2022. Management believes that, at the reporting date, the book value of investments in a segment energy does not exceed their fair value. Macroeconomic factors are taken into account in the analysis of the financial and non-financial risks to which the Company is exposed (*Note 2.23.1*). These estimates may differ from the actual prices that would be determined in the future. This, in turn, could lead to a change in the balance sheet values of the Company's assets, which are determined in the separate financial statement when a number of judgments and assumptions are made by the management and accounting for the most reliable available information as of the date of the estimates.

Going concern principle

As of the date of preparation of this annual separate financial statement, the management has analyzed the indebtedness of the Company and the possibilities for its servicing. The forecasts made for the future development of the Company includes continued financial support from the majority shareholder and take into account expected returns from subsidiary companies, as well as redistribution of free financial resources in the Eurohold Group. The management has also analyzed, as additional options, the stated continued financial support from external investors and partners, as well as the possibilities for refinancing part of the Company's short-term liabilities. On the basis of the above, the management is confident the Company will continue its activity and will repay its liabilities without undertaking any significant changes in its activity.

2.2. Changes in accounting policy

These annual separate financial statements have been prepared in accordance with the adopted accounting policy in the last annual financial statements of the Company as of 31 December 2021. The Company has not made any changes in its accounting policy in connection with the application of new and / or revised IFRS that are effective for the current reporting period, starting on 1 January 2022, because during the period there were no objects or operations that are affected by the changes and amendments to IFRS.

2.2.1. New standards, interpretations and amendments effective 1 January 2022, 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:

- Amendments to IAS 16 Property, plant and equipment: Proceeds before intended use, effective from 1 January 2022.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a contract, effective from 1 January 2022.
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework, effective from 1 January 2022.
- Annual Improvements to IFRS Standards 2018-2020, effective from 1 January 2022.

2.2.2. Documents issued by IASB / IFRIC, which are not yet endorsed in the EU

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2022 and have not been applied early by the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. A list of the changes in the standards is provided below:

- *IFRS 17 "Insurance Contracts" and its amendments effective from 1 January 2023, adopted by the EU.*
- *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.*

ACCOUNTING POLICY

2.3. General point

The most significant accounting policies applied in the preparation of the separate annual financial statements are set out below.

The separate annual financial statements are prepared in accordance with the principles for the valuation of all IFRS assets, liabilities, income, and expenses. The valuation bases are disclosed in detail below in the accounting policies of those separate financial statements.

2.4. Accounting Assumptions and Accounting Estimates

The presentation of the separate financial statements in accordance with International Financial Reporting Standards requires management to make the best estimates, accruals, and reasonable assumptions that affect the reported amounts of assets and liabilities, income and expense, and disclosure of contingent

receivables; liabilities at the reporting date. These estimates, accruals and assumptions are based on the information available at the date of the unconsolidated financial statement, which is why the future factual results could be different from them (as in a financial crisis, uncertainties are more significant).

2.5. Presentation of the financial statement

The annual separate financial statements have been presented in accordance with IAS 1 Presentation of Financial Statements. The Company presents the statement of profit or loss and other comprehensive income in a single statement.

Two comparative periods are being presented in the statement of financial position when the Company applies the accounting policy retrospectively, recalculates the positions in the financial statements retrospectively; or reclassify items in the financial statements and this has a material effect on the information in the statement of financial position at the beginning of the previous period.

2.6. Functional and Reporting Currency

The annual separate financial statements are presented in Bulgarian Lev (BGN) which is the functional and reporting currency of the company. The data presented are in thousands BGN (000'BGN) (including the comparative information for 2021), unless stated otherwise. Since 1 January 1999, the Bulgarian Lev is fixed to the EUR at the exchange rate: BGN 1,95583 for EUR 1.

Upon initial recognition, a foreign currency transaction is recorded in the functional currency by applying to the amount in foreign currency the exchange rate at the time of the transaction or operation. Cash, receivables and payables denominated in foreign currency are reported in the BGN equivalent on the basis

of the exchange rate as at the date of the operation and are revaluated on a quarter and annual basis using the official exchange rate of the Bulgarian National Bank on the last working day of the quarter/year.

Non-monetary reporting items of the separate statement of financial position that have been initially denominated in foreign currency are stated in the functional currency by applying the historical exchange rate as at the date of the operation and are not subsequently revaluated at the closing exchange rate.

The effect of foreign exchange losses and gains related to the settlement of business transactions in foreign currency or the reporting of business transactions at exchange rates different from those that have been initially recognized is stated in the separate statement of profit or loss and other comprehensive income at the time of occurrence thereof under [Other financial revenue/\(expenses\)](#).

2.7. Consolidated financial statements of the Company

The company has begun the process of preparing its Annual consolidated report for 2022 in accordance with the current IFRS effective for 2022, which report will also include the current separate report. According to the scheduled dates, the management expects an Annual consolidated report to be approved for issuance no later than 30.04.2023 from the Board of Directors of the company, after which date the report will be available to third parties.

2.8. Investments in subsidiaries, associates and joint ventures

A subsidiary is a company that is subject to the control of the Company as an investor. Having control means that the investor is exposed to or has rights to the variable return of its shareholding in the investee and is able to influence this return by means of its powers over the investee. Long-term investments, being shares in subsidiaries, are stated in the separate financial statements at acquisition price (cost), which is the fair value of paid consideration, including the direct expenses for the acquisition of the investment.

These investments are not traded at stock exchanges.

The investments in subsidiaries held by the Company are subject to impairment review. Upon finding conditions for impairment, it is recognized in the separate statement for profit or loss and other comprehensive income as a financial expense.

Upon purchase and sale of investments in subsidiaries, the "date of entering into" the transaction applies.

Investments are derecognized upon transferring the pertaining rights to other entities upon the occurrence of legal grounds to this effect like losing control over the economic benefits from the investments. The revenue from their sales is stated in "finance income" or "finance expenses", respectively, in the separate financial statement for profit or loss and other comprehensive income.

The companies in which the company holds between 20% and 50% of the voting rights and may significantly affect, but not perform control functions, are considered associated companies.

Investments in associates are accounted for by applying the equity method. By the equity method, the investment in an associate is accounted for in the non-consolidated statement of financial position at acquisition cost, plus changes in the share of net assets of the associate after the acquisition. Goodwill associated with an associate is included in the carrying amount of the investment and is not depreciated.

The investments in associates and other companies held by the Company are subject to impairment review. Upon finding conditions for impairment, it is recognized in the separate statement for profit or loss and other comprehensive income.

Investments in associates and other companies are derecognized upon transferring the pertaining rights to other entities upon the occurrence of legal grounds to this effect thus losing the joint control over the economic benefits from the investments.

The revenue from their sale is stated under the item "Gains from financial operations", or under the item Losses from financial operations, respectively, in the separate financial statement for profit or loss and other comprehensive income.

2.9. Income

Income in the Company is recognized at an amount that reflects the remuneration the Company expects to be entitled to in exchange for the goods or services transferred to the customer.

To determine whether and how to recognize revenue, the Company uses the following 5 steps:

1. Identify the contract with a client.
2. Identify performance obligations.
3. Determining the transaction price.
4. Distribution of the transaction price to the execution obligations.
5. Recognition of revenue upon satisfaction of performance obligations.

Revenue is recognized either at any time or overtime when or until the Company satisfies the performance obligations, transferring the promised goods or services to its customers.

The Company recognizes as contract liabilities remuneration received in respect of unmet performance obligations and presents them as other liabilities in the separate statement of financial position. Similarly, if the Company meets a performance obligation before receiving the remuneration, it recognizes in the separate statement of financial position either as an asset under the contract or receivable, depending on whether or not something other than a specified time is required to receive the remuneration.

Dividend incomes are recognized upon certifying the right to obtain them.

Eurohold Bulgaria AD generates financial income mainly from the following activities:

- Gains from operations with investments;
- Gains from operations with financial instruments;

- Income from dividends;
- Income from loan interest granted to subsidiaries and third parties;
- Income from Services granted to subsidiaries.

2.10. Expenses

Expenses are recognized at the time of occurrence thereof and on the accrual and comparability principles.

Administrative expenses are recognized as expenses incurred during the year and are relevant to the management and administration of the company, including expenses that relate to the administrative staff, officers, office expenses, and other hired services.

Deferred expenses (prepaid expenses) are carried forward for recognition as current expenses for the period in which the contracts they pertain to are performed.

Financial expenses include expenses incurred in relation to investment operations, negative differences from financial instruments operations and currency operations, expenses on interest under granted bank loans and obligatory issues, as well as commissions.

Other operating income and expenses include items of a secondary character in relation to the main activity of the Company.

2.11. Interest

Interest income and expenses are recognized in the separate statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the rate for discounting the expected cash payments and proceeds during the term of the financial asset or liability up to the net book value of the respective asset or liability. The effective interest rate is defined upon the initial recognition of the financial asset or liability and is not adjusted subsequently.

The calculation of the effective interest rate includes all received or paid commissions, transaction costs, as well as discounts or premiums, which are an integral part of the effective interest rate. Transaction costs are the inherent costs directly attributable to the financial asset or liability acquisition, issue or derecognition.

The interest income and expenses stated in the separate statement of profit or loss and other comprehensive income include interest recognized on the basis of effective interest rate under financial assets and liabilities carried at amortized value.

2.12. Fees and Commissions

Income and expenses from fees and commissions, which are an integral part of the effective interest rate for a financial asset or liability, are included in the calculation of the effective interest rate.

Other fees and commissions income, including logistic services fees, insurance, and other intermediation fees, are recognized upon providing the respective services.

The other fees and commissions costs relevant mainly to banking services are recognized upon receipt of the respective services.

2.13. Taxes

Income Tax

The current tax includes the tax amount, which should be paid over the expected taxable profit for the period on the basis of the effective tax rate or the tax rate applicable on the day of preparation of the separate statement of financial position and all adjustments of due tax for previous years.

The company calculates the income tax in compliance with the applicable legislation.

The income tax is calculated on the basis of taxable profit after adjustments of the financial result in accordance with the Corporate Income Tax Act.

Current income taxes are defined in compliance with the Bulgarian tax legislation – the Corporate Income Tax Act. The nominal tax rate for 2022 is 10% of the taxable profit (2021: 10%).

Deferred Tax

Deferred tax is calculated using the balance sheet method for all temporary differences between the net book value as per the financial statements and the amounts used for taxation purposes.

The deferred tax is calculated on the basis of the tax rate that is expected to be effective upon the realization of the asset or the settlement of the liability. Deferred tax assets and liabilities are not discounted.

Deferred tax liabilities are recognized in full.

Deferred tax assets are recognized only if it is probable that they will be utilized through future taxable income.

Deferred tax assets and liabilities are offset only when the Company has the right and intention to offset current tax assets or liabilities from the same tax institution.

The effect from changes in the tax rates on the deferred tax is reported in the separate statement of profit or loss and other comprehensive income, except in cases when it concerns amounts, which are earlier accrued or reported directly in equity. Based on IAS 12, Income Taxes, the Company recognizes only the portion of a current tax asset or liability from the acquisition or sale of financial instruments for which the Company expects to realize a reverse benefit in the foreseeable future, or does not control the timing of the reverse benefit. The Company's policy applies equally to each class of financial instruments.

The Company has elected not to recognize a deferred tax asset on:

- Tax loss as of 31.12.2022 in amount of BGN 7 753 thousand (as of 31.12.2021 – BGN 4 979 thousand)
- Thin capitalization under art. 43a as of 31.12.2022 in amount of BGN 6 961 thousand (as of 31.12.2021 in amount of BGN 4 826 thousand)
- Impairment of receivables as of 31.12.2022 in the amount of BGN 296 thousand (as of 31.12.2021 – BGN 65 thousand).
- Accumulated unused (compensable) leave as of 31.12.2022 in the amount of BGN 3 thousand (as of 31.12.2021 – BGN 2 thousand).

VAT

Eurohold Bulgaria AD has a VAT registration and charges a 20% tax upon delivery of services.

In connection with a lease agreement for real estate (office) located in London, UK, the Company used to have a VAT registration in this country. Following the expiry of the sublease agreements, UK VAT registration ceased on 6th May 2022.

Withholding tax

Pursuant to the Corporate Income Tax Act, payment of incomes to foreign individuals or legal entities is subject to withholding tax within the territory of the Republic of Bulgaria. Withholding tax is not due provided the foreign legal entity has proved grounds for application of the Agreements for Avoidance of Double Taxation before-tax rate or applicable tax rate on the day of expiration of the tax payment term.

2.14. Non-current Assets

2.14.1 Property, plant and equipment, right-of-use assets

2.14.1.1 Property, plant and equipment

Property, plant and equipment (fixed tangible assets) are measured at acquisition cost, less the amount of accrued amortization and possible impairment losses.

The company has a fixed value threshold of significance in the amount of BGN 700. If the acquired assets are with a value lower than BGN 700, regardless of the characteristics of fixed assets, are reported as current expenses at the time of acquisition thereof.

Initial Acquisition

Fixed tangible assets are initially measured:

- at acquisition cost, which includes purchase price (including duties and non-refundable taxes) and all direct costs for bringing the asset into working condition according to its purpose: for assets acquired from external sources;
- at fair value: for assets obtained as a result of a charitable transaction;
- at evaluation approved by the court and all direct costs for bringing the asset into working condition according to its purpose – for assets acquired as a contribution of physical assets.

Borrowing costs directly related to acquisition, construction or production of eligible assets are included in the acquisition cost (cost) of this asset. All other borrowing costs are reported on the current basis in the profit or loss for the period.

Subsequent measurement

The approach chosen by the Company for the subsequent measurement of machines and equipment is the cost model under IAS 16 - historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenses

Subsequent costs associated with an item of property, plant and equipment are added to the carrying amount of the asset when it is probable that the Company will have economic benefits that exceed the initially estimated effectiveness of the existing asset. All other subsequent expenses are recognized as an expense for the period in which they are incurred.

The residual value and useful lives of property, plant and equipment are evaluated by management at each reporting date.

Sales profit and loss

Upon sales of fixed assets, the difference between the net book value and the sales price of the asset is reported as profit or loss in the separate statement of profit or loss and other comprehensive income, in item "Other revenue/(Expenses), net".

Fixed tangible assets are derecognized from the statement of financial position upon sale or when the asset is finally decommissioned and no further economic benefits are expected after derecognition.

2.14.1.2. Right-of-use assets

The Company presents the right-to-use assets in a line item with similar own assets but provides detailed information on own and leased assets in the notes to the financial statements.

2.14.2. Intangible assets

Intangible assets are measured initially at cost, including all duties paid, non-recoverable taxes and direct costs incurred in preparing the asset for use.

Subsequent measurement is carried out at cost less accumulated depreciation and impairment losses.

Subsequent costs arising from intangible assets after initial recognition are recognized in profit or loss and other comprehensive income for the period in which they occur unless the asset is able to generate more than the projected future economic benefits and when these costs can be reliably estimated and attributed to the asset. If these conditions are met, the cost is added to the cost of the asset.

The company has a fixed value threshold of significance in the amount of BGN 700. If the acquired intangible assets are with a value lower than BGN 700, regardless of the characteristics of intangible assets, are reported as current expenses at the time of acquisition thereof.

The carrying amount of intangible assets is reviewed for impairment when there are events or changes in circumstances that indicate that the carrying amount could exceed their recoverable amount.

The profit or loss on the sale of intangible assets is determined as the difference between the proceeds from the sale and the carrying amount of the assets and is recognized in the statement of profit or loss and other comprehensive income in the line "Other income / (Expenses), net".

2.14.3. Depreciation Methods

The straight-line basis is the method of depreciation. The depreciation of assets begins from the month following the month of acquisition thereof. Land and assets in process of construction are not depreciated.

The useful life by groups of assets depends on the usual wear and tear, equipment specificity, future intentions for use and the probable moral aging.

The estimated useful lives by groups of assets are as follows:

Buildings	25 years
Machinery and equipment	3 – 10 years
Vehicles	4 – 6 years
Fixtures and fittings	3 – 8 years
Computers	2 – 3 years
Software	2 years
Right-of-use-assets	over the shorter of the asset's life and the lease term on a straight line basis.

2.14.4. Impairment

In calculating the amount of impairment, the Company defines the smallest identifiable group of assets for which individual cash flows (a cash-generating unit) can be determined. As a result, some assets are subject to an impairment test on an individual basis, while others are subject to a cash-generating unit.

All cash-generating assets and units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment when events or changes in circumstances indicate that their carrying amount cannot be recovered.

Net book values of fixed tangible and intangible assets are subject to review for impairment, when events or changes in circumstances have occurred, which evidence that the net book value might permanently differ from their recoverable amount. If there are indicators that the estimated recoverable value is less than their net book value, the latter is adjusted up to the recoverable value of assets.

An impairment loss shall be recognized as the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is higher than the fair value, reduced costs to sell of an asset and its value in use.

Impairment losses are recognized as expenses in the separate statement of profit or loss and other comprehensive income during the year of occurrence thereof.

Impairment losses on a cash-generating unit are stated in a decrease in the carrying amount of that unit's assets. For all assets of the Company, management subsequently assesses whether there is any indication that the impairment loss recognized in prior years may no longer exist or be reduced. An impairment loss recognized in a prior period is reversed if the recoverable amount of the cash-generating unit exceeds its carrying amount.

2.15. Lease

The Company as a Lessee

The company assesses whether the contract constitutes or contains elements of leasing if, under this contract, the right to control the use of an asset for a certain period of time is transferred for remuneration. Leasing is defined as "a contract or part of a contract that bears the right to use the asset (the underlying asset) for a period of time in return for payment." To apply this definition, the Company evaluates whether the contract meets three key evaluations that it has given:

- The contract contains a specific asset that is either explicitly identified in the contract or implicitly stated, being identified when the asset is made available to the Company;
- The Company is entitled to receive substantially all the economic benefits from the use of the specified asset over the entire period of use, taking into account its rights within the defined scope of the contract;
- The Company has the right to direct the use of the designated asset throughout the period of use. The Company assesses whether it is entitled to direct the "how and for what purpose" of the asset to use throughout the period of use.

If it is found that the lease agreement recognizes the Company as an asset with a right of use and a corresponding obligation at the date on which the leasing asset is available for use by the Company.

A reassessment of whether a contract represents or contains elements of a lease is made only if the terms and conditions of the contract change.

The Company accounts the leases with a remaining lease term of less than 12 months as short-term leases. The costs are present as a hire service costs.

Leasing assets and liabilities are initially measured at present value.

Leasing liabilities include the net present value of the following lease payments:

- fixed payments (including substantially fixed payments) minus any lease incentive receivables;
- variable lease based on an index or interest initially measured by the index or rate at the commencement date;
- amounts expected to be paid by the Company under guarantees of residual value;
- the cost of exercising a purchase option if the Company has reason to exercise that option, and
- payments of penalties for termination of the lease if the lease term reflects the fact that the Company exercises this option.

Lease payments that are made under reasonably defined extension options are also included in the liability measurement. The valuation of a lease contract with an option to extend the lease term should be taken plus 1 year to the fixed period. The Company acknowledges that this is the minimum for which there is an assurance that an option contract may be extended.

The lease payments shall be discounted using the interest rate implicit in the lease if that rate can be readily determined. If this interest rate cannot be directly determined, the lessee's differential interest rate is used, which is the rate that the individual lessee would have to pay to obtain the funds needed to obtain an asset of similar value to an asset with a usable interest in a similar economic environment with similar conditions and security. A single discount rate is applied to a portfolio of leases with relatively similar characteristics.

The Company applies a three-step approach in determining the incremental borrowing rate based on:

- Yield of 10-years Government Bonds calculated as an average for the last 3 years;
- financing spread adjustment - loans to new enterprises, non-financial corporations in a local currency, to determine the initial interest rate for a period of 3 years (for real estate) or the average interest rate on financial leasing to unrelated persons for the last 3 years (for vehicles);
- specific lease adjustment related to the specific asset (at the discretion of each individual asset).

The differential interest rate is revised at the beginning of each year according to the current data of the applied methodology. In case of significant deviations, the percentage is subject to revision.

Applicable Rates at Eurohold Bulgaria AD:

	Buildings - Bulgaria	Buildings - UK
Incremental borrowing rate	4,05 %	1,31 %

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Company adopts the threshold of significance for right-of-use assets of BGN 10,000.00, taking the price of the asset as new.

The Company as a Lessor

Classification of leases

The lessor classifies each of its leases as an operating or finance lease. Lessors classify leases according to the extent to which the risks and rewards of ownership of the underlying asset are transferred under the lease agreement.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the underlying asset, and as an operating lease if it does not substantially transfer all the risks and rewards of ownership of the underlying assets. Risks include potential losses from unused capacity or technological aging, as well as from fluctuations in returns due to changing economic conditions. The benefits may be represented by the expected profitable exploitation over the economic life of the underlying asset and the expected profit from the increase in value or the realization of the residual value.

Whether a lease is a finance lease or an operating lease depends on the substance, not the legal form of the lease.

The classification of the lease agreement is made on the date of entry and is reviewed only if the lease agreement is amended. Changes in valuations or changes in circumstances do not warrant a new classification of the lease for accounting purposes.

Classification of sublease contracts

A transaction in which the underlying asset is leased out by a lessee (the "intermediate lessor") to a third party and the lease agreement (the "principal lease") between the principal and the lessee remains in effect. In the classification of leasing contracts, the intermediate lessor classifies the leasing contract as a finance lease or an operating lease according to the following:

- (a) if the principal lease is a short-term lease that the entity, as lessee, has reported using the exemption requirements, the sublease agreement is classified as an operating lease;
- (b) in all other cases, the sublease agreement is classified according to the rights of use arising from the underlying lease and not depending on the underlying asset.

Operating lease

Recognition and evaluation

The lessor recognizes lease payments under operating leases as revenue on a straight-line basis or on a systematic basis. The lessor applies another systematic basis where that basis more accurately reflects the way in which the benefit of using the underlying asset is reduced.

The lessor adds the initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognizes it as an expense over the lease term on the same basis as the lease income.

The underlying asset subject to operating leases is amortized with the lessor's usual amortization policy for such assets. The depreciation of such an asset is recognized as an expense on the lease term on the same basis as the lease income.

The company subleases part of leased property (*Note 12 "Other income / (expenses), net"*). The Company does not have any leasing contracts classified as finance leases. Based on preserve the risks and rewards on the lessor, the Company has no changes in the reporting of the operating lease income.

Lease income for 2022 amounting to BGN 68 thousand (2021: BGN 492 thousand) is included in the statement of profit or loss and other comprehensive income in the line *"Other income / (expenses), net"*.

Direct operating expenses for 2022 amount to BGN 3 thousand and are reported under *"External service expenses"*, and local taxes and fees in the amount of BGN 29 thousand are reported under *"Other revenues / (expenses), net"* (for 2021 the direct operating expenses amount to BGN 104 thousand, and the expenses for local taxes and fees are BGN 199 thousand). No contingent rents are recognized.

Leases are irrevocable for a period of 2 years from the beginning of the lease. The future minimum lease payments are presented as follows:

	Minimum lease income Up to 1 year BGN'000
As of 31 December 2022	-
As of 31 December 2021	251

Changes to the lease contract

The lessor considers the change in an operating lease as a new lease from the effective date of the change, taking into account any advance or accrued lease payments related to the original lease as part of the lease payments for the new lease.

Presentation

The lessor presents in its statement of financial position the underlying assets subject to operating leases in accordance with their nature.

Operating lease income, when the company is a lessor, is recognized as income on a straight-line basis over the term of the lease. The Company did not require adjustments in accounting for the assets held as lessor as a result of the adoption of the new leasing standard. Eurohold Bulgaria AD does not have any assets for financial lease.

2.16. Employee Benefits

Other long-term employee benefits

Defined contribution plans

A defined contribution plan is a plan for post-employment benefits in accordance with which the Company pays contributions to another person and does not have any legal or constructive obligations to make further payments. The Bulgarian government is responsible for providing pensions under the defined contribution plans. The company's engagement costs for transferring contributions under defined contribution plans are recognized currently in profit and loss.

Defined benefit plans

These are post-employment benefit plans other than defined contribution plans. The net payable of the Company with regard to defined benefit plans is calculated by estimating the amount of future benefits the employees are entitled to in return for their services during the current and previous years; and these benefits are discounted in order to define their present value.

The Company has the obligation to pay retirement benefits to those of its employees who retire in compliance with the requirements of article 222, paragraph 3 of the Labor Code (LC) in Bulgaria. In accordance with these provisions of the LC, upon the termination of the employment agreement of an employee who is entitled to a pension, the employer pays them compensation in the amount of two monthly gross salaries. Provided the worker or employee has 10 or more years' length of service as at the date of retirement, such compensation is in the amount of six-monthly gross salaries. As of the date of the separate statement of financial position, the Company measures the approximate amount of potential expenses for all employees by using the estimated credit units.

Retirement benefits

Retirement benefits are recognized as an expense when the Company has clear engagements, without an actual opportunity to withdraw, with an official detailed plan either for termination of employment relations before the normal retirement date, or for payment of compensation upon termination as a result of a proposal for voluntary retirement.

Benefits upon voluntary retirement are recognized as an expense if the Company has made an official proposal for voluntary termination and the offer would be probably accepted, and the number of employees who have accepted the offer may be reliably measured. If compensations are payable for more than 12 months after the end of the reporting period, they are discounted up to their present value.

Short-term employee benefits

Payables for short-term employee benefits are measured on a non-discounted basis and are stated as an expense when the related services are provided. Liability is recognized for the amount that is expected to be paid as a short-term bonus in cash or profit distribution plans, provided the Company has legal or constructive obligation to pay such amount as a result of previous services rendered by an employee, and such obligation may be reliably measured.

The company recognizes as payable the non-discounted amount of measured paid annual leave expenses that are expected to be paid to the employees in return for their services for the past reporting period.

2.17. Financial Instruments

2.17.1. Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual terms of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities are derecognized when the obligation specified in the contract is fulfilled, cancelled or expires.

2.17.2. Classification and initial measurement of the financial instrument

Initially, financial assets are carried at fair value, adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables that do not contain a material financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs, which are reported as current expenses. The initial measurement of trade receivables that do not contain a material financial component represents the transaction price under IFRS 15.

Depending on the method of subsequent reporting, financial assets are classified in one of the following categories:

- debt instruments at amortized cost;
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income, with or without reclassification of profit or loss, whether debt or equity.

The classification of financial assets is determined on the basis of the following two conditions:

- the business model of the Company for the management of financial assets;
- the characteristics of the contractual cash flows of the financial asset.

All income and expenses related to financial assets that are recognized in profit or loss are included in financial expenses, financial income or other financial positions, except for the impairment of trade receivables, which is presented in the line (Accrued) / recovered loss from impairment of financial assets, net in the statement of profit or loss and other comprehensive income.

2.17.3. Subsequent measurement of financial assets

Debt instruments at amortized cost

Financial assets are measured at amortized cost if the assets meet the following criteria and are not designated at fair value through profit or loss:

- the company manages the assets within a business model that aims to hold the financial assets and collect their contractual cash flows;
- under contractual terms and conditions of the financial asset, cash flows occur at specific dates, which are only principal payments and interest on the principal outstanding.

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is not done when its effect is insignificant. The Company classifies in this category cash and cash equivalents, trade and other receivables, as well as listed and unlisted bonds.

Trade receivables

Trade receivables are amounts owed by customers for goods or services sold in the ordinary course of business. They are usually due for settlement in the short term and are therefore classified as current. Trade receivables are recognized initially at the amount of the unconditional remuneration, unless they contain significant components of financing. The Company holds trade receivables to collect contractual cash flows and therefore measures them at amortized cost using the effective interest method. Discounting is not done when its effect is insignificant.

Financial assets at fair value through profit or loss

Financial assets for which a contractual "cash flow business model" or a "held-for-sale business model" is not applicable, as well as financial assets whose contractual cash flows, are not solely principal and interest payments, are accounted for at fair value through profit or loss. All derivative financial instruments are reported in this category except those that are designated and effective as hedging instruments and to which the hedge accounting requirements apply.

Changes in the fair value of assets in this category are reflected in profit or loss. The fair value of financial assets in this category is determined by quoted prices in an active market or by using valuation techniques in the absence of an active market.

2.17.4. Impairment of financial assets

IFRS 9 requires the Company to recognize a provision for expected credit losses for all debt instruments that are not carried at fair value through profit or loss and for contract assets.

Instruments that fall under the new requirements include loans and other financial assets measured at amortized cost / fair value through other comprehensive income, trade receivables, contract assets recognized and measured under IFRS 15, and credit commitments and some financial guarantee contracts (with the issuer) that are not reported at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the occurrence of a credit loss event. Instead, the Company considers a wider range of information in assessing credit risk and assessing expected credit losses, including past events, current conditions, reasonable and supportive forecasts that affect the expected future cash flow of the instrument.

In implementing this forward-looking approach, a distinction is made between:

- financial instruments whose credit quality has not significantly deteriorated since the initial recognition or have low credit risk (Phase 1).
- financial instruments whose credit quality has deteriorated significantly since the time of initial recognition or where the credit risk is not low (Phase 2).
- "Phase 3" covers financial assets that have objective evidence of impairment at the reporting date. None of the Company's financial assets fall into this category.

12-month expected credit losses are recognized for the first category, while the expected losses over the life of the financial instruments are recognized for the second category. Expected credit losses are determined as the difference between all contractual cash flows attributable to the Company and the cash flows it is actually expected to receive ("cash deficit"). This difference is discounted at the original effective interest rate (or the effective interest rate corrected to the credit).

The calculation of expected credit losses is determined on the basis of the probability-weighted estimate of credit losses over the expected period of the financial instruments.

Trade and other receivables, contracted assets

The Company uses a simplified approach to accounting for trade and other receivables as well as contract assets and recognizes impairment losses as expected credit losses over the entire period. They represent the expected shortfall in contractual cash flows, given the possibility of default at any time during the term of the financial instrument. The Company uses its accumulated experience, external indicators and long-term information to calculate the expected credit losses through customer allocation by industry and time structure of receivables and using a maturity of provisions.

2.17.5. Classification and measurement of financial liabilities

Financial liabilities include loans, payables to suppliers and other counterparties.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Company has designated a financial liability as measured at fair value through profit or loss.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for derivatives and financial liabilities that are designated at fair value through profit or loss (except for derivative financial instruments that are designated and effective as hedges tool).

Financial liabilities are recognized over the period of the loan with the amount of proceeds received, the principal less transaction costs. In subsequent periods, financial liabilities are measured at an amortized cost equal to the capitalized value when the effective interest rate method is applied. In the separate financial statement of profit or loss and other comprehensive income, borrowing costs are recognized over the period of the loan.

Current liabilities, such as payables to suppliers, subsidiaries and associates and other payables, are measured at amortized cost, which generally corresponds to the nominal value.

2.17.6. Securities sale and repurchase agreements

Securities can be rented or sold with a commitment to repurchase them (repo). These securities continue to be recognized in the statement of financial position when all material risks and rewards of ownership remain at the expense of the Company. In this case, a liability to the other party to the contract is recognized in the statement of financial position when the Company receives cash consideration.

Similarly, when the Company borrows or purchases securities with a commitment to repurchase them (reverse repo), but does not acquire the risks and rewards of ownership of the transactions, the transactions are treated as collateralised loans when the cash consideration is paid. Securities are not recognized in the statement of financial position.

The difference between the sale price and the redemption price is recognized by instalments over the period of the contract using the effective interest method. Leased-in securities continue to be recognized in the statement of financial position. Hired securities are not recognized in the statement of financial position unless they are sold to third parties, where the redemption obligation is recognized as a trading liability at fair value and the subsequent profit or loss is included in the net operating result.

2.18. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts and short-term deposits, including repo at banks whose original maturity is up to 3 months. For the purposes of the separate statement of cash flows, bank deposits are analysed and presented in compliance with the Company's purposes and intentions for earning therefrom, as well as the actual maintained duration of investing in such type of deposits.

2.19. Equity and reserves

Equity is presented at its nominal value pursuant to the court decisions for its registration.

The premium reserve includes premiums earned on the initial equity issue. All costs related to the issue of shares are deducted from the paid-in capital, net of tax relief.

Other reserves include statutory reserves, general reserves.

In accordance with the requirements of the Commerce Act and the Articles of Association, the Company is obliged to establish a Reserve Fund and the sources of such fund may be as follows:

- At least one-tenth of the profit being allocated until the fund amount reaches one tenth or bigger part of the capital as set out in the Articles of Association;
- The received funds exceeding the nominal value of shares upon issue thereof (premium reserve);
- Other sources as set out by resolution of the General meeting.

The funds may be used for covering annual losses or losses from previous years only. When the fund reaches the minimum amount as set out in the Articles of Association, the excess may be used for capital increase.

Retained earnings include current financial results and accumulated profits and uncovered losses from previous years.

Dividend payment obligations to shareholders are included in the line "Other short-term liabilities" in the statement of financial position when the dividends are approved for distribution by the general meeting of shareholders before the end of the reporting period. All transactions with the owners of the Company are presented separately in the statement of changes in equity.

2.20. Earnings per share

The basic earnings per share are calculated by dividing the net profit or loss for the period that is subject to distribution among shareholders – holders of ordinary shares, by the average weighted number of ordinary shares held during the period.

The average weighted number of shares is the number of ordinary shares held at the beginning of the period adjusted with the number of redeemed ordinary shares and the number of newly issued shares multiplied by the average time factor. Such a factor expresses the number of days in which the respective shares have been held towards the total number of days during the period.

Upon capitalization, bonus issue or division, the number of outstanding ordinary shares until the date of such event is adjusted to reflect the proportionate change in the number of outstanding ordinary shares as if the event has occurred at the beginning of the earliest period presented.

Earnings per shares with decreased value are not calculated as no potential shares with decreased value are issued.

2.21. Liability Provisions

Provisions are recognized when it is probable that current liabilities resulting from a past event will result in an outflow of resources from the Company and a reliable estimate of the amount of the liability can be made. The timing or amount of cash outflow may be uncertain. A present obligation arises from the existence of a legal or constructive obligation as a result of past events, such as guarantees, legal disputes or burdensome contracts. Restructuring provisions are recognized only if a detailed formal restructuring plan has been developed and implemented or management has announced the main points of the restructuring plan to those who would be affected. Provisions for future operating losses are not recognized.

The amount recognized as a provision is calculated on the basis of the most reliable estimate of the costs required to settle a current liability at the end of the reporting period, taking into account the risks and uncertainties associated with the current liability. Where there are a number of similar obligations, the probable need for an outflow to settle the obligation is determined taking into account the group of liabilities as a whole. Provisions are discounted when the effect of time differences in the value of money is significant.

Third-party benefits in respect of a liability that the Company is certain to receive are recognized as a separate asset. This asset may not exceed the value of the provision in question.

Provisions are revised at the end of each reporting period and adjusted to reflect the best estimate.

In cases where an outflow of economic resources is unlikely to occur as a result of current liability, a liability is not recognized. Contingent liabilities should subsequently be measured at the higher value between the comparable provision described above and the initially recognized amount, less accumulated depreciation.

Possible inflows of economic benefits that do not yet meet the criteria for recognition of an asset are considered contingent assets. They are described together with the contingent liabilities of the Company in Note 29. *Contingent liabilities and commitments*.

2.22. Judgments that are crucial for the application of the Company's accounting policy. Key estimates and assumptions with high uncertainty.

2.22.1. Significant management judgments in applying accounting policies

The management's significant judgments in applying the Company's accounting policies that have the most significant effect on the financial statements are set out below:

Deferred tax assets

The assessment of probability for future taxable income for the utilization of deferred tax assets is based on the last approved budget forecast adjusted with regard to material untaxable income and expenses and specific restrictions for carrying forward unused tax losses or credits. If a reliable estimate for taxable income suggests the probable use of deferred tax assets, in particular in case the asset may be used without a time limit, then the deferred tax asset is recognized in full. The recognition of deferred tax assets that are subject to specific legal or economic restrictions or uncertainty should be judged by the management on a case-by-case basis on the grounds of specific facts and circumstances.

On the basis of this approach and applying a high level of conservatism, the management has judged not to recognize deferred tax asset to the annual separate financial statements for 2022, as follows:

- Tax loss as of 31.12.2022 in amount of BGN 7 753 thousand (as of 31.12.2021 – BGN 4 979 thousand)
- Thin capitalization under art. 43a as of 31.12.2022 in amount of BGN 6 961 thousand (as of 31.12.2021 in amount of BGN 4 826 thousand)
- Impairment of receivables as of 31.12.2022 in the amount of BGN 296 thousand (as of 31.12.2021 – BGN 65 thousand).
- Accumulated unused (compensable) leave as of 31.12.2022 in the amount of BGN 3 thousand (as of 31.12.2021 - BGN 2 thousand).

Debt instruments measured at amortized cost

Management's analysis and intentions are endorsed by the debt-holding business model, which is eligible to receive principal and interest payments only and the assets are held until the contractual cash flows of the bonds, which are classified as debt instruments, have been measured at amortized cost. This decision is consistent with the current liquidity and capital of the Company.

Leases

In accordance with IFRS 16 Leases, management classifies sublease contracts as operating leases. In some cases, the lease transaction is not straightforward and management assesses whether the contract is a finance lease in which all material risks and rewards of ownership are transferred to the lessee or an operating lease, where substantially all the risks and rewards of ownership are transferred the underlying asset.

2.22.2. Uncertainty of accounting estimates

In preparing the financial statement, management makes a number of assumptions, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Actual results may differ from management's assumptions, estimates, and assumptions and, in rare cases, may be fully consistent with previously estimated results.

In preparing the presented separate annual financial statements, the management's significant judgments in applying the accounting policies of the Company and the main sources of uncertainty of the accounting estimates do not differ from those disclosed in the annual separate financial statements of the Company as of 31 December 2021.

Impairment of investments in subsidiaries

The amount with which the book value of an asset or a cash flow generating unit exceeds their replacement cost, which is the higher of the fair value less the sale cost of an asset, and its value in use, is recognized as an impairment loss. For the purposes of defining the value in use, the Company's management calculates the expected future cash flows per cash flow generating unit and defines an appropriate discount factor for the purposes of calculating the present value of these cash flows. Upon calculating the expected future cash flows, the management makes assumptions about the future gross profits. These assumptions are related to future events and facts. The actual results may differ and require significant adjustments in the Company's assets during the next reporting year.

In most cases, when defining the applicable discount factor, an assessment of appropriate adjustments with regard to the market risk and the risk factors inherent to different assets should be made.

External appraisals are used in order to determine the fair values of investments in subsidiaries for each calendar year. When applying valuation techniques, management makes maximum use of market data and assumptions that market participants would accept when evaluating an instrument. In the absence of relevant market data, management uses its best assessment of the assumptions that market participants would make. These estimates may differ from the actual prices that would have been determined in a fair market transaction between informed and willing parties at the end of the reporting period.

The company reported losses from impairment of investments in subsidiaries in 2022 in the amount of BGN 52 715 thousand (2021: BGN 64 772 thousand) (*Notes 13.1*).

Impairment of loans and receivables

The company has developed a model of expected credit losses and assesses the adequacy of impairment based on age analysis of receivables, historical experience on the level of write-off of bad debts and analysis of the solvency of the counterparty, changes in agreed payment terms and more. If the financial position and performance of the counterparties become worse than expected, the value of receivables that should be derecognized during the next reporting periods may be higher than the one expected as at the reporting date.

Fair value of financial instruments

The management uses techniques to measure the fair value of financial instruments if there are no quoted prices at the active market. Detailed information about the assumptions used is presented in the explanatory notes to the financial assets and liabilities. In applying assessment techniques, to the maximum extent, the management uses market data and assumptions that market stakeholders would assume upon assessing a financial instrument. In case there are no applicable market data, the management applies its best estimate of assumptions that the market stakeholders would make. These assessments may differ from the actual prices that would be defined in an arm's length transaction between informed and willing parties at the end of the reporting period.

2.23. Financial risk management

Categories of financial assets and liabilities

The carrying amounts of the Company's financial assets and liabilities may be presented in the following categories:

	Note	31.12.2022 BGN'000	31.12.2021 BGN'000
Financial assets			
Debt instruments at amortized cost:			
Receivables by related parties	16	23 759	849
Other receivables	17	16 236	450
Cash and cash equivalents	18	2 238	115
		42 233	1 414
Financial liabilities			
Financial liabilities at amortized cost:			
Subordinated debts	20	8 580	7 201
Loans from financial and non-financial institutions	21	181 679	46 636
Bonds liabilities	22	235 682	215 220
Liabilities to related parties	23, 26	23 072	102 529
Trade payables	25	1 374	1 328
Other liabilities	24, 27	2 623	2 669
		453 010	375 583

Please see note 2.17. *Financial Instruments* for accounting policy information for each category of financial instruments. The methods applied to measure the fair values of financial assets and liabilities at fair value are described in note 2.25. *Determination of fair values*. A description of the Company's risk management policies and objectives regarding financial instruments is presented below.

Factors Determining Financial Risk

In the implementation of its activity, the Company is exposed to diverse financial risks: market risk (including currency risk, risk from change of financial instruments fair value under the impact of market interest rates and price risk), credit risk, liquidity risk and risk from change of future cash flows due to a change in market interest rates. The overall risk management program emphasizes the unpredictability of financial markets and is aimed at mitigating the possible adverse effects on the Company's financial result.

The most significant financial risks to which the Company is exposed are described below:

2.23.1. Market risk analysis

Due to the use of financial instruments, the Company is exposed to market risk and in particular to the risk of changes in the exchange rate, interest rate risk and the risk of changes in specific prices, which is due to the operational and investment activity of the Company.

Currency risk

The Company is exposed to currency risk as a result of the settlements in foreign currency and through its assets and liabilities denominated in foreign currency. The majority of the Company's transactions are in Bulgarian lev. The Company's foreign transactions, denominated principally in Euro, British pounds, Czech crowns to US dollars, expose the Company to foreign exchange risk.

The Company owns investments in euro. The company has loans, issued bonds and liabilities in foreign currency – Euro, British pounds and US dollars. As the BGN/ EUR exchange rate is pegged at 1.95583, the currency risk caused by the euro expositions of the Company is on its minimum.

Financial assets and liabilities denominated in foreign currencies and translated into BGN at the end of the reporting period are presented as follows:

	Short-term exposure		
	British pounds	Czech crowns	US dollars
	BGN'000	BGN'000	BGN'000
31 December 2022			
Financial assets	7	-	-
Financial liabilities	(76)	(29)	(64)
Total risk exposure	(69)	(29)	(64)
31 December 2021			
Financial assets	270	-	-
Financial liabilities	(199)	(47)	(546)
Total risk exposure	71	(47)	(546)

The tables below show the sensitivity of the annual net financial result after taxes and equity to a probable change in the exchange rates of the Bulgarian lev against the following foreign currencies:

- British Pounds +/- 4.07% (for 2021 +/- 2.22%)
- Czech crowns +/- 1.81% (for 2021 +/- 3.07%)
- US dollars +/- 1.58% (for 2021 +/- 4.18%)

All other parameters are considered constant.

These rates are based on average exchange rates over the last 12 months of 2022 year. The sensitivity analysis is based on the investments of the Company in foreign currency financial instruments held at the end of the reporting period.

31 December 2022	Increase of the Bulgarian Lev rate		Decrease of the Bulgarian lev rate	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
British Pounds +/- 4.07%	3	3	(3)	(3)
Czech crowns +/- 1.81%	1	1	(1)	(1)
US dollars +/- 1.58%	1	1	(1)	(1)
31 December 2021				
	Increase of the Bulgarian Lev rate		Decrease of the Bulgarian lev rate	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
British Pounds +/- 2.22%	2	2	(2)	(2)
Czech crowns +/- 3.07%	1	1	(1)	(1)
US dollars +/- 4.18%	23	23	(23)	(23)

Exposure to exchange rate fluctuations varies throughout the year depending on the volume of international transactions performed. However, the analysis presented above is considered to represent the Company's exposure to currency risk.

Interest Rate Risk

The Company's policy is aimed at minimizing the interest risk with regard to long-term funding. Therefore, part of the long-term borrowings is with fixed interest rates. As of 31 December 2022, the Company is exposed to the risk of changes in market interest rates on its bank loans, some of which have an interest rate equal to the sum of the fixed component and 3M EURIBOR. This risk arises in the second half of 2022 since the values of 3M EURIBOR exceed zero. All other financial assets and liabilities of the Company have fixed interest rates. All investments in bonds of the Company are paid out on the basis of fixed interest rates.

Loans that are exposed to interest rate risk are presented as follows:

Interest Rate Risk Exposure			
Loan	Exposure as at 31.12.2022 BGN'000	Interest rate	Maturity date
Subordinated debt instruments, not issued, tier 1 capital	8 214	6.00% + 3m EURIBOR	Not specified
International Asset Bank	9 036	6.00% + 3m EURIBOR	03.2025
International Asset Bank	12 638	5.00% + 3m EURIBOR	01.2029
JP Morgan SE	78 233	8.75% + 3m EURIBOR	06.2023
Total risk exposure	108 121		

The tables presented below show the sensitivity of the annual net financial result after tax and equity to a likely change in interest rates on loans with a floating interest rate based on a fixed component plus 3M EURIBOR, in the amount of +/- 43.17 % (for 2021 : no reported risk, since 3M EURIBOR had a negative value and is deemed to be zero). These changes are determined to be probable based on observations of current market conditions. The calculations are based on the change in the average 3M EURIBOR from the moment the values exceed zero and on the financial instruments held by the Company at the end of the reporting period, which are sensitive to interest rate changes. All other parameters are assumed to be constant.

31 December 2022	Increase in interest rate		Decrease in interest rate	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
Subordinated debt instruments, not issued, tier 1 capital	213	213	(213)	(213)
International Asset Bank	234	234	(234)	(234)
International Asset Bank	273	273	(273)	(273)
JP Morgan SE	2 955	2 955	(2 955)	(2 955)

Other risks – macroeconomic risks

The economic consequences of the military conflict in Ukraine and the unprecedented increase in the price of energy resources in 2022 have had serious price effects on the overall global economy, a substantial rise in inflation and a difficulty in the supply of energy resources. Other manifested effects of the beginning of the hostilities are: a decline in economic growth, an uncertain international environment, problems with gas supplies and a significant increase in gas prices, a surge in prices for trading in electricity, fuels and other petroleum products, difficulties in the supply chain, due to restrictive and logistical problems, strong volatility in stock markets under the pressure of fluctuations in fuel and other basic resource markets, increased interest rates, a shaky banking system, etc.

The company has analyzed, on the basis of the currently available data, the potential effect on its financial position and, in particular, on the models used, according to IFRS 9.

This disclosure complies with the requirements of IFRS 7 and IFRS 9, as well as the recommendations of the European Securities and Markets Authority (ESMA).

Macroeconomic forecast

According to the latest Economic Bulletin of the ECB, no. 8/2022 - The global economy is slowing amid ongoing geopolitical uncertainty, particularly as a result of Russia's unjustified war against Ukraine, and a widespread tightening of financing conditions. As the economic fallout from the war in Ukraine continues to play out and fuel strong inflationary pressures, indicators of consumer and business confidence remain weak, with real disposable incomes falling and rising cost pressures constraining output. The negative economic consequences are expected to be partially mitigated by fiscal policy measures. In the medium term, as the energy market rebalances, uncertainty is expected to decrease and real incomes to improve. As a result, economic growth is expected to pick up, supported by strengthening external demand and the removal of remaining supply constraints, despite less favorable financing conditions. The labor market is expected to remain relatively resilient in the coming moderate recession. Overall, average annual real GDP growth is expected to slow significantly, from 3.4% in 2022 to 0.5% in 2023, before accelerating to 1.9% in 2024 and to 1.8% in 2025

In the Macroeconomic Forecast of the BNB from December 2022, the expectations for the growth of the real GDP in 2023 is to slow down significantly to 0.4%, which will be determined mostly by the transition from a positive to a negative contribution of the change in stocks in the economy. The growth of economic activity is expected to accelerate to 3.2% in 2024, which will be mainly due to the formation of a low positive contribution of net exports due to the recovery of growth in exports of goods. Annual inflation, measured by the Harmonized Index of Consumer Prices (HICP), is forecast to slow to 4.2% at the end of 2023, with inflation expected to average 7.0% for the year, with short-term pressure on production prices resulting from factors such as realized commodity price increases and supply and labor shortages will continue to weigh on consumer prices. The forecast for inflation at the end of 2024 is for it to slow down to 3.3%, following the downward dynamics of the prices of food and energy raw materials on the international markets.

Source: www.bnb.bg

Eurohold Bulgaria AD strives to monitor the probability of the manifestation of the macroeconomic risk and develops group measures to mitigate as much as possible the impact of the effects that the presence of this risk may have. However, the Holding cannot completely exclude and limit its influence on the business, financial position, profits and cash flows at the group level. There is also the possibility that the occurrence of this risk may exacerbate other risks or a combination of risks.

Effect on economic growth

The table below presents information on the expectations for economic growth of the Republic of Bulgaria, according to the data of the International Monetary Fund (October 2022: <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>).

The updated report of the International Monetary Fund from 31.01.2023 does not contain an updated forecast for the GDP of the Republic of Bulgaria. <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

	Historical data					Forecast	
	2017	2018	2019	2020	2021	2022	2023
Economic GDP growth	2.8%	2.7%	4.0%	(4.4)%	4.2 %	3.9	3.0%

The table below presents information on the economic growth expectations of the countries of the Eurozone (representing the main external market of the Republic of Bulgaria) according to the data of the International Monetary Fund, including forecast data after the onset of the pandemic situation related to Covid-19 (Coronavirus).

	Historical data					Preliminary assessment	Forecast
	2017	2018	2019	2020	2021	2022	2023
Economic GDP growth of Bulgaria (forecast from October 2022)	2.6%	1.9%	1.5%	(6.3)%	5.2%	3.5%	0.7%

The Company's management has also analysed the expected economic development of the countries where it operates, as the historical and forecast data from the International Monetary Fund are presented in the table below (data from October 2022):

Forecast October 2022	Historical data					Preliminary assessment	Forecast
	2017	2018	2019	2020	2021	2022	2023
Republic of Romania	7.3%	4.5%	4.2%	(3.7)%	5.9%	4.7%	3.1%
Republic of North Macedonia	1.1%	2.9%	3.9%	(6.1)%	4.0%	2.7%	3.0%
Republic of Ukraine	2.4%	3.5%	3.2%	(3.8)%	3.4%	(35.0)%	...
Republic of Georgia	4.8%	4.8%	5.0%	(6.8)%	10.4%	9.0%	4.0%
Hellenic Republic	1.3%	1.6%	1.9%	(8.2)%	8.3%	5.2%	1.8%
Republic of Poland	4.8%	5.4%	4.7%	(2.2)%	5.9%	3.8%	0.5%
Italy Republic *	1.7%	0.9%	0.3%	(8.9)%	6.7%	3.9%	0.6%
Kingdom of Spain *	3.0%	2.3%	2.1%	(10.8)%	5.1%	5.2%	1.1%
United Kingdom *	1.7%	1.3%	1.4%	(9.8)%	7.4%	4.1%	(0.6)%

* Forecast data update for 2023 available and preliminary assessment of data for 2022 in the report of the International Monetary Fund dated 31.01.2023.

As can be seen from the above data, the Management takes into account the possible short-term risks to the general development of the economy of the main countries in which it operates, as in some of the markets the expected decrease in the Gross Domestic Product would be significant, but also takes into account the general expectations for a rapid recovery in the period 2022-2023 with expectations of a return to average pre-Covid-19 (Coronavirus) forecast growth levels.

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	Outlook
Republic of Bulgaria	BBB	Positive
Eurohold Bulgaria AD (October 2022)	B+	Stable

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

	Before Covid-19		After Covid-19		After the military actions in Ukraine	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Republic of Romania	BBB	Stable	BBB	Negative	BBB	Negative
Republic of North Macedonia	BB+	Stable	BB+	Negative	BB+	Negative
Republic of Ukraine	B	Positive	B	Positive	CC	-
Republic of Georgia	BB	Stable	BB	Stable	BB	Positive
Hellenic Republic	BB	Stable	BB	Stable	BB	Stable
Republic of Poland	A-	Stable	A-	Stable	A-	Stable
Republic of Italy	BBB	Negative	BBB-	Stable	BBB	Stable
Kingdom of Spain	A-	Stable	A-	Stable	A-	Stable
United Kingdom	AA	Negative	AA-	Stable	AA-	Negative

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

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 Company's management is that, at the time of issuing this report, no significant deterioration in the credit quality of counterparties due to the war in Russia and Ukraine or the dynamic macroeconomic environment is expected in the short term. Management continues to closely monitor for long-term indications of deterioration.

With respect to the model (including the full and simplified model) for calculating expected credit losses, management believes that no change to the overall model is necessary. The management takes into account the possible short-term risks on the general development of the economy of the main countries in which the Company operates, and in some of the markets the expected reduction of the Gross Domestic Product would be significant, but also takes into account the general expectations for business normalization in 2023, as it is already happening in 2023 with the prices of energy resources.

As of 31 December 2022, both reliable macroeconomic statistics and information on medium-term levels of probability of default are available, Management has decided to:

- Maintain the expected credit loss of exposures that are part of the simplified model (i.e., trade receivables).
- Increase of expected credit loss, of the exposures that are part of the full model (i.e., deposits and cash at bank institutions), as the average increase for deposits was 1.61% and for cash in bank institutions was 25.82%.

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.

Eurohold Bulgaria owns, through its subsidiary Euroins Insurance Group AD, investments in insurance companies in Ukraine, Russia and Belarus (*Note 13*).

The Company has obligations under bank loans to the International Economic Bank, Russia and the International Bank for Economic Cooperation, Russia (*Note 21*).

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

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 December 2022, the Company has not identified significant risks caused by climate change that could have a negative and material impact on the Company's financial statements. 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.

2.23.2. Credit risk analysis

Credit risk is the risk that a counterparty fails to pay its debt to the Company. The Company is exposed to this risk in connection with regard to the various financial instruments, such as the provision of loans, the occurrence of receivables from customers, a deposit of funds and others. The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognized at the end of the reporting period, as set out below:

	<i>Note</i>	31.12.2022 BGN'000	31.12.2021 BGN'000
Groups of financial assets - carrying amounts:			
Debt instruments at amortized cost			
Receivables from related parties	16	23 759	849
Other receivables	17	16 236	450
Cash and cash equivalents	18	2 238	115
Book value		42 233	1 414

The amounts presented in the separate statement of financial position are on a net basis excluding the provisions for doubtful receivables, assessed as such by management, based on previous experience and current economic conditions.

Credit risk on cash and cash equivalents, money market funds derivative financial instruments is considered insignificant as counterparties are banks with good repute and high external credit rating.

2.23.3. Liquidity risk analysis

Liquidity risk is the risk that the company may encounter difficulties in servicing its financial obligations when they become payable. Policy in this field is aimed at ensuring that there will be enough cash available to service its maturing obligations, including in exceptional and unforeseen conditions. The management's objective is to maintain continuous balance between continuity and flexibility of financial resources by using adequate forms of funding.

The company's management is responsible for managing the liquidity risk and involves maintaining enough cash available, arranging adequate credit lines, preparation of analysis and update of cash flows estimates.

The table below presents an analysis of the liabilities of Eurohold Bulgaria AD by maturity periods, based on the residual term from the date of the separate statement of financial position to the date of realization of the liability based on the agreed undiscounted payments:

31.12.2022	Note	Up to 1 month BGN '000	1-3 months BGN '000	3-12 months BGN '000	1-5 years BGN '000	Over 5 years BGN '000	Total BGN '000
Liabilities by residual maturity							
Subordinated debts	20	-	-	-	8 580	-	8 580
Loans and Borrowings	21	5 827	1 036	158 261	14 449	2 106	181 679
Bond liabilities	22	-	794	777	155 906	78 205	235 682
Trade payables	25	1 374	-	-	-	-	1 374
Related parties' liabilities	23,26	-	-	9 275	13 797	-	23 072
Other current liabilities	24,27	1 226	33	223	812	329	2 623
TOTAL		8 427	1 863	168 536	193 544	80 640	453 010

In the previous reporting period, the maturities of the Company's contractual obligations are summarized as follows:

31.12.2021	Note	Up to 1 month BGN '000	1-3 months BGN '000	3-12 months BGN '000	1-5 years BGN '000	Over 5 years BGN '000	Total BGN '000
Liabilities by residual maturity							
Subordinated debts	20	-	-	-	7 201	-	7 201
Loans and Borrowings	21	1 986	-	35 644	9 006	-	46 636
Bond liabilities	22	-	-	136 987	19 558	58 675	215 220
Trade payables	25	1 328	-	-	-	-	1 328
Related parties' liabilities	23,26	4 931	19 707	16 966	60 926	-	102 529
Other current liabilities	24,27	1 192	39	196	716	525	2 669
TOTAL		9 437	19 746	189 793	97 407	59 200	375 583

2.24. Capital risk management

By managing its capital, the Company aims at creating and maintaining opportunities to continue its activity under the going concern assumption and to ensure the respective return of invested funds for the shareholders and economic benefits for the other stakeholders and participants in its business, as well as at maintaining optimal capital structure.

The Company continuously monitors the availability and the structure of the capital based on the debt ratio, and namely the net debt capital to the total amount of capital. Net debt includes all liabilities, subordinated debts, loans, debentures, trade and other payables less the book value of cash and cash equivalents.

The equity for the reporting periods presented can be analysed as follows:

	31.12.2022 BGN '000	31.12.2021 BGN '000
Total equity	242 602	344 749
Total liabilities, subordinated debts, loans, bond debt, trade and other liabilities	453 010	375 583
- Cash and cash equivalents	(2 238)	(115)
Net debt	450 772	375 468
Total equity (Equity + net debt)	693 374	720 217
Debt ratio (Net debt/total equity)	65%	52%

The increase in the leverage ratio in 2022 is mainly due to a new Bond with ISIN: BG2100002224 in the amount of EUR 40,000,000 (*Note 22*).

2.25. Determination of fair values

2.25.1. Fair value measurement of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities, to which the Company may have access at the valuation date.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

A financial asset or liability is classified at the lowest level of material input used to determine its fair value.

Fair value measurement In thousand BGN	Note	Book value 31.12.2022	Fair value			
			Level 1	Level 2	Level 3	31.12.2022
Stock traded repurchase bonds	22	59 263	59 263	-	-	59 263
		59 263	59 263	-	-	59 263

Fair value measurement In thousand BGN	Note	Book value 31.12.2021	Fair value			
			Level 1	Level 2	Level 3	31.12.2021
Stock traded repurchase bonds	22	-	-	-	-	-
		-	-	-	-	-

There were no significant transfers between levels during the reporting periods.

Determination of fair value

The valuation methods and techniques used to determine fair value have not changed from the previous reporting period.

Stock traded repurchase bonds

All marketable bonds are represented in Bulgarian Leva and are publicly traded on the Irish Stock Exchange, Bonds Section. Fair values have been determined on the basis of their stock exchange price as of the reporting date (*Note 22*).

2.25.2. Fair value measurement of non-financial assets

Fair value is the price that would have been obtained by selling an asset or paid by transferring a liability in the ordinary course of trade between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability is carried out:

- the main market for that asset or liability.
or
- in the absence of a primary market, the most favourable market for that asset or liability.

The main or most favourable market must be accessible to the Company.

The measurement of the fair value of a non-financial asset takes into account the ability of a market participant to generate economic benefits by using the asset to maximize its value or by selling it to another market participant who will use it in such a way. The Company uses appropriate valuation methods for which there is sufficient data available to measure fair value, using the maximum relevant observable hypotheses and minimizing the use of the unobservable.

The following table presents the levels in the hierarchy of non-financial assets as at 31 December 2022 and 31 December 2021, measured at fair value at regular intervals:

Fair value measurement In thousand BGN	<i>Note</i>	Book value	Fair value			
		31.12.2022	Level 1	Level 2	Level 3	31.12.2022
Investments in subsidiaries	13	651 950	-	-	651 950	651 950
		651 950	-	-	651 950	651 950

Fair value measurement In thousand BGN	<i>Note</i>	Book value	Fair value			
		31.12.2021	Level 1	Level 2	Level 3	31.12.2021
Investments in subsidiaries	13	717 093	-	-	717 093	717 093
		717 093	-	-	717 093	717 093

At each date of the statement of financial position, management makes an analysis and evaluation of whether there are any indicators of impairment of its investments in subsidiaries. The Company took into account the carrying amount of investments and their net assets, among other factors, when reviewing for impairment indications.

The main indicators of impairment are: significant reduction of the volume and / or cessation of the company in which it is invested, losses in the customer market or technological problems, reporting losses over a longer period of time, reporting negative net assets or assets below the registered share capital, trends of deterioration of key financial indicators, as well as a decrease in market capitalization. The Company requires external appraisers to determine the fair values of investments in subsidiaries for each calendar year.

The fair value of investments in subsidiaries of the Company is determined on the basis of reports of independent licensed appraisers.

The fair value of investments in subsidiaries is based on the following methods used:

- Eastern European Electric Company II B.V. - Net Asset Value Method;
- Euroins Insurance Group AD - Net Asset Value Method;
- Euro-finance AD - Discounted net flows method - 90%, the method of industry coefficients 10%;
- Auto Union AD - Net Asset Value Method (31.12.2021);
- Eurolease Group EAD - Net Asset Value Method (31.12.2021).

The discounted cash flow method is used to determine the value of a business in terms of its future and expected profitability. In this method, net cash flows are determined by reducing EBITDA (profit before taxes, interest and depreciation) by changing net working capital by investing in non-current assets, without

taking into account cash flows related to borrowing, payment of interest on them and cash. The developed business forecast for the development of the company was used as the basis of the method.

The industry coefficients method (Market Multiplier Method) reflects the prices currently being marketed for other similar businesses and provides an indication of the usual opinion of market participants. It is based on derived indicators of the realized transactions.

The net asset value method is a fundamental way of determining the value of a company or its shares using models based on the value of the assets of the company less its liabilities. This method assumes that in a competitive environment, a "reasonable buyer" would not pay more to the company than he would have received for obtaining similar assets (with the same characteristics and condition, degree of suitability, usability, etc.), without commitment.

The tests and assessments of management for impairment of investments are made through the prism of its forecasts and intentions regarding the future economic benefits that are expected to be received from the subsidiaries, including commercial and industrial experience, securing positions in Bulgarian and foreign markets, expectations for future sales and others. The calculations were made with the assistance of an independent licensed appraiser.

31 December 2022
In BGN'000

Company	Share in equity in%	The book value of the subsidiary	Recoverable amount of the subsidiary	Exceeding recoverable amount over the book value
Euroins Insurance Group AD	90.10%	523 815	471 100	(52 715)
Eastern European Electric Company II B.V.	100.00%	156 185	202 025	45 840
Euro-Finance AD	99.99%	24 645	43 755	19 110
Electrohold Green EOOD (no activity)	100.00%	20	-	-
		704 665	724 441	12 235

31 December 2021
In BGN'000

Company	Share in equity in%	The book value of the subsidiary	Recoverable amount of the subsidiary	Exceeding recoverable amount over the book value
Euroins Insurance Group AD	90,10%	523 815	721 836	198 021
Eastern European Electric Company II B.V.*	100.00%	141 995	141 995	-
Euro-Finance AD	99,99%	24 645	42 596	17 951
Auto Union AD**	99,99%	66 775	2 003	(64 772)
Eurolease Group AD	90,01%	24 635	34 751	10 116
		781 865	943 181	161 315

* Eastern European Electric Company II B.V. – No valuation was assigned to independent licensed appraisers (*Note 13*).

** Auto Union AD - Determined by the appraisers recoverable value in the amount of BGN 11 882 thousand. Charged additional impairment by the decision of the management up to BGN 2 003 thousand recoverable value (*Note 13.1*).

2.26. Cash Flows

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

The operating cash flows are calculated as a result of the year adjusted with the non-cash operating positions, changes in net turnover capital and corporate tax.

Investment activity cash flows include payments about purchase and sale of fixed assets and cash flows related to the purchase and sale of entities and operations. Purchase and sale of other securities which are not a cash and cash equivalents are also included in the investment activity.

Financial activity cash flows include changes in the amount or composition of share capital and the related costs, the borrowings and the repayment of interest-bearing loans, purchase, and sale of own shares and payment of dividends.

Cash and cash equivalents include bank overdraft, liquidity cash and securities for term less than three months.

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

In BGN'000	Note	As of 1 January 2022	Cash flows from financing activities		Non-monetary adjustments		As of 31 December 2022
			Proceeds	Payments	The effect of changes in exchange rates	Other adjustments	
Subordinated debts	20	7 201	8 214	-	-	(6 835)	8 580
Loans from financial and non-financial institutions	21	46 636	100 354	(37 508)	-	72 197	181 679
Bonds liabilities	22	215 220	126 153	(95 280)	-	(10 411)	235 682
Liabilities to related parties, principal and interest	23,26	91 479	48 573	(120 609)	-	2 529	21 972
Lease liabilities	23,26	1 654	-	(321)	1	106	1 440
Principal and Interest payables	27	1 011	-	(62)	-	(927)	22
Total:		363 201	283 294	(253 780)	1	56 659	449 375

In BGN'000	Note	As of 1 January 2021	Cash flows from financing activities		Non-monetary adjustments		As of 31 December 2021
			Proceeds	Payments	The effect of changes in exchange rates	Other adjustments	
Subordinated debts	20	32 784	391	(25 932)	(1)	(41)	7 201
Loans from financial and non-financial institutions	21	61 692	10 128	(28 570)	-	3 386	46 636
Bonds liabilities	22	194 719	14 659	(22 590)	171	28 261	215 220
Liabilities to related parties, principal and interest	23,26	15 777	111 564	(39 336)	-	3 524	91 529
Lease liabilities	23,26	2 280	-	(828)	(30)	232	1 654
Interest payables	27	14	-	(16)	-	24	22
Total:		307 266	136 742	(117 272)	140	35 386	362 262

3. Dividend income

	2022	2021
	BGN'000	BGN'000
Euro-Finance AD	2 102	223
	2 102	223

4. Gains from the sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations

	2022 BGN'000	2021 BGN'000
Gains from sale of investments in subsidiaries	97	-
Gains from sale of investments and financial instruments	337	481
Income from revaluation of debt instruments measured at fair value	768	338
	1 202	819

2022

Gains from the sale of investments in subsidiaries are related to the transfer of ownership of the shares of Auto Union AD to a third party ([Note 13](#)).

Gains from operations with investments and financial instruments include:

- BGN 133 thousand gains from the sale of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#)).
- BGN 195 thousand gains from operations with purchased own European Commercial Papers (ECP) with ISIN: XS2430057443 ([Note 21](#)).
- BGN 5 thousand gains from the sale of purchased own bonds with ISIN BG2100002224 ([Note 22](#)).
- BGN 4 thousand gains from the sale of other financial instruments.

Revaluations income of debt instruments measured at fair value include:

- BGN 591 thousand from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#)).
- BGN 110 thousand from revaluation of purchased own bonds with ISIN BG2100002224 ([Note 22](#)).
- BGN 67 thousand from revaluation of other financial instruments.

2021

Gains from transactions with investments and financial instruments include:

- BGN 221 thousand gains from transfer of ownership of repurchased own bonds under the EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#)).
- BGN 259 thousand gains from the repurchase of own bonds with ISIN BG2100013205 ([Note 22](#)).
- BGN 1 thousand gain from operations with other financial instruments.

Income from revaluations of debt instruments measured at fair value are:

- BGN 261 thousand from revaluation of purchased own bonds under the EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#)).
- BGN 76 thousand from revaluation of repurchased own bonds 900 pcs. with ISIN BG2100013205 ([Note 22](#)).
- BGN 1 thousand from revaluation of other financial instruments.

5. Interest income

	2022 BGN'000	2021 BGN'000
Interest income - related party loans	356	35
Interest income – third-party loans	3	-
	359	35

5.1. Interest income on loans to related parties

	2022 BGN'000	2021 BGN'000
Auto Union AD (related party until 30.06.2022)	20	5
Motobul EAD (related party until 30.06.2022)	6	11
Auto Union Service EOOD (related party until 30.06.2022)	-	2
Eurolease Group AD (related party until 30.06.2022)	1	-
Euroins Insurance Group AD	328	-
Starcom Holding AD	1	17
	356	35

6. Other financial income

	2022 BGN'000	2021 BGN'000
Foreign exchange gains	21	846
	21	846

7. Interest expense

	2022 BGN'000	2021 BGN'000
Interest expense – bonds EMTN program	11 249	10 855
Interest expense – Bulgarian corporate bonds	3 941	1 907
Interest expense – loans and borrowings	5 008	3 229
Interest expense – related parties' loans and leasing	1 508	3 431
Interest expense – third-party loans	4	125
<i>incl. Leasing</i>	2	-
	21 710	19 547

7.1. Interest expense on borrowings and related parties leasing

	2022 BGN'000	2021 BGN'000
Starcom Holding AD - on loans (<i>Note 20, 23, 26</i>)	890	2 181
IC Euroins AD - on loan agreement of financial instruments (<i>Note 22</i>)	282	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania - on loan agreement of financial instruments (<i>Note 22</i>)	218	-
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	56	260
<i>incl. Leasing</i>	2	4
Eurolease Group AD (related party until 30.06.2022)	34	-
Euroins Insurance Group AD	14	961
Auto Union AD (related party until 30.06.2022)	10	10
Auto Union Service EOOD (related party until 30.06.2022)	4	4
Star Motors EOOD (related party until 11.05.2022)	-	15
	1 508	3 431

8. Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations

	2022	2021
	BGN'000	BGN'000
Losses from sales of investments in subsidiaries	13 469	-
Losses on transactions of investments	1 125	21 190
<i>inc. Losses on transactions of investments with Euro-Finance AD, a subsidiary</i>	<i>139</i>	<i>75</i>
Losses from revaluation of financial investments	1 719	329
	16 313	21 519

2022

Losses from the sales of investments in subsidiaries include:

- BGN 13 464 thousand losses from the sale of the shares of Eurolease Group AD to a third party ([Note 13](#)).
- BGN 5 thousand losses from the sale of the shares of Daru Invest EAD to a third party ([Note 13](#)).

Losses from operations with investments and financial instruments include:

- BGN 536 thousand loss from operations with purchased own bonds with ISIN BG2100002224 ([Note 22](#)).
- BGN 405 thousand loss from operations with purchased own bonds from EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#)).
- BGN 139 thousand in fees and commissions for services of an investment intermediary intermediary Euro-Finance AD, subsidiary ([Note 8.1](#)).
- BGN 39 thousand loss from operations with purchased own European Commercial Papers (ECP) with ISIN: XS2430057443 ([Note 21](#)).
- BGN 6 thousand loss from operations with other financial instruments.

Losses from revaluations of financial instruments include:

- BGN 1 701 thousand from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#)).
- BGN 10 thousand from revaluation of repurchased own European Commercial Papers (ECP) with ISIN: XS2430057443 ([Note 21](#)).
- BGN 4 thousand from the revaluation of purchased own bonds from the EMTN Program in EUR with ISIN BG2100002224 ([Note 22](#)).
- BGN 4 thousand from revaluation of other financial instruments.

2021

Losses from operations with investments and financial instruments include:

- One-off effect in the amount of BGN 20 360 thousand in connection with the transfer of shares to a subsidiary Euroins Insurance Group AD as part of a package deal ([Note 13](#));
- BGN 440 thousand in connection with the restructuring of EMTN Program bonds with ISIN XS1542984288 ([Note 22](#));
- BGN 194 thousand in connection with operations with repurchased own bonds with ISIN BG2100013205 ([Note 22](#));
- BGN 121 thousand in connection with operations with repurchased own bonds from EMTN Program in EUR with ISIN XS1731768302 ([Note 22](#));
- BGN 75 thousand fees and commissions for services of an investment intermediary ([Note 8.1](#)).

Costs from revaluations of financial instruments valued at fair value are:

- BGN 165 thousand from revaluation of purchased own bonds with ISIN XS1731768302 ([Note 22](#));
- BGN 55 thousand from revaluation of purchased own bonds with ISIN BG2100013205 ([Note 22](#)).
- BGN 109 thousand from revaluation of other financial instruments.

9. Other financial expenses

	2022 BGN'000	2021 BGN'000
Bank fees related to loans	6 141	-
Loss from changes in exchange rates	35	789
Bank guarantee fees	-	165
Other finance expenses	21	45
<i>including Other finance expenses with Euro-Finance AD, a subsidiary</i>	-	1
	6 197	999

10. Hired services expenses

	Note	2022 BGN'000	2021 BGN'000
Hired services expenses	10.2	4 559	9 049
Hired services expenses – related parties	10.1	174	49
		4 733	9 098

10.1. Hired services expenses - related parties

	2022 BGN'000	2021 BGN'000
IC Euroins AD – insurance services	173	47
Auto Italia EAD (related party until 30.06.2022) – other services	1	2
	174	49

10.2. Breakdown of the hired services expenses

	2022 BGN'000	2021 BGN'000
Consulting service	1 869	6 415
Legal fees	967	61
Intermediary fees	264	642
Fees	229	299
Advertising cost	189	171
Rents and associated costs	141	210
Credit rating	47	25
Phone and internet service	33	34
Translation services	20	40
Postal and courier services	5	3
Success fees	-	734
Other	795	415
	4 559	9 049

The costs for the independent auditor are BGN 579 thousand in 2022 and are for the commitments for independent financial audit of the annual reports, review of the interim reports and other authorized services. No tax advice provided.

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

	2022 BGN'000	2021 BGN'000
Recoverable loss from impairment of financial assets	801	20
Accrued loss from impairment of financial assets	(3 111)	(629)
	(2 310)	(609)

12. Other revenue/(expenses), net

	2022 BGN'000	2021 BGN'000
Other (expenses)	(770)	(707)
Other (expenses) – related parties	(6)	(10)
(Interest expenses) on right-of-use assets	(53)	(64)
Other revenue, incl.	134	148
<i>Rent income (sublease of right-of-use assets)</i>	8	82
<i>Revenues from discounts (on right-of-use assets)</i>	13	66
<i>Other</i>	113	-
Other revenue – related parties, incl.	117	444
<i>Rent income (sublease of right-of-use assets)</i>	60	410
	(578)	(189)

12.1. Other expenses – related parties

	2022 BGN'000	2021 BGN'000
IC Euroins AD	(3)	(3)
Motobul EAD (related party until 30.06.2022)	(3)	(7)
	(6)	(10)

12.2. Other revenue – related parties

	2022 BGN'000	2021 BGN'000
IC Euroins AD	11	7
Euroins Romania Asiguarare – Reasigurare S.A., Romania	46	27
Hanson Asset Management Ltd, UK - office rental	60	410
	117	444

13. Investments in subsidiaries

	Net value as of 01.01.2022 BGN'000	Increase BGN'000	Decrease BGN'000	Net value as af 31.12.2022 BGN'000	Share capital of the subsidiary BGN'000	% interests in subsidiaries %
Euroins Insurance Group AD	523 815	-	(52 715)	471 100	576 243	90.10%
Eastern European Electric Company II B.V.	141 995	14 190	-	156 185	4	100.00%
Euro-Finance AD	24 645	-	-	24 645	14 100	99.99%
Electrohold Green EOOD	-	20	-	20	20	100.00%
Avto Union AD	2 003	-	(2 003)	-	40 004	-
Eurolease Group AD	24 635	-	(24 635)	-	27 241	-
Daru Invest EAD	-	11 740	(11 740)	-	11 740	-
	717 093	25 950	(91 093)	651 950		

The subject of activity of the subsidiaries is as follows:

- Euroins Insurance Group AD - acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies. The company is active in Bulgaria, Romania, Northern Macedonia, Ukraine, Belarus and Georgia. Euroins Insurance AD, part of Euroins Insurance Group AD, operates on the principle of Freedom of Services in the following Member States of the European Union: Republic of Poland; Republic of Italy; Kingdom of Spain; Germany; Kingdom of the Netherlands. Business area - insurance market. At the end of 2022, Euroins Insurance Group AD sold its investments in Belarus (subsidiary) and Russia (associate). In connection with the termination of the license of the Romanian subsidiary of Euroins Insurance Group AD on March 17, 2023, see [Note 31](#) and the assessments of the need for impairment described in [Note 13.1](#).
- Auto Union AD (until 30.06.2022) - import, sale and service of cars. Business direction - car market - Bulgaria and Northern Macedonia;
- Euro-Finance AD - Providing and performing investment services and activities in the country and abroad. Business direction - Investment intermediation and asset management - Bulgaria;
- Eurolease Group AD (until 30.06.2022) - participation management, financial leasing. The company operates in Bulgaria, Northern Macedonia and Romania. Business direction - leasing market;
- Eastern European Electric Company II BV, the Netherlands - acquisition and management of energy market companies.

2022

Eastern European Electric Company II B.V.

In 2022, Eurohold Bulgaria AD increased the capital "Eastern European Electric Company II" B.V. according to the applicable provisions of the Dutch legislation - by means of cash contributions with a total amount of EUR 7 255 thousand without the issue of units, the contributions being transferred to a premium reserve.

Electrohold Green Ltd

On 23.05.2022, the Board of Directors of Eurohold Bulgaria AD decided to establish a subsidiary Electrohold Green EOOD with a capital of BGN 20 thousand, divided into 20 equal shares of BGN 1 000 each. As of 31.12.2022, the company has not performed any activity.

Auto Union AD

With the Share Sale and Purchase Agreement dated 30.06.2022, the ownership of the 80 001 shares owned by Eurohold Bulgaria AD was transferred to a third party. The shares are available, registered, non-privileged and represented 99.99% of the capital of Auto Union AD. As a result of the transaction, Eurohold Bulgaria AD reports a profit from the sale of investments in subsidiaries in the amount of BGN 97 thousand ([Notes 5 and 17](#)).

Eurolease Group AD

With the Share Purchase Agreement dated 30.06.2022, the ownership of 510 861 shares owned by Eurohold Bulgaria AD was transferred to a third party. The shares are available, registered, non-privileged shares and represented 90.01% of the capital of Eurolease Group AD. As a result of the transaction, Eurohold Bulgaria AD reports a loss from the sale of investments in subsidiaries in the amount of BGN 13 465 thousand ([Notes 8 and 17](#)).

Daru Invest EAD

- On 24.02.2022, the Board of directors of Eurohold Bulgaria AD decides to establish a company Daru Invest EAD with a capital of BGN 11 740 000 distributed in 11 740 000 available, registered, non-privileged voting shares, with nominal and issue value from BGN 1 each.
- On 22.03.2022, a contract was concluded for the sale of shares of Daru Invest EAD, which finalized the sale of 100% of the capital of Daru Invest EAD.

	Net value as of 01.01.2021	Increase	Decrease	Net value as of 31.12.2021	Share capital of the subsidiary	% interests in subsidiaries
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	%
Euroins Insurance Group AD	513 404	30 771	(20 360)	523 815	576 243	90.10%
Avto Union AD	66 775	-	(64 772)	2 003	40 004	99.99%
Euro-Finance AD	24 645	-	-	24 645	14 100	99.99%
Eurolease Group AD	24 635	-	-	24 635	27 241	90.01%
Eastern European Electric Company II B.V.	-	141 995	-	141 995	4	100.00%
	629 459	172 766	(85 132)	717 093	-	-

2021

Euroins Insurance Group AD:

- In 2018, Eurohold Bulgaria AD signed an agreement to acquire the minority share of the other shareholder in Euroins Insurance Group AD - Basildon Holding S.A.R.L., the special investment company of the South Eastern Europe Fund L.P. (SEEF), managed by the Greek investment company Global Finance. The company agreed to repurchase the fund's shares in the amount of 10.64% of the capital as of the date of concluding the repurchase agreement. On 03.11.2021 the deal was finalized and Eurohold acquired the entire minority share, as the investments made in 2021 in its purchase amount to BGN 15 710 thousand.
- On 14.10.2021, the Commercial Register enters together for reduction and increase of the capital by the order of art. 203 in connection with Art. 252, para. 1, item 5 of the Commercial Law of Euroins Insurance Group AD, according to the Decision of the General Meeting of the Company dated 20.09.2021. As a result:
 - The subsidiary issued 52 026 000 shares, of which Eurohold Bulgaria AD subscribed and paid 15 060 813 shares at an issue value of BGN 1 each.
 - The capital of the Euroins Insurance Group AD has been reduced by invalidating 19 229 057 ordinary, registered, available, non-preferred shares with a par value of BGN 1 each.
 After the procedures, the capital of Euroins Insurance Group AD in the amount of BGN 576 242 734 was divided into 576 242 734 shares with a par value of BGN 1 each.
- On 05.10.2021 the European Bank for Reconstruction and Development (EBRD) signed an agreement for a package deal with Eurohold Bulgaria AD with the subject of acquiring a minority share in the subsidiary - Euroins Insurance Group AD. As a result of this package deal:
 - On 07.10.2021, Eurohold Bulgaria AD transferred to the EBRD 20 082 844 shares with a par value of BGN 1 each. The one-time effect of Eurohold Bulgaria AD is a loss from operations with investments for BGN 20 360 thousand (*Note 8*).
 - The EBRD subscribes and pays the remaining 36 965 187. shares with a par value of BGN 1 each of the increases in the capital of Euroins Insurance Group AD, totalling EUR 18 900 thousand.

Eastern European Electric Company II BV:

- On 15.07.2021 the Management Board of Eurohold Bulgaria AD decides to increase the capital of its subsidiary Eastern European Electric Company II B.V. according to the applicable provisions of Dutch law, through a cash contribution of EUR 65 600 thousand through the issuance of 1 000 new shares with a nominal value of EUR 1, the difference being placed in the premium reserve.
- On 12.11.2021, the Management Board of Eurohold Bulgaria AD decided to increase the capital of its subsidiary Eastern European Electric Company II B.V. in accordance with the applicable provisions of Dutch law by means of a cash contribution of EUR 7 000 thousand without the issue of shares. The contribution is being placed in the premium reserve.

13.1. Impairment costs of investments in subsidiaries

	2022 BGN'000	2021 BGN'000
Impairment costs of investments in Euroins Insurance Group AD	52 715	-
Impairment costs of investments in Auto Union AD	-	64 772
	52 715	64 772

At the end of the reporting period, the Company's management analyzes and evaluates whether there are indications of impairment of its investments in subsidiaries. The main indicators of impairment are: a significant reduction in the volume or suspension of the activity of the subsidiary company; loss of markets, customers or technological problems, reporting negative net assets or assets below registered share capital, trends in the deterioration of fundamental financial indicators, as well as a decrease in market capitalization.

Calculations are made by management with the assistance of external independent licensed appraisers with appropriate qualifications and experience. As a basis for the cash flow forecasts before taxes, financial forecasts developed by the relevant subsidiaries covering a three-to-five-year period, as well as other medium and long-term plans and intentions for their development, are used.

The key assumptions used in the calculations are determined specifically for each subsidiary and according to its specifics of activity, business environment and risks, the expected future economic benefits that will be received, as well as the positions on Bulgarian and foreign markets, etc.

2022

Euroins Insurance Group AD

The recoverable amount determined as of 31.12.2022, by the independent licensed appraisers amounts to BGN 478 661 thousand. The company's management has reviewed the appraisers' report and has noted the possibility of hidden effects in relation to the revocation of Euroins' license Romania Insurance - Reinsurance S.A. (*Note 31*) and the potential violations of the synergy in the EIG group, maintaining its conservative approach when valuing the assets, considered that the investment in Romania should be depreciated to the value of the company's reputation in the amount of BGN 52 715 thousand. As a result, in 2022, a depreciation expense of investments in subsidiaries was reported in the amount of 52 715 thousand BGN, and the net value of the investment as of 31.12.2022 was in the amount of 471 100 thousand BGN.

2021

Auto Union AD

The recoverable amount determined as of 31.12.2021 by the independent licensed appraisers amounts to BGN 11 882 thousand. The company's management has reviewed the appraisers' report, reported the sale of key operating companies in 2021, the expected revenues of companies in 2022, the disrupted synergy, the military actions in Ukraine and the expected effects on the activities of the Avto Union group and decided to further depreciate up to 97% of the net book value of the investment. As a result, in 2021 an impairment loss on investments in subsidiaries was reported in the amount of BGN 64 772 thousand, and the net value of the investment as of 31.12.2021 was BGN 2 003 thousand.

14. Fixed assets

14.1. Property, machinery and equipment, right-of-use

	Right-of-use assets – Properties BGN'000	Vehicles BGN'000	Equipment BGN'000	Total BGN'000
Cost:				
As of 1 January 2021	3 137	244	78	3 459
Additions	-	-	4	4
As of 31 December 2021	3 137	244	82	3 463
Additions	-	43	-	43
Disposals	(1 378)	-	-	(1 378)
As of 31 December 2022	1 759	287	82	2 128
Depreciation:				
As of 1 January 2021	1 149	114	77	1 340
Accrued depreciation	611	57	2	670
Other changes	1	-	-	1
As of 31 December 2021	1 761	171	79	2 011
Accrued depreciation	249	40	2	291
Disposals	(1 378)	-	-	(1 378)
As of 31 December 2022	632	211	81	924
Net book value:				
As of 1 January 2021	1 988	130	1	2 119
As of 31 December 2021	1 376	73	3	1 452
As of 31 December 2022	1 127	76	1	1 204

There are no pledged tangible fixed assets as collateral for existing liabilities as of 31 December 2022 and 31 December 2021.

14.2. Intangible assets

	Software BGN'000
Cost:	
As of 1 January 2021	21
Additions	-
Disposals	-
As of 31 December 2021	21
Additions	2
As of 31 December 2022	23
Depreciation:	
As of 1 January 2021	9
Accrued depreciation	9
As of 31 December 2021	18
Accrued depreciation	4
As of 31 December 2022	22
Net book value:	
As of 1 January 2021	12
As of 31 December 2021	3
As of 31 December 2022	1

15. Receivables from related parties – non-current part

	31.12.2022 BGN'000	31.12.2021 BGN'000
Principal on loan granted to Motobul EAD (related party until 30.06.2022)	-	170
Impairment	-	(1)
	-	169

16. Receivables from related parties – current part

		31.12.2022	31.12.2021
	<i>Note</i>	<i>BGN'000</i>	<i>BGN'000</i>
Principals on loans granted	16.1	8 010	-
Interests on loans granted	16.2	318	13
Other receivables	16.3	15 431	836
		23 759	849

16.1. Principals on loans granted

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euroins Insurance Group AD	8 010	-

16.2. Interest on loans granted

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euroins Insurance Group AD	321	-
Auto Union AD (related party until 30.06.2022)	-	2
Motobul EAD (related party until 30.06.2022)	-	11
	321	13
Impairment	(3)	-
	318	13

16.3. Other receivables

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Euroins Insurance Group AD	13 300	14
Eastern European Electric Company B.V.	1 224	188
Eastern European Electric Company II B.V.	850	185
Euroins Romania Asiguarare – Reasigurare S.A., Romania	193	214
IC Euroins AD	83	106
Eastern European Electric Company III B.V.	3	3
Euroins Insurance AD, North Macedonia	1	-
Euro-Finance AD	1	1
Electrohold Trade EAD	1	-
Auto Union AD (related party until 30.06.2022)	-	24
Eurolease Group AD (related party until 30.06.2022)	-	37
Hanson Asset Management Ltd, UK	-	81
Auto Union Service EOOD (related party until 30.06.2022)	-	3
Auto Italia EAD (related party until 30.06.2022)	-	13
Bulvaria EOOD (related party until 30.06.2022)	-	5
Money Lease EAD (former name Eurolease Auto EAD, related party until 30.06.2022)	-	5
Star Motors EOOD (related party until 30.06.2022)	-	2
Kazam Bulgaria EAD, Bulgaria (previous name Autoplaza EAD) (related party until 30.06.2022)	-	5
	15 656	886
Impairment	(225)	(50)
	15 431	836

The receivable from Euroins Insurance Group AD with a book value of BGN 13 300 thousand as of 31 December 2022 includes BGN 13 271 thousand receivable under a debt substitution agreement, according to which Eurohold Bulgaria AD received a receivable from Euroins Insurance Group AD against transfer of ownership of 7 375 pcs. repurchased own bonds with ISIN BG2100002224, with a nominal value of EUR 1000 each (*Note 22 and 28*).

Parameters under the contracts for granted loans/cessions to related parties

Creditor	Obligated party	Currency	Contract limit	Principal due 31.12.2022	Principal due 31.12.2021	Interest rate	Maturity date
<i>Borrowing under a loan agreement with related parties:</i>							
Eurohold Bulgaria AD	Euroins Insurance Group AD	BGN	8 010 000	8 010 000	-	8.00%	08.11.2023
<i>Receipt under a cession agreement with related parties:</i>							
Eurohold Bulgaria AD	Euroins Insurance Group AD	BGN	14 425 523	13 271 064	-	2.50%	01.01.2024
Total claims on loans/cessions from related parties:				21 281 064	-		

17. Other receivables

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Receivable under a contract of substitution in debt	18 000	-
Tax receivables - VAT	217	194
Debt securities at fair value through profit and loss	7	7
Receivables from customers	43	20
Prepaid expenses, incl:	903	121
<i>Prepaid expenses to related parties – IC Euroins AD</i>	<i>781</i>	<i>85</i>
Other receivables, incl:	5	900
<i>Receivable from Erste Bank, Novi Sad</i>	<i>-</i>	<i>734</i>
	19 175	1 242
Impairment	(2 715)	(591)
	16 460	651

The receivable under a debt substitution agreement with a balance sheet value of BGN 18 000 thousand arose as a result of settling the financial relationship with the assignor by transferring the ownership of 10 681 pcs. repurchased own bonds with ISIN BG2100002224, with a nominal value of EUR 1 000 each. (*Note 22 and 28*).

Parameters under a third-party debt substitution contract:

Creditor	Obligated party	Currency	Contract limit	Principal due 31.12.2022	Principal due 31.12.2021	Maturity date
Eurohold Bulgaria AD	An unrelated third party	BGN	21 000 000	18 000 000	-	unlimited

18. Cash and cash equivalents

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Cash at banks	126	93
Cash in hand	22	22
Blocked funds in a special purpose account in connection with a contract with a credit institution	2 098	-
	2 246	115
Impairment	(8)	-
	2 238	115

19. Share capital and reserves

19.1. Share capital

The registered share capital of the Company consists of 260,500,000 ordinary shares with a nominal value of BGN 1 per share. All shares have the right to receive a dividend and a liquidation share and represent one vote at the general meeting of the Company's shareholders.

	31.12.2022	31.12.2021
	<i>Number of shares</i>	<i>Number of shares</i>
Registered capital at the beginning of the year	260 500 000	197 525 600
Issue of shares during the year	-	62 974 400
Registered capital at the end of the year	260 500 000	260 500 000

As of 31.12.2022 the share capital is distributed as follows:

Shareholders	% Participation in the share capital	Number of shares /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 him: 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
Total	100.00%	260 500 000	260 500 000

19.2. Reserves

	31.12.2022	31.12.2021
	<i>BGN'000</i>	<i>BGN'000</i>
Share premium	144 030	144 030
General reserves	7 641	7 641
	151 671	151 671

19.3. Loss per share

	31.12.2022	31.12.2021
Loss subject to distribution (in BGN)	(102 147 238)	(116 387 920)
Weighted average number of shares	260 500 000	227 028 075
Loss per share (in BGN per share)	(0.3921)	(0.5127)

20. Subordinated debts

	31.12.2022 BGN'000	31.12.2021 BGN'000
Subordinated debt instruments, not issued, tier 1 capital	8 580	7 201
	8 580	7 201

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 obligated) to pay amounts from the principal of the loan corresponding to each consecutively received tranche after the expiration of 5 years from the date of receipt of the corresponding tranche. Premature demandability of the principal amount 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 payable under the contract dated 12.08.2021 is in the amount of 5% on an annual basis on the borrowed sums of money for the period of their actual use. The interest due under the contract from 29.11.2022 is in the amount of 6% + 3M EURIBOR on an annual basis on the borrowed sums of money for the period of their actual use.

21. Loans and borrowings

Non-current loans and borrowings

	31.12.2022 BGN'000	31.12.2021 BGN'000
International Investment Bank	16 555	9 006
	16 555	9 006

Current loans and borrowings

	31.12.2022 BGN'000	31.12.2021 BGN'000
JP Morgan SE	78 632	-
European Commercial Papers (ECP)	57 385	4 855
International Bank for Economic Co-operation	23 728	29 623
International Investment Bank	5 379	3 152
	165 124	37 630

Raised funds from financial institutions

Bank	Type	Currency	Contract limit	Principal as of 31.12.2022	Principal as of 31.12.2021	Interest rate	Maturity date	Security
International Investment Bank	Loan - Principal	EUR	10 000 000 €	4 620 000 €	6 160 000 €	6.0% + 3m EURIBOR	03.2025	Pledge on subsidiary shares
International Investment Bank	Loan - Principal	EUR	7 000 000 €	6 461 538 €	-	5.0% + 3m EURIBOR	01.2029	Pledge on subsidiary shares. Insurance.
International Bank for Economic Co-operation	Loan - Principal	EUR	20 000 000 €	12 000 000 €	15 000 000 €	6.5%	07.2023	Pledge on subsidiary shares
JP Morgan SE	Loan - Principal	EUR	40 000 000 €	40 000 000 €	-	8.75% + 3m EURIBOR	06.2023	Pledge on subsidiary shares. Insurance.

The unutilized amount of the loan from the International Bank for Economic Co-operation as of 31 December 2022 amounts to EUR 5 million (31.12.2021 – EUR 5 million).

European Commercial Papers (ECP)

As of 31.12.2022, European Commercial Papers (ECP) consists of:

- ISIN XS2430057443, with a maturity 12.2023, an annual interest rate – 2.5% and a par value of EUR 27 500 thousand.
- ISIN XS2491929290, with a maturity 06.2023, an annual interest rate – 1.5% and a par value of EUR 2 500 thousand.

In 2022

- The company has issued and repurchased one European Commercial Papers (ECP) issue, with a total par value of EUR 2 500 thousand (*Note 28*).
- The company performed transactions on the sale of the European Commercial Papers (ECP) from an issue with ISIN XS2430057443 worth EUR 29 160 thousand, as a result of which losses from operations with investments and financial instruments in the amount of BGN 39 thousand (*Note 8*) and profits from operations with investments and financial instruments in the amount of BGN 7 thousand (*Note 4*) were reported.
- The company performed a transaction on the repurchase of the European Commercial Papers (ECP) from an issue with ISIN XS2430057443 in the amount of EUR 1 660 thousand.
- The company carried out transactions on the exchange of a Euro Commercial Book (ECP) issue bought back before maturity with ISIN XS2430057443 with a newly issued one with ISIN XS2565406654, both with a nominal value of EUR 27 500 thousand. As a result of the exchange transactions, the Company reported profits from operations with investments and financial instruments in the amount of BGN 186 thousand (*Note 4 and Note 28*).

As of 31.12.2022, European Commercial Papers (ECP) consists of:

- ISIN XS2344657163, with a maturity 05.2022, an annual interest rate - 2.0% and a par value of EUR 2 500 thousand.

In 2021

- The company issued and repurchased one European Commercial Papers (ECP) issue, with a total par value of EUR 2 500 thousand.

22. Bond liabilities

Non - current bond liabilities

	31.12.2022 BGN'000	31.12.2021 BGN'000
EMTN Programme in EUR with ISIN: XS1731768302 - principal	77 673	-
EMTN Programme in EUR with ISIN: XS1542984288 - principal	19 558	19 558
Corporate bond with ISIN: BG2100013205 - principal	58 675	58 675
Corporate bond with ISIN: BG2100002224 - principal	78 205	-
	234 111	78 233

Current bond liabilities

	31.12.2022 BGN'000	31.12.2021 BGN'000
EMTN Programme in EUR with ISIN: XS1731768302 - principal	-	136 185
EMTN Programme in EUR with ISIN: XS1731768302 - interest	585	610
EMTN Programme in PLN/EUR with ISIN: XS1542984288 - interest	9	9
Corporate bond with ISIN: BG2100013205 - interest	183	183
Corporate bond with ISIN: BG2100002224 - interest	794	-
	1 571	136 987

Bond liabilities are presented at amortized cost, net of the repurchased own bonds, which are subsequently measured at fair value based on information from Bloomberg / Eurobank and other sources, reflecting the effect on profit or loss for the period.

Information on the terms of the EMTN programs is publicly available on the Irish Stock Exchange website, Bonds section.

As of 31.12.2022, 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 Company received consent to extend by 42 months the final repayment period of European medium-term notes issued under the European Medium-Term Notes Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange. As of 31.12.2022, the company owns repurchased own securities with a nominal value of EUR 31 000 thousand.

The EMTN program with ISIN: XS1542984288 matures on 29.12.2026, has a fixed interest rate of 8.0% (eight percent) on an annual basis and a frequency of interest payments once a year in arrears. As of 31.12.2021 the EMTN program issue with ISIN: XS1542984288 is a restructured EMTN program with extended maturity date until 29.12.2026, changed currency from PLN to EUR and changed frequency of interest payments from six-month to once a year. As a result of the restructuring in 2021, losses from operations with investments in the amount of BGN 440 thousand were reported (*Note 8*).

Bond loan with ISIN: BG2100013205 in the amount of EUR 30 000 000 was registered by Central Depository AD on 26 November 2020. The issue is the second in a row of ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, freely transferable bonds under the terms of primary private (non-public) placement within the meaning of Art. 205, para. 2 of the CA. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is 26 November 2027, and the principal is repaid once at maturity date. Interest payments are made every six months, as of the date of registration of the issue (26 November 2020), at a fixed nominal interest rate - 3.25% on an annual basis.

Bond loan with ISIN: BG2100002224 in the amount of EUR 40 000 000 was registered by Central Depository AD on 08 March 2022. The issue is a third corporate, ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, unprivileged and freely transferable bonds under the conditions of initial private (non-public) offering to less than 150 participants - a predetermined circle of investors according to a decision of the Management Board of the public company dated 23 February 2022 - TBI Bank EAD. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is 8 March 2029, and the principal is repaid once at maturity. The interest payments are every six months, as of the date of registration of the issue (8 March 2022), at a fixed nominal interest rate - 3.25% on an annual basis.

The following bond transactions were concluded in **2022**:

- Under the financial instruments loan agreement were acquired 2 126 pcs. securities under the EMTN Programme in EUR with ISIN XS1731768302, as a result of which the company has reported interest expenses in the amount of BGN 282 thousand (*Note 7.1 and 26.1*).
- Under the financial instruments loan agreement were acquired 1 650 pcs. securities under the EMTN Programme in EUR with ISIN XS1731768302, as a result of which the company has reported interest expenses in the amount of BGN 218 thousand (*Note 7.1 and 26.1*).
- A total of 1 306 pcs. repurchased own securities under the EMTN Programme in EUR with ISIN XS1731768302 have sold and as a result of which a profit from operations with investments and financial instruments in the amount of BGN 63 thousand was reported (*Note 4*).
- Pursuant to contracts for the purchase and sale of financial instruments have transferred the ownership of 1 306 pcs. (acquired) repurchased own securities under the EMTN Programme in EUR with ISIN XS1731768302. As of 31 December 2022, the financial transactions under these contracts have been fully settled.
- Pursuant to three contracts for repo transactions with financial instruments have respectively sold with an arrangement for repurchase 3 766 pcs., 2 400 pcs. and 1 376 pcs. own securities under the EMTN Programme in EUR with ISIN XS1731768302. As a result of the transactions, losses from operations with investments and financial instruments in the amount of BGN 405 thousand were reported (*Note 8*). As of 31 December 2022, the financial transactions under these contracts have been fully settled.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 3 776 units (acquired) repurchased own securities under the EMTN Programme with ISIN XS1731768302 was transferred. As of 31.12.2022, the financial transactions under this contract have been fully settled.
- 35 000 pcs. own bonds with ISIN BG2100002224 have bought back and a loss from operations with investments and financial instruments in the amount of BGN 479 thousand was reported (*Note 8*).

- Pursuant to the agreement to purchase and sale of financial instruments has transferred the ownership of 20 500 pcs. repurchased own bonds with ISIN BG2100002224, whereby the financial relations with the Assignor under three contracts for transfer of the receivable and the annexation to them are settled (*Note 16.2, 17 and 28*).
- Pursuant to the agreement to purchase and sale of financial instruments has transferred ownership of 6 000 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which finally settled the financial relationships under the concluded contract for the purchase and sale of Daru Invest EAD (related party until 22.3.2022).
- Pursuant to contracts for the purchase and sale of financial instruments have sold 2 114 pcs own bonds with ISIN BG2100002224. As a result of the transactions, a profit from operations with investments and financial instruments in the amount of BGN 1 thousand was reported (*Note 4*).
- A total of 21 391 pcs. repurchased own bonds with ISIN BG2100002224 have sold and losses from operations with investments and financial instruments in the amount of BGN 57 thousand (*Note 8*) and profits from operations with investments and financial instruments in the amount of BGN 4 thousand were reported (*Note 4*).
- 495 pcs. repurchased own bonds with ISIN BG2100002224 have been transferred (acquired), which partially settled the financial transactions under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

The following bond transactions were concluded in **2021**:

- The ownership of 10 500 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 have transferred and a profit on transactions of investments and financial instruments in the amount of BGN 206 thousand was reported (*Note 4*). Liabilities for repurchased own securities under EMTN Program in EUR are settled as of 31.12.2021.
- 5 900 pcs. own bonds with ISIN BG2100013205 have bought back and a profit on transactions of investments and financial instruments in the amount of BGN 256 thousand was reported (*Note 4*). The liabilities for the repurchased own bonds have not been settled as of 31.12.2021 (*Note 27*).
- The ownership of 5 900 pcs. repurchased own bonds with ISIN BG2100013205 have transferred and a loss on transactions of investments in the amount of BGN 129 thousand was reported (*Note 8*).
- 1 118 pcs. repurchased own bonds with ISIN BG2100013205 have bought back and reported loss from operations with investments and financial instruments in the amount of BGN 8 thousand (*Note 8*).
- 1 118 pcs. repurchased own bonds with ISIN BG2100013205 were sold and a loss from operations with investments in the amount of BGN 18 thousand was reported (*Note 8*).
- The ownership of 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were transferred and a profit from operations with investments and financial instruments in the amount of BGN 3 thousand was reported (*Note 4*). The obligation for the repurchased own bonds is settled as of 31.12.2021.
- 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were sold with an option to purchase back from a company outside the group and a loss from operations with investments in the amount of BGN 3 thousand was reported (*Note 8*).
- 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were repurchased under a contract with an option to purchase back from a company outside the group and a loss from operations with investments and financial instruments in the amount of BGN 30 thousand was reported (*Note 8*).
- The ownership of 2 800 pcs. repurchased own bonds with ISIN BG2100013205 were transferred and a loss from operations with investments in the amount of BGN 6 thousand was reported (*Note 8*). The receivables for the repurchased own bonds are settled as of 31.12.2021.
- The ownership of 3 000 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 has been transferred. The liabilities for repurchased own securities under EMTN Program in EUR are not settled as of 31.12.2021 (*Note 26.3*).
- 3 000 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 were sold with an option to purchase back from a company outside the group and a loss from operations with investments in the amount of BGN 25 thousand was reported (*Note 8*).
- 3 000 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 were repurchased under a contract with an option to purchase back from a company outside the group and a loss from operations with investments and financial instruments in the amount of BGN 6 thousand was reported (*Note 8*).
- The ownership of 2 500 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 has been transferred and a loss from operations with investments in the amount of BGN 1 thousand was reported (*Note 8*). The receivables for the repurchased own securities under EMTN Program in EUR are settled as of 31.12.2021.

- 200 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 were sold and a loss from operations with investments in the amount of BGN 32 thousand was reported (*Note 8*). The receivables for the repurchased own securities under EMTN Program in EUR are settled as of 31.12.2021.
- 300 pcs. repurchased own securities under EMTN Program in EUR with ISIN XS1731768302 were sold and a profit from operations with investments and financial instruments in the amount of BGN 2 thousand was reported (*Note 4*). The receivables for the repurchased own securities under EMTN Program in EUR are settled as of 31.12.2021.

23. Non-current liabilities to related parties

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Loans principal		
Starcom Holding AD - loan	13 797	59 460
Eurolease Auto EAD (related party until 30.06.2022) – loan	-	1 400
Eurolease Auto EAD (related party until 30.06.2022) – leases	-	66
	13 797	60 926

As of 31.12.2022

- The liability under a loan agreement from Starcom Holding AD is with an annual interest rate of 5.5%, a maturity date 05.05.2025 and a contractual limit of BGN 22 million.

As of 31.12.2021

- The liability under a loan agreement from Eurolease Auto EAD is with an annual interest rate of 5.5%, a maturity date 29.01.2023 and a contractual limit of BGN 70 million.
- The liability under a loan agreement with Eurolease Auto EAD an annual interest rate of 7.0% (seven percent), a maturity date 23.12.2023 and a contractual limit of BGN 8 million.
- The liability to Eurolease Auto EAD is for three lease contracts with maturity dates on 10.02.2023, 20.05.2024 and 10.07.2024.

24. Other non-current liabilities

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Retirement benefit obligations	35	33
Lease liabilities	1 106	1 208
	1 141	1 241

25. Trade liabilities

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Payables to suppliers	1 374	1 328
	1 374	1 328

26. Current liabilities to related parties

26.1. Current borrowings – principal

	31.12.2022	31.12.2021
	BGN'000	BGN'000
IC Euroins AD	4 158	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania	3 227	-
Euroins Insurance Group AD	-	14 171
Starcom Holding AD	-	8 801
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	-	1 900
	7 385	24 872

As of 31.12.2022

- The liability under loan agreement with IC Euroins AD for financial instruments is with an annual interest rate of 7.0% and maturity date 05.12.2023 (*Note 7.1, 22*).
- The liability under loan agreement with Euroins Romania Asiguarare – Reasigurare S.A. for financial instruments is with an annual interest rate of 7.0% and maturity date 05.12.2023 (*Note 7.1, 22*).

As of 31.12.2021

- The liability under a loan agreement with Starcom Holding AD is with an annual interest rate of 5.2%, maturity date 03.08.2022 and a limit of EUR 4.5 million.
- The liabilities to Euroins Insurance Group AD are for two loan agreements with an annual interest rate of 6.0% for both, maturity dates 08.02.2022 and 01.07.2022, respectively, and limits of BGN 20 million and EUR 50 thousand, respectively. The liability due on 08.02.2022 has been settled on time.
- The liabilities to Money Lease EAD are under contracts for the transfer of receivables with an annual interest rate of 7.5% and maturity date 25.10.2022.

26.2. Interest payables

	31.12.2022 BGN'000	31.12.2021 BGN'000
Starcom Holding AD	290	2 126
IC Euroins AD - interest under financial instruments loan agreement (<i>Notes 7.1, 22 and 26.1</i>)	282	-
Euroins Romania Asiguarare – Reasigurare S.A., Romania - interest under financial instruments loan agreement (<i>Notes 7.1, 22 and 26.1</i>).	218	-
Euroins Insurance Group AD	-	1 719
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	-	963
Auto Union AD (related party until 30.06.2022)	-	30
Auto Union Service EOOD (related party until 30.06.2022)	-	20
	790	4 858

26.3. Other payables

	31.12.2022 BGN'000	31.12.2021 BGN'000
Euroins Romania Asiguarare – Reasigurare S.A., Romania	910	15
IC Euroins AD	155	4
IC Euroins Life AD	30	-
IC EIG RE EAD	5	54
Starcom Holding AD	-	5 895
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)	-	38
Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06.2022)- leases	-	38
Avto Union AD (related party until 30.06.2022)	-	695
Avto Union Service EOOD (related party until 30.06.2022)	-	244
Eastern European Electric Company B.V.	-	4 890
	1 100	11 873

As of 31.12.2022

The company has other obligations to the following related parties:

- BGN 910 thousand liabilities to Euroins Romania Asiguarare – Reasigurare S.A., Romania under swap agreement for BGN 895 thousand and trade payables – BGN 15 thousand.
- BGN 155 thousand liabilities to IC Euroins AD under swap agreement BGN 151 thousand and trade payables – BGN 4 thousand.
- BGN 30 thousand liabilities to IC Euroins Life AD under swap agreement.

- BGN 5 thousand liabilities to IC EIG RE EAD under swap agreement.

As of 31.12.2021

The main liabilities of the Company to related parties are:

- BGN 5 895 thousand liabilities to Starcom Holding AD under agreement for repurchased own bonds (*Note 22*).
- BGN 695 thousand liabilities to Avto Union AD (related party until 30.06.2022) under contracts for the transfer of receivables, which are unsecured and have an annual interest rate of 3.0% (*Notes 28 and 30.1.1*).
- BGN 54 thousand liabilities under purchase and sales agreements of financial instruments to IC EIG RE EAD (*Notes 22 and 30.1.1*).
- BGN 15 thousand trade liabilities to Euroins Romania Asiguarare – Reasigurare S.A.
- BGN 4 thousand trade liabilities to IC Euroins AD

27 Other current liabilities

	31.12.2022	31.12.2021
	BGN'000	BGN'000
Payables for acquisition of investments and financial instruments	-	14
Interest payables	22	22
Tax payables	212	529
Payables to employees and social security institutions	204	87
Dividends payables	249	249
Dividends payables – related parties – Starcom Holding AD	101	101
Lease liabilities	202	342
Liabilities under contracts for the assignment of receivables	14	-
Other liabilities	478	84
	1 482	1 428

28. Non-cash transactions

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

In 2022:

- Pursuant to loan agreement for financial instruments with a related party Eurohold Bulgaria AD acquired 2 126 pcs. own securities from the EMTN Program in EUR with ISIN XS1731768302, under which the company has suffered interest amounting to BGN 282 thousand (*Notes 7.1 and 26.1*).
- Pursuant to loan agreement for financial instruments with a related party Eurohold Bulgaria AD acquired 1 650 pcs. own securities from the EMTN Program in EUR with ISIN XS1731768302, under which the company has suffered interest amounting to BGN 218 thousand (*Notes 7.1 and 26.1*).
- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary - Initial Debtor.
- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary (related party until 30.06.2022) - Initial Debtor.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a third party.

- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a third party.
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable in the amount of EUR 96 thousand up to the amount of the receivable.
- Under a Set-off agreement with a third party, Eurohold Bulgaria AD has set off a receivable in the amount of GBP 69 thousand with a liability of GBP 54 thousand up to the amount of the liability
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a third company outside the group in the amount of BGN 21 000 thousand ([Note 17](#)). The financial relations are settled with the transfer to the patrimony of the Assignor a total of 10 681 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each ([Note 22](#)).
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 14 429 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 7 375 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each ([Note 22](#)).
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 4 782 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 2 444 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each ([Note 22](#)).
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- Under a Debt replacement agreement, a subsidiary (related party until 30.06.2022) of Eurohold Bulgaria AD as a Borrower has assumed liabilities in the amount of BGN 4 370 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt Eurohold Bulgaria AD - Initial Debtor.
- Under a Settlement agreement with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable in the amount of BGN 148 thousand up to the amount of the receivable.
- Under a contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 735 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part from the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 4 256 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).

- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).
- Pursuant to the Agreement for the transfer of receivables, Eurohold Bulgaria AD as Assignor transfers its receivable worth BGN 189 thousand from one subsidiary (related party until 30.06.2022) - Debtor of a second subsidiary (related party until 30.06. 2022) – Assignor. Pursuant to the Agreement for the set-off of counter-obligations between Eurohold Bulgaria AD and the second subsidiary (related entity until 30.06.2022), the transferred claim in the amount of BGN 189,000 is set-off against part of the obligation that Eurohold Bulgaria AD has towards the second subsidiary (related party until 30.06.2022).
- Pursuant to the Tripartite Agreement, a claim was set off from a transferee with an obligation under a loan with a related party in the amount of BGN 7 808 thousand.
- Pursuant to a swap agreement, the Company exchanged a Euro Commercial Book (ECP) issue repurchased prior to maturity with ISIN XS2430057443 for a newly issued issue with ISIN XS2565406654, both with a nominal value of EUR 27 500 thousand (*Note 21*).
- In connection with a loan agreement concluded with a credit institution in December 2022, the lender has deducted EUR 3 878 thousand. The amount was used to cover loan costs (consulting services, insurance, fees).
- Upon repurchase of own securities from the EMTN Program in EUR with ISIN XS1731768302 with a nominal value of EUR 31 000 thousand and interest in the amount of EUR 44 thousand, payments were made on behalf of the Company directly to the intermediaries of the holders on the securities with funds from a loan granted.
- Pursuant to the Agreement for set-off of counter-obligations with the subsidiary Eurohold Bulgaria AD, set-off of a claim in the amount of BGN 50 thousand with a liability of BGN 1 742 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-obligations with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set-off a claim worth BGN 8 thousand with a liability of BGN 20 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-obligations with the subsidiary Eurohold Bulgaria AD, set-off of a liability in the amount of BGN 85 thousand (BGN 77 thousand principal and BGN 8 thousand interest) with a claim for BGN 13 676 thousand (BGN 13,348 thousand principal and BGN 328 thousand interest) up to the amount of the obligation.
- Pursuant to the Agreement for set-off of counter-obligations with a subsidiary (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a claim worth BGN 7 thousand with a liability of BGN 21 thousand up to the amount of the claim.

2021

- During the period the Company performed SWAP transactions with related parties, simultaneously issuing new short-term Euro Commercial Papers (ECPs) in the amount of EUR 2 500 thousand (BGN 4 890 thousand) and repurchasing issued ECPs in the amount of EUR 2 450 thousand (BGN 4 792 thousand).
- The company has transferred a liability with a subsidiary and has committed to assume the amount of BGN 332 thousand, consisting of BGN 314 thousand principal and BGN 18 thousand interest.
- Pursuant to an Agreement for set-off of counter-liabilities with a subsidiary Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 72 thousand (BGN 70 thousand principal and BGN 2 thousand interest) with a liability of BGN 332 thousand. (BGN 314 thousand principal and BGN 18 thousand interest) up to the amount of the receivable.

- Pursuant to an Agreement for set-off of counter-liabilities with a subsidiary Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 14 thousand with a liability of BGN 2 thousand up to the amount of the liability.
- Pursuant to the Contract for purchase and sale of financial instruments with a subsidiary (Acquirer) and Eurohold Bulgaria AD (Transferor), the receivable from the transferor with a liability to the same in the amount of BGN 5 476 thousand has been set off.
- Pursuant to an Agreement with a subsidiary Acquirer on one transaction (receivable in the amount of BGN 4 903 thousand) with Eurohold Bulgaria AD and Transferor in another transaction (liability in the amount of BGN 4 843 thousand) with Eurohold Bulgaria AD offsetting has been performed of the receivable from the transferee with a liability of the transferor in the amount of BGN 4 843 thousand. The balance after the set-off (BGN 60 thousand) remains due to the subsidiary of Eurohold Bulgaria AD as of 31.12.2021 (*Note 16.3.*).
- Pursuant to an Agreement for set-off of counter-liabilities with a subsidiary Eurohold Bulgaria AD, it has set-off a receivable in the amount of BGN 8 thousand with a liability of BGN 8 thousand.

29. Contingent, liabilities and commitments

Litigations

As of 31.12.2022, there are no significant lawsuits filed against the Company.

Warranties and provided guarantees

The company is a co-debtor/guarantor for loans received from related parties as follows:

Business area	Third / Related parties	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	Amount in EUR'000 as of 31.12.2021	Amount in BGN'000 as of 31.12.2021	MATURITY (EUR'000)					after 2027
						2023	2024	2025	2026	2027	
Energy sub-holding											
Corporate payment guarantee	Related parties	3 500	6 845	3 500	6 845		3 500	-	-	-	-
Working capital loans	Related parties	19 238	37 626	17 702	34 622	19 238	-	-	-	-	-
Corporate guarantee in connection with an acquisition	Related parties	220 000	430 283	220 000	430 283	-	-	-	-	220 000	-
Insurance sub-holding											
Bond loan	Related parties	-	-	10 000	34 622	-	-	-	-	-	-
Parent company											
Working capital loans	Related parties	6 360	12 439	6 000	11 735	6 360	-	-	-	-	-
Bank loans for investment purposes	Related parties	5 000	9 779	5 000	9 779	-	5 000	-	-	-	-
Group of leasing companies*											
For financing leasing activity	Related parties until 30.06.2022	21 891	42 815	15 252	29 830	8 585	5 734	4 048	2 739	783	2
Group of automotive companies*											
Working capital loans	Related parties until 30.06.2022	4 788	9 365	14 027	27 434	4 120	191	191	192	94	-
TOTAL:		280 777	549 152	291 481	585 150	38 303	14 425	4 239	2 931	220 877	2

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

In connection with financing as part of a package deal, a pledge of 35% shares of a subsidiary was established (*Note 13*).

In connection with a concluded contract for financing by a financial institution, a pledge of shares of a subsidiary company was established (*Note 21*).

In connection with a loan contract by a credit institution, a pledge of shares of a subsidiary company and a pledge of bonds was established in 12.2022 (*Note 21*).

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

Company of:	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	Amount in EUR'000 as of 31.12.2021	Amount in BGN'000 as of 31.12.2021	MATURITY OF EXPOSURE AS OF 31.12.2022 (EUR'000)
Automotive subholding (related party until 30.6.2022)	2 050	4 009	-	-	2.2024
Automotive subholding (related party until 30.6.2022)	1 800	3 520	-	-	4.2023
Automotive subholding (related party until 30.6.2022)	-	-	3 750	7 334	4.2022
Automotive subholding (related party until 30.6.2022)	-	-	1 050	2 054	4.2022
Automotive subholding (related party until 30.6.2022)	-	-	6 150	12 028	3.2022
TOTAL:	3 850	7 529	10 950	21 416	

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

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

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2022 in original currency	Maturity date
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000 000	07.2026
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	10 000 000	12.2026
Euroins Insurance Group AD * Pledge of shares of "Euroins Insurance Group" AD in a subsidiary.	EUR	Bank loan	12 000 000	07.2023
Euroins Insurance Group AD * Pledge of shares of a subsidiary - EEEC II BV.	EUR	Loan from financial institution	40 000 000	06.2023

Established guarantees in favor of the Company:

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2022 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03.2023

30. Transactions and balances with related parties

The conditions under which the transactions were made do not deviate from the market for such transactions.

The related parties of the Company are as follows:

- **Starcom Holding AD, Bulgaria – major shareholder in Eurohold Bulgaria AD.**
- First Investment Bank AD, Russia - subsidiary of Starcom Holding AD, Bulgaria.

- Starcom Finance EAD, Bulgaria - subsidiary of Starcom Holding AD, Bulgaria.
- Quintar Capital Limited, Hong Kong, China - subsidiary of Starcom Holding AD, Bulgaria.

- Hanson Asset Management Ltd, United Kingdom - subsidiary of Starcom Holding AD, Bulgaria.
- Swiss Global Asset Management AG, Switzerland - subsidiary of Starcom Holding AD, Bulgaria since 03.05.2022.
- Solars Energy AD – associate of Starcom Holding 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 Solars Energy AD.

Subsidiaries of Eurohold Bulgaria AD:

- **Euroins Insurance Group AD (EIG) – subsidiary of Eurohold Bulgaria AD:**
- IC Euroins AD, Bulgaria – subsidiary of EIG;
- Euroins Romania Asiguarare – Reasigurare S.A., Romania – subsidiary of EIG;
- Euroins Osigurovanje AD, North Macedonia – subsidiary of EIG;
- IC Euroins Life EAD, Bulgaria – subsidiary of EIG;
- IC EIG Re AD, Bulgaria – subsidiary of EIG;
- IC Euroins Ukraine PrAT, Ukraine – subsidiary of EIG;
- Euroins Claims I.K.E., Greece – subsidiary of EIG;
- IC Euroins Georgia JSC, Georgia – subsidiary of EIG;
- European Travel Insurance PrAT, Ukraine – subsidiary of EIG;
- CJSC Insurance company Euroins, Belarus – subsidiary of EIG (former CJSC Insurance company ERGO) until 30.12.2022;
- IC Euroins, Russian Federation – associated of EIG until 30.12.2022;

- **Daru Invest EAD, Bulgaria – subsidiary of Eurohold Bulgaria AD until 22.03.2022:**

- **Avto Union AD (AU), Bulgaria – subsidiary of Eurohold Bulgaria AD until 30.06.2022:**
- Avto Union Service EOOD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Auto Italia EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Bulvaria EOOD, Bulgaria – subsidiary of AU – (previous name Bulvaria Varna EOOD) – related party until 30.06.2022;
- Bulvaria Sofia EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Daru Car AD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Star Motors EOOD, Bulgaria – subsidiary of AU – related party until 11.05.2022;
- Star Motors DOOEL, North Macedonia through Star Motors EOOD – subsidiary of AU – related party until 11.05.2022;
- Star Motors SH.P.K., Kosovo through Star Motors EOOD – subsidiary of AU – related party until 11.05.2022;
- Motohub OOD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Motobul EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Benzin Finance EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Bopar Pro S.R.L, Romania through Motobul EAD – subsidiary of AU – related party until 30.06.2022;
- China Motor Company AD, Bulgaria – a subsidiary of AU AD – related party until 30.06.2022;
- N Auto Sofia EAD, Bulgaria – a subsidiary of AU AD until 02.08.2021.
- Espas Auto OOD, Bulgaria through N Auto Sofia EAD – a subsidiary of AU AD until 02.08.2021.
- EA Properties EOOD, Bulgaria through N Auto Sofia EAD – a subsidiary of AU AD until 02.08.2021.

- **Eurolease Group AD (ELG) – subsidiary of Eurohold Bulgaria AD until 30.06.2022:**

- Money Lease EAD (previous name Eurolease Auto EAD), Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Auto Romania AD, Romania – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Auto DOOEL, North Macedonia – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Rent-a-Car EOOD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Finacity AD, Bulgaria (previous name Amigo Leasing EAD) – subsidiary of ELG – related party until 30.06.2022;
- Kazam Bulgaria EAD, Bulgaria (previous name Autoplaza EAD) – subsidiary of ELG – related party until 30.06.2022;
- Sofia Motors EOOD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Amigo Finance EOOD, Bulgaria (previous name Mogo Bulgaria EOOD) – subsidiary of ELG from 01.12.2021 – related party until 30.06.2022;

- **Euro-Finance AD – subsidiary of Eurohold Bulgaria AD;**

- **Eastern European Electric Company II B.V, Netherlands - subsidiary of Eurohold Bulgaria AD;**
 - Eastern European Electric Company III BV, Netherlands - a subsidiary of Eastern European Electric Company BV. II, Netherlands.
 - Eastern European Electric Company BV, Netherlands - a subsidiary of Eastern European Electric Company BV. III, Netherlands.
 - Electrodistribution Grid West AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
 - Electrohold Information and Communication Technologies AD, Bulgaria through CEZ Distribution Bulgaria AD – a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
 - Electrohold Sales Bulgaria AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
 - Electrohold Bulgaria EAD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
 - Electrohold EPS EAD, Bulgaria - through Electrohold Bulgaria EAD, Bulgaria – a subsidiary of Eastern European Electric Company BV, Netherlands. Established in 2022.
 - Electrohold Sales Bulgaria AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands
 - Electrohold Trade EAD - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
 - Free Energy Project Oreshets EOOD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
 - Bara Group EOOD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27 July 2021.

- **Electrohold Green EOOD, Bulgaria - subsidiary of Eurohold Bulgaria AD – established in 2022.**

30.1. The related parties' transactions

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

2022

- Pursuant to the contract for the loan of financial instruments with ZD Euroins AD, 2 126 units securities from the EMTN Program in EUR with ISIN XS1731768302 were acquired from Eurohold Bulgaria AD, as a result of which the company reported interest expenses in the amount of BGN 282 thousand (*Notes 7.1 and 26.1*).
- Pursuant to the contract for the loan of financial instruments with Euroins Romania Insurance - Reinsurance S.A., 1 650 units securities from the EMTN Program in EUR with ISIN XS1731768302 were acquired from Eurohold Bulgaria AD, as a result of which the company has reported interest expenses in the amount of BGN 218 thousand (*Notes 7.1 and 26.1*).

- By virtue of a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to Avto Union AD (related party until 30.06.2022) - Lender and has replaced Euroins Insurance Group AD - Initial Debtor in debt.
- In accordance with a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to Daru Car EAD (related party until 30.06.2022) - Lender and has replaced in debt Auto Union AD - Initial Debtor.
- Pursuant to an Assignment Notification, the Company has transferred a liability to Daru Car EAD (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a company outside the group.
- By virtue of an Assignment Notification, the Company has transferred a liability to Avto Union AD (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a company outside the group.
- In accordance with a Set-off agreement with the Eastern European Electric Company B.V. Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable of EUR 96 thousand up to the amount of the receivable.
- Pursuant to a Set-off agreement with IC EIG-Re AD, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- By virtue of a Debt replacement agreement, Eurolease Group AD (related party until 30.06.2022) as a Borrower has assumed liabilities amounting to BGN 4 370 thousand to Eurolease Auto EAD (related party until 30.06.2022) - Lender and has replaced Eurohold Bulgaria AD - Initial Debtor in debt.
- Pursuant to a Set-off agreement with Eurolease Group AD (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable of BGN 148 thousand up to the amount of the receivable.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Pursuant to the contract for the purchase and sale of financial instruments from ZD EIG Re EAD, the ownership of 856 units was transferred. (acquired) repurchased own bonds with ISIN XS1731768302 of Eurohold Bulgaria AD. As of 31.12.2022, the financial relationships under these contracts have been fully settled ([Note 22](#)).
- Pursuant to the contract for the purchase and sale of financial instruments from IC Euroins AD, the ownership of 450 units was transferred. (acquired) repurchased own bonds with ISIN XS1731768302 of Eurohold Bulgaria AD. As of 31.12.2022, the financial relationships under these contracts have been fully settled ([Note 22](#)).
- The company carried out a SWAP transaction with IC Euroins AD, buying back 25 pcs. ECP with ISIN: XS2344657163 with a face value of EUR 2 500 thousand worth EUR 2,500 thousand and simultaneously replaced it with 25 newly issued ECPs with ISIN: XS2491929290 for EUR 2 462.5 thousand ([Note 21](#)).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability of BGN 735 thousand to Auto Union AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Auto Union AD (related party until 30.06.2022) from its buyer - Transferee (third party).

- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability in the amount of BGN 4 256 thousand to Eurolease Group AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the coverage of a part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Eurolease Group AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).
- Pursuant to the Agreement for the transfer of receivables, Eurohold Bulgaria AD as Assignor transfers its receivable worth BGN 189 thousand from Motobul EAD (related party until 30.06.2022) - Debtor of Auto Union Service EOOD (related party until 30.06.2022) – Assignor. Pursuant to the Agreement for set-off of counter-obligations between Eurohold Bulgaria AD and Auto Union Service EOOD (related party until 30.06.2022), the transferred claim in the amount of BGN 189 thousand is set-off against part of the obligation that Eurohold Bulgaria AD has to Auto Union Service EOOD (related party until 30.06.2022).
- Pursuant to the Tripartite Agreement, a receivable from a transferee with a loan obligation to Starcom Holding AD in the amount of BGN 7 808 thousand was set off.
- The company performed a SWAP transaction with Euroins Romania Insurance - Reinsurance S.A., buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 23 470 thousand and a value of EUR 23 340.9 thousand and simultaneously exchanged it for newly issued ECPs with ISIN: XS2565406654 for EUR 22 883.3 thousand (*Note 21*).
- The company performed a SWAP transaction with ZD Euroins Life AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 660 thousand and a value of EUR 659.0 thousand and at the same time exchanged it for newly issued ECP with ISIN: XS2565406654 for EUR 643.5 thousand (*Note 21*).
- The company performed a SWAP transaction with ZD Euroins AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 3 270 thousand and a value of EUR 3 265.3 thousand and simultaneously exchanged it for newly issued ECPs with ISIN: XS2565406654 for EUR 3 188.3 thousand (*Note 21*).
- The company performed a SWAP transaction with ZD EIG-Re AD, buying back ECP with ISIN: XS2430057443 with a face value of EUR 100 thousand and a value of EUR 99.8 thousand and at the same time exchanged it for newly issued ECP with ISIN: XS2565406654 for EUR 99.5 thousand (*Note 21*).
- On behalf of Eurohold Bulgaria AD, a third party paid insurance on a loan in the amount of EUR 360 thousand to a related party.
- Pursuant to the Agreement for set-off of counter-obligations with ZD EIG-Re AD, Eurohold Bulgaria AD has set-off a claim worth BGN 50 thousand with a liability of BGN 1 742 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-obligations with Money Lease EAD (former name Eurolease Auto EAD, related party until 30.06.2022) Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 8 thousand with a liability of BGN 20 thousand up to the amount of the receivable.
- Pursuant to the Agreement for set-off with Euroins Insurance Group AD, the Company has set off a liability in the amount of BGN 85 thousand (BGN 77 thousand principal and BGN 8 thousand interest) with a claim for BGN 13 676 thousand (BGN 13 348 thousand principal and BGN 328 thousand interest) up to the amount of the obligation.

- Pursuant to the Agreement for set-off of counter-obligations with Avto Union Service EOOD (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 7 thousand with a liability for BGN 21 thousand up to the amount of the receivable.

2021

- The Company has concluded a SWAP transaction with Euroins Bulgaria, buying back 25 pcs. ECPs with ISIN: XS2180906567 with a nominal of EUR 2 500 000 worth € 2 500 000 and simultaneously replace it with 25 newly issued ECPs with ISIN: XS2344657163 for € 2 450 000.
- The Company - in its capacity of borrower under Agreement with Auto Union Service EOOD, in the capacity of lender and Star Motors EOOD, in the capacity of Debtor - has transferred a debt from the Debtor to the Lender and undertakes to assume to the Lender the amount of BGN 332 thousand, consisting of BGN 314 thousand principal and BGN 18 thousand interest.
- Pursuant to an Agreement for set-off of counter-liabilities with Auto Union Service EOOD, the Company has set-off a receivable in the amount of BGN 72 thousand (BGN 70 thousand principal and BGN 2 thousand interest) with a liability of BGN 332 thousand. (BGN 314 thousand principal and BGN 18 thousand interest) up to the amount of the receivable.
- Pursuant to an Agreement for set-off of counter-liabilities with Auto Italia EAD, Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 14 thousand with a liability of BGN 2 thousand up to the amount of the liability.
- Pursuant to the Agreement for purchase and sale of financial instruments with Euroins Insurance Company AD (Acquirer) Eurohold Bulgaria AD (Transferor) a set-off of the receivable from the transferor with a liability to the same amounting to BGN 5 476 thousand has been made.
- Pursuant to an Agreement with Euroins Insurance Company AD Acquirer on one transaction (receivable in the amount of BGN 4 903 thousand) with Eurohold Bulgaria AD and Transferor in another transaction (liability in the amount of BGN 4 843 thousand) with Eurohold Bulgaria AD offsetting has been performed of the receivable from the transferee with a liability of the transferor in the amount of BGN 4 843 thousand. The balance after the set-off (BGN 60 thousand) remains due to Euroins Insurance Company AD of Eurohold Bulgaria AD as of 31.12.2021 (*Note 16.3.*).
- Pursuant to a Set-off Agreement for of counter-liabilities with Euroins Osigurovanje AD, North Macedonia Eurohold Bulgaria AD, it has set-off a receivable in the amount of BGN 8 thousand with a liability of BGN 8 thousand.

The other related parties' transactions for 2022 and 2021 are disclosed in *Notes 3, 5.1, 7.1, 8.1, 9.1, 10.1, 12.1 and 12.2.*

30.1.2. Transactions with key management personnel

The key management personnel of the Company include the members of the Management Board and the Supervisory Board. Remuneration of key management personnel includes the following costs:

	2022 BGN	2021 BGN
Short-term remunerations:		
Salaries	364 313	312 297
Social security costs	7 492	8 847
Total short - term remuneration	371 805	321 144

30.1.3. Related party balances at the end of the year

Related party balances are disclosed in *Notes 15, 16, 20, 23, 26 and 27*.

	31.12.2022 BGN'000	31.12.2021 BGN'000
Non-current receivables from:		
- subsidiaries		
Motobul EAD (<i>Note 15</i>)	-	170
Impairment	-	(1)
Total non-current receivables from subsidiaries	-	169
Current receivables from::		
- subsidiaries		
Euroins Insurance Group AD (<i>Note 16.2</i>)	321	-
Avto Union AD (<i>Note 16.2</i>)	-	2
Motobul EAD (<i>Note 16.2</i>)	-	11
Euroins Insurance Group AD (<i>Note 16.1</i>)	8 010	-
Avto Union Service EOOD (<i>Note 16.3</i>)	-	3
Auto Italia EAD (<i>Note 16.3</i>)	-	13
Bulvaria EOOD (<i>Note 16.3</i>)	-	5
IC Euroins AD (<i>Note 16.3</i>)	83	106
Money Lease EAD (previous name Eurolease Auto EAD) (<i>Note 16.3</i>)	-	5
Star Motors EOOD (<i>Note 16.3</i>)	-	2
Kazam Bulgaria EAD (previous name Autoplaza EAD) (<i>Note 16.3</i>)	-	5
Euroins Osigurovanje AD, North Macedonia (<i>Note 16.3</i>)	1	-
Euroins Insurance Group AD (<i>Note 16.3</i>)	13 300	14
Euroins Romania Asiguarare – Reasigurare S.A. (<i>Note 16.3</i>)	193	214
Avto Union AD (<i>Note 16.3</i>)	-	24
Eurolease Group AD (<i>Note 16.3</i>)	-	37
Euro-Finance AD (<i>Note 16.3</i>)	1	1
Electrohold Trade EAD (<i>Note 16.3</i>)	1	-
Eastern European Electric Company B.V. (<i>Note 16.3</i>)	1 224	188
Eastern European Electric Company II B.V. (<i>Note 16.3</i>)	850	185
Eastern European Electric Company III B.V. (<i>Note 16.3</i>)	3	3
Impairment (<i>Notes 16.2 and 16.3</i>)	(228)	(50)
- other related parties under common control		
Hanson Asset Management Ltd, UK (<i>Note 16.3</i>)	-	81
Total current receivables from subsidiaries and other related entities under common control	23 759	849
Total receivables from related parties	23 759	1 018

	31.12.2022 BGN'000	31.12.2021 BGN'000
Non-current liabilities to:		
- shareholders		
Starcom Holding AD (<i>Notes 20 and 23</i>)	22 377	66 661
- subsidiaries		
Eurolease Auto AD (<i>Note 23</i>)	-	1 400
Eurolease Auto AD (<i>Note 23</i>)	-	66
Total non-current liabilities to shareholders and subsidiaries	22 377	68 127
Current liabilities to:		
- shareholders		
Starcom Holding AD (<i>Notes 26.1, 26.2, 26.3, 27</i>)	391	16 923
- subsidiaries		
Avto Union AD (<i>Note 26.2</i>)	-	30
Eurolease Auto AD (<i>Note 26.2</i>)	-	963
Euroins Insurance Group AD, (<i>Note 26.2</i>)	-	1,719
Avto Union Service EOOD, (<i>Note 26.2</i>)	-	20
IC Euroins AD (<i>Note 26.2</i>)	282	-
Euroins Romania Asiguarare – Reasigurare S.A. (<i>Note 26.2</i>)	218	-
Euroins Insurance Group AD, (<i>Note 26.1</i>)	-	14 171
IC Euroins AD (<i>Note 26.1</i>)	4 158	-
Euroins Romania Asiguarare – Reasigurare S.A. (<i>Note 26.1</i>)	3 227	-
Eurolease Auto AD (<i>Note 26.1</i>)	-	1 900
IC Euroins AD (<i>Note 26.3</i>)	155	4
IC Euroins Life AD (<i>Note 26.3</i>)	30	-
Eurolease Auto AD (<i>Note 26.3</i>)	-	38
Eurolease Auto AD (<i>Note 26.3</i>)	-	38
IC EIG Re AD, (<i>Note 26.3</i>)	5	54
Avto Union AD (<i>Note 26.3</i>)	-	695
Avto Union Service EOOD, (<i>Note 26.3</i>)	-	244
Eastern European Electric Company B.V. (<i>Note 26.3</i>)	-	4 890
Euroins Romania Asiguarare – Reasigurare S.A. (<i>Note 26.3</i>)	910	15
Total current liabilities to shareholders and subsidiaries	9 376	41 704
Total liabilities to related parties	31 753	109 831

31. Events after the end of the reporting period

On 10 February 2023, Eurohold Bulgaria informed the public about illegal actions of employees of the Romanian insurance supervision against the Romanian insurance company "Euroins Romania Asiguarare-Reasigurare" S.A. (Euroins Romania) part of the group. Eurohold has informed the FSC and a number of competent state and international bodies and institutions about these actions. On the website of Eurohold Bulgaria AD, in the news section (www.eurohold.bg), the information published by the company can be followed, as well as the subsequent actions and measures taken.

On 17 February 2023, the management of Eurohold Bulgaria AD informed the public (news section of www.eurohold.bg) 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 more further regulatory overpressure, Euroins Romania concluded a new reinsurance contract with the group's reinsurer - ZD EIG Re EAD (EIG Re). This contract guarantees the payment of all claims of the Romanian insurer and ensures the transfer of a significant part (87%) of the risk in its portfolio outside the company, thereby retroceded to leading European reinsurers.

On 17 March 2023, the Romanian financial regulator (Autoritatea de Supraveghere Financiară) revokes the insurance activity license of Euroins Romania Insurance - Reinsurance S.A., a subsidiary of Euroins Insurance Group AD. The regulator's decision also includes the opening of bankruptcy proceedings and the appointment of the Insurance Guarantee Fund (Fondul de Garantare a Uzumedilor) as a temporary administrator of the company.

The management of Eurohold Bulgaria AD, a majority shareholder in Euroins Insurance Group AD, made a statement that, apart from Euroins Romania, all other subsidiaries and businesses of the Eurohold Group, including insurance, 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.

On 21 March 2023, Eurohold requested the return of the license to Euroins Romania. 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). As a consequence of the ASF's actions, it was announced that it would cause severe financial consequences for the insured persons and up to 1 billion euros of losses for the Romanian taxpayers.

There are no other significant events after the date of the reporting period that require additional disclosure or adjustments to the separate financial statements of Eurohold Bulgaria AD as of 31 December 2022.

B

ACTIVITY REPORT

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B.1 OPERATIONAL AND FINANCIAL REVIEW

BUSINESS ACCENTS

Eurohold Bulgaria AD

- ✓ Leading independent business group in Central and Southeast Europe (SEE) with leading positions in the insurance and energy business
- ✓ Main activity - financial activity related to the creation, acquisition and management of participations and financing of related companies
- ✓ Owner of a large energy group in Bulgaria - the Electrohold group
- ✓ Owner of the largest independent insurance group in SEE in gross premium income - Euroins Insurance Group
- ✓ Experienced management team
- ✓ High level of corporate governance in accordance with best practices
- ✓ Public joint stock company within the meaning of the POSA.

the company's shares are registered for trading on:

- » Main market of the Bulgarian Stock Exchange (BSE) - with stock exchange code EUBG
- » Warsaw Stock Exchange (GPW) - with stock exchange code EHG

2022

BUSINESS OPERATIONS

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

BUSINESS ASSETS

Euroins Insurance Group AD - insurance

Insurer from CEE and SEE with leading positions in Romania and Bulgaria.
Active operations in 9 markets in Europe.

Eastern European Electric Company II B.V. - energetics

A company uniting the energy companies acquired in 2021

Euro-Finance AD - investment intermediation and asset management

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

Over 28 years of experience.

Everybody has a story, we have a vision

Business profile

Eurohold Bulgaria is one of the leading public companies whose shares are traded on the Bulgarian Stock Exchange and the Warsaw Stock Exchange.

The investment portfolio of the Holding includes subsidiaries performing activities in three areas - energy, insurance, financial services (investment brokerage and asset management). Until 30.06.2022, Eurohold also owned investments in automobile and leasing business.

The activities carried out within the holding provide significant opportunities for rapid growth of the market shares of the companies in the Group, optimization of costs, strengthening of competitiveness and, as a result, an increase in market shares and consolidated profit.

Our mission

- to maintain high financial stability of the Eurohold group;
- to ensure an adequate return to its shareholders;
- to support the growth of our subsidiaries;
- to stimulate innovation and increase the satisfaction of our customers;
- to provide the necessary conditions for constant improvement of the competitiveness of our subsidiary companies;
- to maintain high trust in our relationships with our stakeholders: shareholders, employees, customers, suppliers, regulators and local communities.

Main objectives

- to satisfy the needs of our customers by offering innovative and competitive products and services;
- to organically expand the markets in which we operate and increase the market shares of each of our subsidiary companies;
- to increase the volume of sales combined with high profitability;
- to preserve the positive image of the company. Meeting the targets will lead to sustainable growth in our revenues and profits.



Our group strategy is based on the following principles:

- » Development and maintenance of leading positions in key markets in the South-East Europe region in the insurance, energy and investment business
- » Focus on organic growth, complemented by acquisition of enterprises that meet Eurohold's criteria;
- » Promoting synergies in all business sectors by centralizing and optimizing operations, marketing and business processes;
- » Focus on risk management, guaranteed profitability and stable financial condition of each company within the Eurohold Group;
- » Development, training and retention of highly qualified managers and employees by providing opportunities for professional growth;
- » Setting common goals in each business segment regarding negotiating better conditions for suppliers, advertising and participation in public tenders.

Group corporate responsibility and sustainability

For the Eurohold Group, corporate sustainability means the ability to meet the expectations of all our stakeholders and to fulfil our obligations, not only today, but also in the future.

Eurohold has imposed the group policy for social responsibility in the holding structure, to which all companies from its economic group adhere. The group is convinced of the importance and benefits of corporate responsibility, which is related to the protection of people, their well-being, environmental protection and impact on society.

Continued efforts to improve the economic environment by promoting responsible behaviour on the part of our employees, conducting open dialogue with stakeholders and enhancing the positive impact of Eurohold's companies on society are the essence of group corporate responsibility.

All companies in the holding structure support the implementation of the principles of corporate social responsibility and sustainability in their activities.

Financial highlights 2022

Individual base

Eurohold Bulgaria AD is a holding company with international business, has significant investments in subsidiaries and as such does not conduct regular commercial transactions. Eurohold manages a portfolio of companies in the sectors: insurance, energy (from 27.07.2021), cars, leasing and investment intermediation and asset management (financial services). Until 30.06.2022, the Company also owned investments in the automotive and leasing business.

Eurohold Group has a long-term approach to its investments and has leading market positions in the segments in which it operates.

The operating income of the Company on an individual basis is related to acquisition, management and development of companies, sale of companies, transactions with financial instruments, etc. All these revenues are manifested in different reporting periods and are not permanent in nature. Due to this important factor, investors and interested parties should read this individual report together with the consolidated activity report for 2022, giving a clear and complete view of the risks, results, financial position, strategies and development prospects of the Eurohold group.

	Assets	Investments	Equity	Liabilities and subordinated debts
	-3%	-9%	-30%	+21%
2022	696 million BGN	652 million BGN	243 million BGN	453 million BGN
2021	720 million BGN	717 million BGN	345 million BGN	376 million BGN

B.2 SIGNIFICANT EVENTS IN 2022

B.2.1 Main events, which occurred and are important for the activity of Eurohold Bulgaria AD

January

- ✓ 28.01.2022 - Eurohold Bulgaria AD concluded a loan agreement in the amount of 7 million euros with the International Investment Bank, Russia, the entire amount being fully utilized on 31.01.2022 at an interest rate of 5% and due on 28.01.2029.
- ✓ On 28.01.2022, a Debt Substitution Agreement was concluded between Auto Union AD in its capacity as creditor, Eurohold Bulgaria AD in its capacity as underwriter and EIG AD in its capacity as original debtor. Eurohold AD replaces EIG AD as a debtor and in turn becomes a creditor of EIG AD.

March

- ✓ 08.03.2022 - Eurohold issues a new corporate bond loan under the terms of a private placement, in the amount of the issue of €40 million, divided into 40 thousand bonds with a nominal and issue value of €1,000, 3.25% interest, with a one-time repayment of the principal on the maturity date of the issue 03/08/2029. The issue is secured by "Bond Loan" insurance.
- ✓ 17.03.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a cash contribution to a premium reserve in the amount of 2,000,000 euro.

April

- ✓ 01.04.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 150,000 euro.

May

- ✓ 18.05.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 80,000 euro.
- ✓ 27.05.2022 - Eurohold Bulgaria AD established a new subsidiary - "ELECTROHOLD GREEN" EOOD (ELECTROHOLD GREEN) with a capital of BGN 20,000. As of 31.12.2022, the newly established company does not develop activities.

- ✓ On 27.05.2022, the subsidiary "Euro-Finance" AD distributed a dividend from its profit for 2021 to Eurohold Bulgaria AD in the amount of BGN 2,102 thousand. Eurohold Bulgaria AD in the amount of BGN 2,102 thousand.

June

- ✓ 22.06.2022 Fitch Ratings confirmed the "B" rating it awarded on the long-term credit rating of Eurohold Bulgaria AD, changing the outlook from "negative" to "stable".
- ✓ 27.06.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 680,000 euro.

- ✓ 30.06.2022 - Eurohold Bulgaria AD, following its development strategy after the acquisition in mid-2021 of CEZ Group's energy companies in Bulgaria, concluded an agreement for the sale of the rest of its automotive and leasing business by selling its subsidiary sub-holding companies Auto Union AD and Eurolease Group AD together with the operating companies owned by them.

The deal for the sale of the leasing and automotive business significantly reduced the indebtedness of the Eurohold group, as leasing companies traditionally operate with a high proportion of borrowed capital, and automotive companies with working capital.

As a result of the sales, as of 30.06.2022, the following debts are eliminated from Eurohold's group indebtedness:

- of the leasing business - 39 million euros of secured liabilities (financing of leasing activities with a pledge of receivables/cars) and 5.4 million euros of unsecured liabilities (bonds issued by the leasing companies);
- of the automotive business - 6 million euros in secured liabilities (working capital with a pledge of inventories and receivables), 7 million euros (issued bonds) as of the first half of 2022, as well as 3 million euros in secured bank guarantees.

This improved the overall capital position of Eurohold, as well as enabled the Holding to focus on the strategic development and implementation of the investment plans of the insurance and energy businesses.

July

- ✓ 21.7.2022 an existing bank loan to the International Bank for Economic Cooperation (IBEC) in the amount of EUR 15 million was renegotiated. The principal of the loan is subject to return in 2 tranches, with 3 million euros due by 31.7.2022, and the remaining 12 million euros by 28.1.2023.
- ✓ 29.07.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 70,000 euro.

August

- ✓ On 18.08.2022, Eurohold signed a partnership agreement with the European Athletics Association until the end of 2025. Eurohold will have the status of an official partner of European Athletics in the insurance category.
As an official partner of European Athletics, Eurohold will benefit from the main marketing rights, which include external advertising boards at the above events, on-air broadcasting during the live broadcasts of the competitions of the European Athletics calendar, company representation through European Athletics communication channels and etc.
- ✓ On 18.8.2022, Eurohold Bulgaria AD signed a loan agreement from a banking institution in the amount of EUR 4.2 million for a period of five years for the purpose of financing the subsidiary Eastern European Electric Company B.V., the Netherlands, in connection with the purchase of the minority shareholders in EGW and Electrohold Sales. The interest on the loan is 6.00% per annum + reference interest rate (ESTR), the loan

will be repaid in quarterly installments, starting from the expiration of a one-year grace period and the final maturity date 30.06.2027

- ✓ 18.08.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 4,200,000 euro.
- ✓ With the entry in the Commercial Register and the Register of the National Commercial Register at the Registration Agency, on 25.08.2022, Mr. Asen Emanuilov Asenov was removed as a member of the public company's management body.

September

- ✓ 1.09.2022 - Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II, the Netherlands, with a monetary contribution to the premium reserve in the amount of 75,000 euro.

December

- ✓ On December 1, 2022, "Eurohold Bulgaria" AD received consent to extend by 42 months the deadline for the payment of European medium-term bonds issued under the European Medium-Term Bond Program (EMTN Program) and admitted to trading on the Irish Stock Exchange with ISIN XS1731768302 in the total amount of the issue of EUR 70 million, interest coupon in the amount of 6.5%. The essential conditions and parameters under which the issue was issued, including the total amount of the issue, remain unchanged for the extended maturity period - June 7, 2026.

B.2.2 Occurred events for subsidiary companies related to a change in the economic group

March

- ✓ In March 2022, Eastern European Electric Company B.V., the Netherlands - the holding directly consolidating the energy business of Eurohold Bulgaria AD, increased its share of the capital of the electricity distributor - Electrodistribution Grid West AD (previous name CEZ Razpradelenie Bulgaria AD) to 98.93% (by acquiring an additional 207,107 shares or 10.74%), and the electricity supplier - Electrohold Sales AD (previous name CEZ Electro Bulgaria AD) to 96.76% (by acquiring an additional 1,379 shares or 27.58%).

April

- ✓ At the end of April 2022 – a change in the names of some of the energy companies owned by Eastern European Electric Company B.V. was entered in the Commercial Register at the Registration Agency. (subsidiary of Eurohold Bulgaria AD), as follows:

Old name	New name
CEZ Distribution Bulgaria AD	Electrodistribution Grid West AD (EGW)
CEZ Electro Bulgaria AD	Electrohold Sales AD
CEZ Bulgaria EOOD	Electrohold Sales AD
CEZ Trade Bulgaria EAD	Electrohold Trade EAD
CEZ Information and Communication Technologies Bulgaria EAD	Electrohold ICT EAD

May

- ✓ 11.05.2022 - AUTO UNION AD signed a final contract with M TRAX BULGARIA EOOD for the sale of Star Motors EOOD - official importer of Mazda brand cars for Bulgaria. At the present moment, the transaction has been finalized, and by virtue of the contract between the parties, M TRAX BULGARIA EOOD acquired all 70,000 shares forming the capital of Star Motors EOOD, including its subsidiaries Star Motors DOOEL (North Macedonia) and Star Motors SH.P.K. (Kosovo). The new owner was entered in the TR at the Registration Agency on 17.05.2022.

September

- ✓ The energy holding Eastern European Electric Company B.V. (EEEC) increased its participation in the two subsidiary companies of the energy group - "EGW" AD and "Electrohold Sales" AD to 100% of the capital by buying out all the remaining shares of minority owners. EEEEC acquired an additional 14,416 shares of EGW AD for nearly BGN 4,376 million (EUR 2,237 million) or BGN 303.55 (EUR 155.2) per share, as well as 117 shares of Electrohold Sales AD for BGN 3,412 million. BGN (1,744 million euros) or BGN 29,161.02 (14,909.79 euros) per share.
- ✓ 20.9.2022 - The Financial Supervision Commission decided to deregister "Electricity Distribution Networks West" AD (ERM West AD) and "Electrohold Sales" AD as public companies from the register under Art. 30, para. 1, item 3 of the ZKFN, managed by the KFN.

October

- ✓ On 03.10.2022, the company Electrohold IPS EOOD was established, 100% owned by Electrohold Bulgaria EOOD. The company was established with a capital of BGN 5,000 and main activity: Preparation of investment projects, construction and installation works, delivery, purchase and sale of materials/goods, consultations and assistance in preparing documentation for conducting procedures and tenders, as well as any other activity not prohibited by law.

December

- ✓ On December 30, 2022, Euroins Insurance Group (EIG), part of Eurohold Bulgaria, signed an agreement for the sale of its subsidiary in Belarus and the group's share in a company in Russia. From the date of the contract, EIG will not consolidate the results of the sold companies. EIG owned 100% of the company's capital in Belarus and 48.61% of that in Russia. EIG's business in the two countries forms less than 1% of the insurance group's revenues for 2022.

B.2.3 Significant events, which occurred after the balance sheet date

February and March 2023

- ✓ 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. (Euroins Romania) part of the group.

Eurohold has informed the FSC and a number of competent state and international bodies and institutions about these actions.

On the website of Eurohold Bulgaria AD, in the news section (www.eurohold.bg), the information published by the company can be followed, as well as the subsequent actions and measures taken.

- ✓ **On February 17, 2023** - The management of Eurohold Bulgaria AD informed the public (news section of www.eurohold.bg) 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 concluded a new reinsurance contract with the group's reinsurer - ZD EIG Re EAD (EIG Re). This contract guarantees the payment of all claims of the Romanian insurer and ensures the transfer of a significant part (87%) of the risk in its portfolio outside the company, thereby retroceded to leading European reinsurers.

The announcement also states that the shareholders of Euroins Romania already in the third quarter of 2022 have launched actions to increase the company's share capital in two consecutive procedures with a total value of 99,700,000 Romanian lei. As a result of these increases, the share capital increased by 9,970,000 new shares (with an issue value of 10 Romanian lei each and a nominal value of 1 Romanian lei) and an amount of 567,457,674 Romanian lei distributed in 567,457,674 registered shares with nominal value of 1 /one/ lei each. The participation of "Euroins Insurance Group" AD in the capital of the Romanian insurer increased to 559,489,450 shares, corresponding to about 98.5958% of the capital.

Also, Euroins Romania, according to its development strategy, continues to diversify its portfolio in order to reduce risk, in just one year the insurer's market share in the "Civil Liability" segment decreased by 15% to nearly 28%, measured by the number of issued policies and registered cars in the country, and compared to active policies at the end of the year, this share is even smaller - 27.68%. At the same time, the company's insurance revenues, which are not related to the "Civil Liability" policy, have doubled. As a result, Euroins Romania ends 2022 with BGN 62.2 million profit before taxes.

- ✓ **On 17 March 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 consequence of the decision of the Romanian financial regulator against Euroins Romania, the holding company announced that it has launched a procedure to challenge this decision in all competent courts in Europe and around the world.

- ✓ **On March 21, 2023** - Eurohold requested the return of the Euroins Romania license.

At a press conference in Bucharest, the holding warned that ASF's decision to revoke the license and file for bankruptcy leads to:

- 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 every reinsurance contract).
- causing severe financial consequences for insured persons and up to EUR 1 billion in losses for Romanian taxpayers.

There are two alternatives to ASF:

- ✓ to confirm its decision of March 17, which will bring direct damages and losses to taxpayers in Romania for nearly 1 billion euros; or
- ✓ to ask the court to annul this decision and return the license to Euroins Romania, whereby EIG will be able to continue to support the development of the company

Financial status and reinsurance contracts of Euroins Romania

The management of Eurohold confirmed the good financial condition of the Romanian insurer as of the date of withdrawal the license with specific data and examples at the press conference in Bucharest, where he also presented the following data and facts.

As of March 17 (date of license revocation), 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, due to enter the company within 5 days. At the same time, the company's daily operating expenses are in the order of 5-5.5 million lei and separate current liabilities for another 1-1.5 million lei. These data show that the company is in good financial condition and there can be no question of insolvency, as is the motive of the Romanian regulator.

As of the license revocation date, the Romanian company regularly and on time fulfills its obligations and at any moment ensures full coverage of both the minimum capital requirement (MCR) and the solvency capital requirement (SCR) - the two key indicators for any insurer (confirmed and by the Romanian regulator). The coverage of both indicators is guaranteed both under the terms of the company's previous reinsurance contracts, not recognized by the Romanian supervisor, and under the new reinsurance contract with EIG Re, which, although perfect from a legal and economic point of view, was also not accepted by the regulator in Bucharest. This happens regardless of the fact that the reinsurance contract concluded with EIG Re has been officially confirmed by the Financial Supervision Commission (the Bulgarian regulator), which is solely competent and in a position to rule on the solvency of EIG Re and the validity of this contract (both confirmed with a letter from the FSC on 14.03.2023).

Failure to recognize the reinsurance contract with EIG Re leads to a violation of European (Article 32 of the EU Solvency 2 Directive) and Romanian legislation. It is this reinsurance contract with EIG Re that is the reason why there is no basis to claim that the company does not cover its capital requirements (MKI and KIP) and that it has a problem with its solvency, which was used as an argument by the Romanian regulator in the official report on revocation of the license.

Contrary to ASF's claims of a capital shortfall of Euroins Romania as of September 30, 2022, Eurohold's data shows the exact opposite. As of this date, the Romanian insurer actually possesses the necessary permissible basic own funds, which ensure the minimum capital coverage and the capital requirement for solvency in amounts that exceed the 100% required by law. This is the case both through the prism of the reinsurance contracts with leading reinsurers in Europe, which are not recognized by the financial supervision, which ensure the transfer of 55% of the risk in the company's portfolio, and in relation to the subsequent new reinsurance contract with EIG Re, which transfers outside the company 87 % of risk. As of September 2022, the CPI is 143%, and as of December 2022 - 134%, and the MCI - 272% and 280%, respectively. Additional, the reinsurance contracts of Euroins Romania, not recognized by the Romanian regulator, have been formally confirmed

by the same supervisor in the past at least twice in the last three years, including during a significant audit and a large-scale review of insurers' balance sheets in Romania in 2021. They are confirmed by both independent auditors appointed by ASF during the review of the balance sheets. At a later point, these same contracts become unacceptable to the regulator and the company is forced to terminate them and replace them with new ones.

The ASF report dated February 2, 2023 stated that the Romanian reinsurance supervisor suspended Euroins Romania's existing reinsurance contracts with leading European AA-rated reinsurers and charged additional reserves to the insurer in the amount of 605 million lei.

In this way, ASF found on paper a capital shortfall of 2 billion lei or 400 million euros. Eurohold's calculations show, however, that if the existing reinsurance contracts are taken into account, even with the additional reserves charged by the regulator for 605 million lei, the coverage of MKI and KIP would be over 100%.

With the conclusion of a new quota reinsurance contract with EIG Re at the beginning of February, Euroins Romania meets all the requirements of the Romanian insurance supervision. The new contract was concluded in accordance with all European standards and norms and is customary for most of Europe's leading insurance groups. It ensures the transfer of 87% of the risk in the portfolio of Euroins Romania and guarantees the full volume of damages to the Romanian insurer. Another 10% of the risk remains for the leading reinsurer in Europe and only 3% in the Romanian company itself. An additional security for Euroins Romania and EIG Re is that a significant part of the risks assumed by the new reinsurer are retroceded to leading European reinsurers. The higher risk coverage is also accompanied by a transfer of assets of the Romanian company to the reinsurer, again in accordance with ASF requirements.

With the reinsurance contract with EIG Re, Euroins Romania's MKI and KIP coverage jumps to 219% and 148%, respectively, as of January 1, even if the 605 million lei increase in technical reserves prescribed by the Romanian regulator is taken into account. In this way, the risk and solvency of Euroins Romania are fully guaranteed.

ASF refuses to recognize the reinsurance contract with ridiculous arguments and claims by persons from the insurance supervision that EIG Re is an unknown, Bulgarian company and does not have the necessary capital. At the same time, EIG Re is a company with over 20 years of history and experience, acquired by EIG 8 years ago from the German HDI.

The entire published announcement, including the presentation from the press conference, can be viewed in the news section of the announcement of 03/21/2023 on the website www.eurohold.bg.

B.3 CORPORATE INFORMATION

B.3.1 History

EUROHOLD BULGARIA BEGINS ITS HISTORY 28 YEARS AGO

✓ 2006 - ESTABLISHMENT. HEIR OF TWO LARGE HOLDING GROUPS

EUROHOLD BULGARIA SA is a holding company established on 12 December 2006 in the Republic of Bulgaria through the merger of the public company Eurohold AD (1996) and the holding company Starcom Holding AD (1995).

The merger strengthens the position of the newly established holding company Eurohold Bulgaria AD as one of the largest groups in Bulgaria with significant potential for future development, significant equity and financial resources.

✓ 2007-2010 - CHOICE OF BUSINESS MODEL AND CONCEPT

Upon its establishment, Eurohold Bulgaria has a number of subsidiaries that operate in the field of insurance, leasing, real estate and tourism management, industry and others. In 2010 the management of the Company decided to restructure its investments, determining as strategic its investments in companies operating in the field of insurance, leasing, automobiles, as well as investment intermediation and asset management.

In order to optimize costs and achieve high synergy between its strategic subsidiaries, a decision is made to establish sub-holding structures operating in the insurance sector, leasing sector, car sales, investment intermediation and asset management.

✓ 2021 - ACQUISITION OF ENERGY BUSINESS AND NEW BUSINESS CONCEPT

In 2021, Eurohold Bulgaria acquired the assets of CEZ Group in Bulgaria.

Following the acquisition of the energy companies, Eurohold has identified strategic investments in the insurance and energy business.

✓ TODAY - EXPANSION AND LEADER IN EUROPE

The largest public holding company by revenue in Bulgaria and one of the leading independent business groups in Southeast Europe (SEE).

Eurohold Bulgaria AD is one of the largest independent financial groups in the region of Central and South-Eastern Europe. The Eurohold Group is a fast-growing holding structure that is expanding both organically and through acquisitions.

During the historical 28 years, the holding has realized 17 successful acquisitions of companies from various sectors in Central and Eastern Europe in transactions with leading corporations in its sectors in Europe. Eurohold through Euroins Insurance Group AD (EIG) operates in 13 European countries, owning subsidiaries in Bulgaria, Romania, North Macedonia, Ukraine, Belarus and Georgia. Euroins Insurance Group AD is already active in Greece and carries out niche operations in Spain, Poland, Italy, Germany, the Netherlands and United Kingdom.

B.3.2 Company data

<i>Name</i>	„EUROHOLD BULGARIA“ AD
<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>	investors@eurohold.bg ; office@eurohold.bg
<i>Website</i>	www.eurohold.bg

Activity

Acquisition, management, evaluation and sale of investments 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 of companies, in which the company participates.

Main activity

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.

Research activity

"Eurohold Bulgaria" AD did not directly incur costs for research or development activities.

Statute

"Eurohold Bulgaria" AD is a public joint-stock company within the meaning of Public Offering of Securities Act.

The company's shares are listed for trading on the main market of:

- » Bulgarian Stock Exchange AD – Sofia with stock code EUBG
- » Warsaw Stock Exchange (GPW) - Poland with stock code EHG.

Branches and representative offices

Eurohold Bulgaria AD is located in Sofia and does not have branches and representative offices in other settlements.

Collective bargaining

From the establishment of Eurohold Bulgaria AD to the present moment, there has been no collective labor agreement and no trade union organizations of the employees.

Credit ratings assigned

 <p>EuroHold Issuer Default Rating "B" Outlook: stable</p>	<p>EuroHold Long-term: BBB- Outlook: stable Short-term: A-3 bonds issues Long-term: BBB- Outlook: stable Short-term: A-3</p> 
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B.3.3 Equity and capital structure

SHARE CAPITAL

Initial registered capital

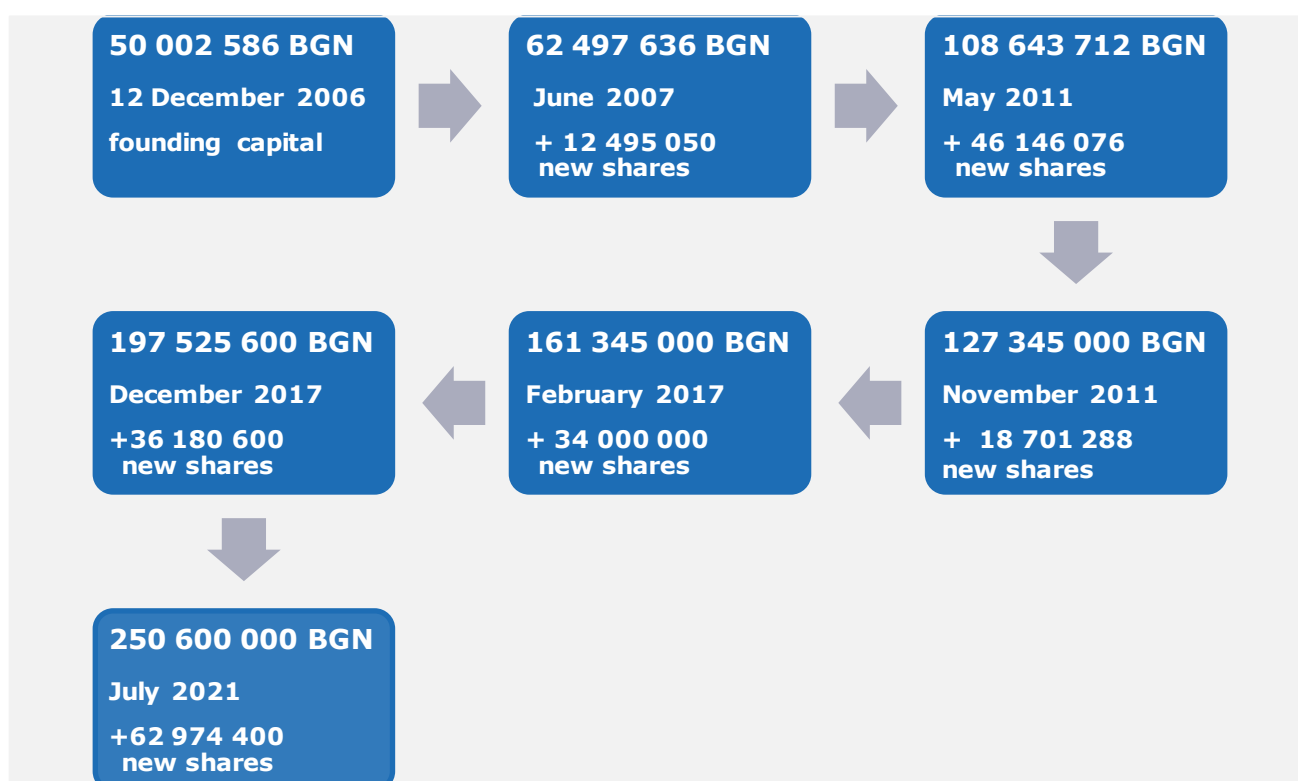
Eurohold Bulgaria AD is registered with an initial share capital of BGN 50,002,586, divided into 50,002,586 ordinary, non-privileged, registered, dematerialized shares, with the right to one vote in the General Meeting of Shareholders, the right to a dividend and a liquidation share, with a nominal value of BGN 1 each. Since the establishment of the Company, several increases in the Company's capital have been carried out by means of cash contributions.

Current capital

As of the date of preparation of this activity report, the capital of Eurohold Bulgaria AD is BGN 260,500,000, divided into 260,500,000 ordinary, non-privileged, registered, dematerialized shares, with the right to vote, the right to a dividend and a liquidation share, with a nominal value of BGN 1.00 each.

CHANGES IN SHARE CAPITAL

The graph below shows the history of all increases in share capital since the Company's incorporation



All increases in the share capital of Eurohold Bulgaria were carried out under the conditions of a public offering of shares of the same type and class as the initially registered share issue, with a nominal value of BGN 1.00 (one) each.

At this moment, there is no other increase of the company's share capital, which is in process or for which a decision has been taken by the competent authority.

The funds raised from all increases in the Company's share capital have been used to support the subsidiary companies and to reduce the Company's long-term indebtedness.

SHARES

All shares issued by the Company are in circulation, of the same class and fully paid up.

The entire capital of the Company has been paid in cash and the same has not been increased through contributions and no shares have been issued that do not represent capital.

All shares issued by Eurohold Bulgaria AD provide their holders with the right to vote in the General Meeting of the Company.

Stock trading

All shares of Eurohold Bulgaria AD are registered for trading on:

- » Main market of the Bulgarian Stock Exchange AD, Segment Shares Standard, stock code EUBG; and
- » Warsaw Stock Exchange (GPW) Poland with stock code EHG.

Number and nominal value of own shares acquired and transferred during the year

In 2023, the Company did not buy back its own shares, and no such were transferred, respectively, at the end of the period, Eurohold Bulgaria AD did not own any own shares.

Ownership of own shares and the part of the capital they represent

As of 31.12.2022 and as of the date of preparation of this activity report, the Company has not repurchased, and accordingly does not own, its own shares.

As of 31.12.2022, 77,227 voting shares of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2021 – 77,227 voting shares), representing 0.03% of the capital of the company.

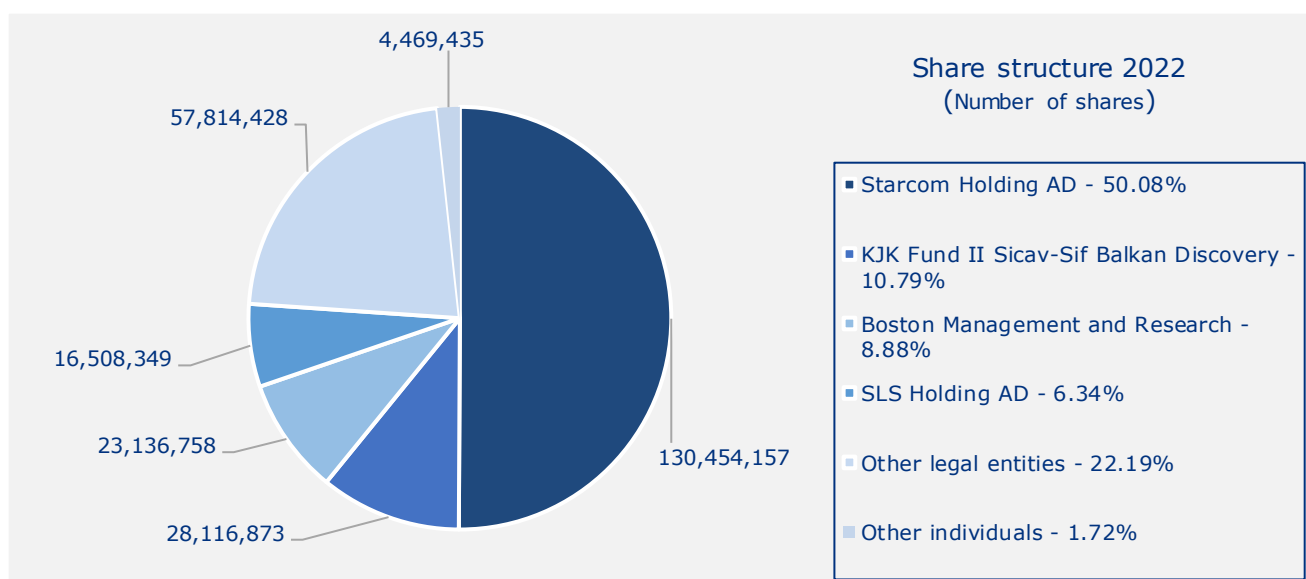
Conditions for increase of share capital

The body that is competent to take decisions in connection with the increase of the Company's capital is the General Meeting of Shareholders.

Eurohold Bulgaria AD, as a public company, increases its share capital under the conditions of an initial public offering of securities, by issuing a new issue of shares under the conditions of a public offering in accordance with the Law on Public Offering of Securities.

SHARE CAPITAL STRUCTURE

As of 31.12.2022 and as of the date of preparation of this activity report, there are four shareholders that own directly 5 percent or more of the shares with the right to vote in the Company's general meeting. There are no individual shareholders who directly own more than 5 percent of the voting shares.



- » The majority shareholder in Eurohold Bulgaria is Starcom Holding AD, which own 130,454,157 shares with voting rights representing a controlling stake of 50.08% of the capital of Eurohold Bulgaria AD` as of 31.12.2022. Starcom Holding AD is a holding company registered in the Republic of Bulgaria, which operates in accordance with Bulgarian legislation.
- » KJK FUND II SICAV-SIF BALKAN DISCOVERY is the second major shareholder in Eurohold Bulgaria AD, which holds a qualified participation in the Company's capital. As of the end of 2022, KJK FUND II SICAV-SIF BALKAN DISCOVERY owns 28,116,873 shares. shares representing 10.79% of the issued shares of the capital of Eurohold Bulgaria AD.
- » Boston Management and Research owns 23,136,758 shares, representing 8.88% of the capital of Eurohold Bulgaria AD, through the following funds managed by it:
 - Global Opportunities Portfolio,
 - Global Macro Portfolio,
 - Global Macro Absolute Return Advantage Portfolio,
 - Global Macro Capital Opportunities Portfolio.
- » SLS Holding AD owns 16,508,349 shares with voting rights representing 6.34% of the capital of Eurohold Bulgaria AD.

INFORMATION ABOUT THE MAJORITY SHAREHOLDER

The majority shareholder, Starcom Holding AD, is a company registered in the Commercial Register maintained by the Registration Agency of the Republic of Bulgaria under EIK 121610851, with headquarters and management address: Sofia, Christopher Columbus Blvd. 43. The company was created for an indefinite period. The registered capital of the company is BGN 66,900,000, divided into 669,000 ordinary, registered, available shares with a nominal value of BGN 100 each. The shares of Starcom Holding AD are not admitted to trading on a regulated market.

The scope of activities of Starcom Holding AD is the acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, the transfer of licenses for the use of patents to companies in which the company participates. financing of companies, in which the company participates.

Starcom Holding AD has a one-tier management system - a Board of Directors consisting of three people - Asen Milkov Hristov - Executive Director, Kiril Ivanov Boshov - Chairman of the Board of Directors and Velislav Milkov Hristov - member of the Board of Directors. Starcom Holding AD is represented by the executive director Asen Hristov.

Starcom Holding AD, as the majority shareholder in "Eurohold Bulgaria" AD, does not have different voting rights in the general meeting of shareholders.

Eurohold Bulgaria AD is part of the economic group of its majority shareholder Starcom Holding AD. As of the date of this report, Eurohold Bulgaria AD is the main and most significant investment of Starcom Holding AD.

DIRECT AND INDIRECT CONTROL EXERCISED OVER EUROHOLD BULGARIA AD

➤ Direct control

Eurohold Bulgaria AD is not directly dependent on other entities within the framework of the group except for the majority owner of the capital "Starcom Holding" AD.

➤ Indirect control

Eurohold Bulgaria AD is indirectly dependent on natural persons, namely:

- Asen Milkov Hristov, who exercises indirect control over the Company, insofar as the person owns 51% of the capital of "Starcom Holding" AD;
- Kiril Ivanov Boshov, who exercises indirect control over the Company, insofar as the person owns 34% of the capital of "Starcom Holding" AD

B.4 CORPORATE MANAGEMENT

B.4.1 System of management

Eurohold Bulgaria AD has a two-tier management system:

- Supervisory Board, consisting of six individuals;
- Management Board, consisting of four individuals
- The company has one appointed Procurator.

SUPERVISORY BOARD (as of 31.12.2022)

Asen Milkov Christov - Chairman

Asen Hristov holds a master's degree, specialty "Physics" from SU "St. Kliment Ohridski", specialized in the Institute for Nuclear Research, Dubna, Russia. He specialized in management at the Open University – London. He speaks Russian and English.

Asen Hristov held mentioned managerial positions during different periods within the last 5 years. He held the position of Chairman of the Board of Directors of "Eurobank" AD from 1997 to 2000 and performed representative functions, was Chairman of the Supervisory Board of "ZD Euroins" AD from 2000 to 2007, as well as of the investment intermediary "Euro-Finance" AD. From 04.08.2021 until now, Mr. Hristov is the chairman of the Supervisory Board of "Electrodistribution Grid West" EAD.

Dimitar Stoyanov Dimitrov- Deputy Chairman of the Supervisory Board

Dimitar Dimitrov holds a Master's degree in Electronics and Automatics, Technical University of Sofia. From 1998 until 2006 he was Executive Director of the holding company Starcom Holding AD. Since 2005 he is a procurator of IC Euroins AD, and from 1998 to 2005 he held the position of Director of "Information services, statistics and analyzes" Department in the same company.

Kustaa Lauri Äimä - Independent member of the Supervisory Board

In 1997, Mr. Äimä graduated from the University of Helsinki with a Master's degree in Economics. He started his career in 1997 as a junior economist at the Bank of Finland. From January 1998 to May 1999, he worked as a corporate financial officer at Bankers Williams De Broe Helsinki Oy; from May 1999 to August 2000 he was a fund manager at Bankers BBL Finland Oy and from August 2000 to February 2009 he held the position of a fund manager, Head for Eastern Europe unit of Danske Capital. Since April 2002 Mr Äimä is a member of the Management Board of Amber Trust Management SA, a company operating in the field of portfolio management; since December 2004 he is a member of the Management Board of Amber Trust II Management SA, a portfolio management company; since December 2009 he is an executive director and owner of Kaima Capital Eesti Oy, a company specialized in investment advisory and private investment services; since March 2009 he is the executive director and owner of Kaima Capital Oy, which conducts activities in the field of private investments and management consulting. Since 2010, Mr. Äimä is the Chairman of the Board of Directors of KJK Management SA and the General Director as well as a member of the Management Board of KJK Capital Oy – both companies operating in the field of general management and funds raising.

Ivaylo Krasimirov Angarski - Independent member of the Supervisory Board

Education: Bachelor's degree in Accounting and Finance from Warwick Business School, Certificate in General Business Sciences with Investment Concentration from UCLA (University of California, Los Angeles).

Professional experience: Since 2011 Since then Executive Director of Compass Invest. More than 17 years of experience in the field of finance and management expertise, began his career in the department of Dresdner-Kleinwort in Global Debt, Forex and Local Markets, laid the foundation for successful business operations of foreign investors in Bulgaria, was in the consulting teams of some of the largest investment projects in Bulgaria, owns a financial consulting company since 2008.

Radi Georgiev Georgiev - Member of the Supervisory Board

Attorney at the Sofia Bar Association (since 1996), a partner in the Law Firm "Kalaidjiev and Georgiev".

Louise Gabrielle Roman - Member of the Supervisory Board

Mrs. Roman holds Bachelor's degree of arts from Bowdoin College (United States; 1982), with a dual Major in Government & Legal Studies and Mathematics, and a juris doctorate degree from Harvard Law School (United States; 1985). She is admitted to the New York and Massachusetts bars and was qualified as a foreign solicitor in England & Wales and accepted as a legal consultant with an unrestricted membership status by the Government of Dubai Legal Affairs Department.

Mrs. Roman practiced law as a leading international capital markets and corporate finance lawyer and a partner in a large global corporate law firm for more than 25 years advising on a full range of complex cross-border capital markets and corporate finance transactions. She spent nearly 20 years based in London and Dubai, where her practice focused on advising clients in emerging markets, including across Central Asia, Eastern Europe and the Middle East. Recently, she joined as Partner a globally-networked private markets investment firm focused on building businesses with legacy social impact themes and providing fundraising, asset management and operational support.

She is recognised as a leading lawyer and expert in several legal periodicals and international ranking publications, including *International Financial Law Review*, *The Legal 500* and *Chambers*, as well as *The Financial Times*. Lead partner on several award-winning, "first-of-their-kind" transactions.

▪ **Change in the composition of the Supervisory Board in 2022.**

In 2022, there was no change in the composition of the Supervisory Board of the Company.

MANAGEMENT BOARD (as of 31.12.2022)

Kiril Ivanov Boshov - Chairman of the Management Board and Executive member

Mr. Boshov holds a Master's degree in Accounting and Control from the University of National and World Economy, Sofia. He speaks English and Russian.

From 1995 to 1997 Kiril Boshov was the Chief Accountant of Mobikom – the first mobile operator in Bulgaria, a joint venture between Bulgarian Telecommunication Company and Cable and Wireless, United Kingdom. As Deputy Chairman of the Board of Directors and a procurator he participated actively in the restructuring of the assets portfolio of Eurobank AD, representation of the bank and direct management of the active bank operations – lending and capital markets. From 2000 to 2008 Kiril Boshov was a Chairman of the Management Board of Insurance Company Euroins AD and in 2006 the company was awarded "Company with best corporate management" by the Association of Investors in Bulgaria. In his capacity of a Chairman of the Board of Directors of Eurolease Auto AD, he managed the fund raising activities of the Company as well as the overall management process for the conclusion of an International Funding Agreement between Eurolease Auto AD and Deutsche Bank AG – branch London amounting to EUR 200 million.

Velislav Milkov Christov – Member of the Management Board

Velislav Christov has more than 25 years of experience as a lawyer and consultant in the field of civil, commercial, banking and insurance law, as well as over 20 years of experience in business management. His career includes a number of managerial positions as a member of the management and supervisory bodies of banks, insurance companies, public and private commercial companies and the head of the legal departments of the same. Velislav Christov is at the same time a freelance lawyer and holds a Master's degree in Law from the Faculty of Law of the Sofia University.

Razvan Stefan Lefter - Independent member of the Management Board

Mr. Lefter has graduated from the Bucharest Academy of Economic Studies, Bucharest, specialized in banking and stock exchanges (2003). Chartered Financial Analyst (CFA) (2008), specialized as an analyst at ING Bank Global HQ (September 2004 - May 2005), International Relations Manager at ING Bank - Romania (May 2005 - December 2006), trading in securities and equity research in EFG Securities - Romania (January 2007 - November 2011), securities trading in Swiss Capital Romania (November 2011 - June 2014). Since June 2014 – Managing Partner at RSL Capital Advisors, Romania where he focuses on private equity investments.

Assen Minchev - Executive Member of the Management Board

Mr. Minchev holds a Master's degree in Accounting and Control from the University of National and World Economy.

Assen Minchev was an Executive Director of the holding company Eurohold AD for the period 1998 - 2006 until its merger with Starcom Holding AD. From 1996 to 2000 he was a member of the Management Board of IC Euroins AD, and was also a representative of the Deputy Chairperson of the Supervisory Board of Euroins - Health Insurance AD.

▪ **Change in the composition of the Management Board in 2022.**

With the entry in the Commercial Register and the Register of the National Commercial Register at the Registration Agency, on 25.08.2022, Mr. Asen Emanuilov Asenov was removed as a member of the public company's management body.

PROCURATOR (as of 31.12.2022)

Milena Milchova Guentcheva – Procurator

Milena Gencheva holds a Master's degree from Moscow State University of Applied Sciences, majoring in "Foreign Languages" and a specialized course in "Management of Finances and Organization" at NBU, Sofia. Fluent in English, French and Russian

Milena Gencheva has been part of the Eurohold team for 20 years, during which time she has participated in and led various projects and has accumulated considerable professional knowledge and experience in the insurance field.

She has been with Euroins Insurance Group since the company was founded, and her main responsibilities and duties are related to building and developing long-term relationships with corporate clients of the group, as well as monitoring and coordinating the insurance activity. In the last 10 years, he has been the managing director of the Romanian subsidiary of the insurance holding in the Group - Euroins Romania. Before joining the holding, Ms. Gencheva held various administrative and commercial positions in non-governmental organizations and private commercial companies.

▪ **Change in persons appointed under a contract for the Prosecutor's Office in 2022.**

In 2022, there was no change in the persons appointed under the contract for the Prosecutor's Office.

Representation

Eurohold Bulgaria AD is represented jointly by the two executive directors or by one executive director and procurator.

Dependence on other persons

The Company's activity is not dependent on the individual professional experience or qualifications of other employees.

Eurohold Bulgaria AD is not directly or indirectly dependent on other legal entities or natural persons within the group, except for the persons described above.

Eurohold Bulgaria AD has no agreements with other persons, nor is it aware of such agreements, the effect of which could lead to a specific future change in the control of the company.

Kinship ties

There are established family ties between the members of the Management and Supervisory Boards. Asen Hristov and Velislav Hristov are relatives of the second degree through the silver line (brothers).

B.4.2 Information about the members of the Supervisory and Management Board and the Procurator of the Company

1 / Shares and bonds of the Company acquired, owned and transferred by the members of the Management and Supervisory Board and the Procurators

As of December 31, 2022, the members of the Management and Supervisory Board and the Procurator of the Company own shares of the capital of Eurohold Bulgaria, as follows:

Member of the Supervisory and Board of Directors	Number of shares held
Supervisory Board	200
Assen Christov	does not own
Dimitar Dimitrov	200
Radi Georgiev	does not own
Kustaa Äimä	does not own
Ivaylo Angarski	does not own
Louise Roman	does not own
Board of Directors	200
Kiril Boshov	does not own
Assen Minchev	does not own
Velislav Christov	200
Razvan Lefter	does not own
Procurator	-
Milena Guentcheva	does not own

Source: "Eurohold Bulgaria" AD

2 / Rights of council members to acquire shares and bonds of the Company

- ✓ As of the date of preparation of this activity report, no agreements or other arrangements have been reached with the employees of

"Eurohold Bulgaria" AD for their participation in the Company's capital.

- ✓ The members of the Board of Directors, the Supervisory Board and the Procurator of the Company may freely acquire shares of the capital as well as bonds of the Company on a regulated securities market in compliance with the provisions of the Law on the Implementation of Measures Against Market Abuse of Financial Instruments and the applicable European Regulation, as well as and the Law on Public Offering of Securities.
- ✓ As of 31.12.2022 and as of the date of this report, the members of the Board of Directors, the Supervisory Board and the Procurator do not own bonds issued by the Company.
- ✓ In favor of the management and control bodies, employees or third parties, no options to acquire shares from the Company have been issued.

3 / Information about the participation of the members of the management and control bodies of a Company and its procurator(s) in legal entities, such as unlimited liability partners, the ownership of 25 percent or more of the capital of another company, as well as their participation in management or control bodies or as procurators in other legal entities

SUPERVISORY BOARD

Asen Milkov Christov	Title - Chairman of the Supervisory Board		
Office address	City of Sofia, Christopher Columbus Blvd. No. 43		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> ▪ "Euroins Insurance Group" JSC - Chairman of the Board of Directors ▪ "Electricity Distribution Networks West" EAD (with the old name "CHEZ Distribution Bulgaria" AD) - Chairman of the Supervisory Board; ▪ "Starcom Holding" JSC - Executive member of the Board of Directors and shareholder owning 51% of the capital. 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table border="1"> <tr> <td> Current: <ul style="list-style-type: none"> ▪ "Swiss Global Asset Management" AG (Swiss Global Asset Management AG) - Chairman of the Board of Directors ▪ "Starcom Hold" JSC - Chairman of the Board of Directors and shareholder owning 99.67% of the capital; ▪ "Hanson Asset Management" Limited, Great Britain (Hanson Asset Management Ltd) - director. ▪ Wonder Group JSC - Chairman of the Supervisory Board; ▪ "Quinter Capital" Limited, Hong Kong - member of the Board of Directors. ▪ "Corporate Advisors" EOOD - Manager and Sole Owner of the capital; ▪ Current in other legal entities: ▪ Association "Multisport Student Club at Private Secondary School "St. George" - Chairman of the Management Board ▪ Association "Bulgarian Athletics Federation" - member of the Management Board; ▪ "Moda Magazine" EOOD - Sole owner of the capital and Manager. </td><td> Previous: <ul style="list-style-type: none"> ▪ Alfa Active" EOOD (old name "Alfa Euroactive" EOOD) - Sole owner of the capital and Manager until 20.07.2021; ▪ "Formoplast 98" JSC - Chairman of the Board of Directors until 04.09.2020, and as of the date of the report, the person is not Chairman of the Board of Directors; ▪ "Euroins Osiguruvanje, Skopje" AD, North Macedonia - Chairman of the Board of Directors until 10.07.2020, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "Euro-Finance" JSC - Chairman of the Board of Directors until 02.04.2020, and as of the date of the report, the person is not Chairman of the Board of Directors; ▪ "Euroins Romania Asigurare - Reasigurare" SA - Chairman of the Board of Directors until 26.03.2020, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "Starcom Hold" JSC - Executive member of the Board of Directors until 06.06.2019, and as of the date of the report, the person is not an Executive Member of the Board of Directors, but remains a member and Chairman of the Board of Directors and a shareholder owning 99.67% of capital; ▪ "Auto Union" AD - Chairman of the Board of Directors until 26.10.2018, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "First Investment Bank" AD, Russia - Chairman of the Supervisory Board until 24.11.2022; </td></tr> </table>		Current: <ul style="list-style-type: none"> ▪ "Swiss Global Asset Management" AG (Swiss Global Asset Management AG) - Chairman of the Board of Directors ▪ "Starcom Hold" JSC - Chairman of the Board of Directors and shareholder owning 99.67% of the capital; ▪ "Hanson Asset Management" Limited, Great Britain (Hanson Asset Management Ltd) - director. ▪ Wonder Group JSC - Chairman of the Supervisory Board; ▪ "Quinter Capital" Limited, Hong Kong - member of the Board of Directors. ▪ "Corporate Advisors" EOOD - Manager and Sole Owner of the capital; ▪ Current in other legal entities: ▪ Association "Multisport Student Club at Private Secondary School "St. George" - Chairman of the Management Board ▪ Association "Bulgarian Athletics Federation" - member of the Management Board; ▪ "Moda Magazine" EOOD - Sole owner of the capital and Manager. 	Previous: <ul style="list-style-type: none"> ▪ Alfa Active" EOOD (old name "Alfa Euroactive" EOOD) - Sole owner of the capital and Manager until 20.07.2021; ▪ "Formoplast 98" JSC - Chairman of the Board of Directors until 04.09.2020, and as of the date of the report, the person is not Chairman of the Board of Directors; ▪ "Euroins Osiguruvanje, Skopje" AD, North Macedonia - Chairman of the Board of Directors until 10.07.2020, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "Euro-Finance" JSC - Chairman of the Board of Directors until 02.04.2020, and as of the date of the report, the person is not Chairman of the Board of Directors; ▪ "Euroins Romania Asigurare - Reasigurare" SA - Chairman of the Board of Directors until 26.03.2020, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "Starcom Hold" JSC - Executive member of the Board of Directors until 06.06.2019, and as of the date of the report, the person is not an Executive Member of the Board of Directors, but remains a member and Chairman of the Board of Directors and a shareholder owning 99.67% of capital; ▪ "Auto Union" AD - Chairman of the Board of Directors until 26.10.2018, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "First Investment Bank" AD, Russia - Chairman of the Supervisory Board until 24.11.2022;
Current: <ul style="list-style-type: none"> ▪ "Swiss Global Asset Management" AG (Swiss Global Asset Management AG) - Chairman of the Board of Directors ▪ "Starcom Hold" JSC - Chairman of the Board of Directors and shareholder owning 99.67% of the capital; ▪ "Hanson Asset Management" Limited, Great Britain (Hanson Asset Management Ltd) - director. ▪ Wonder Group JSC - Chairman of the Supervisory Board; ▪ "Quinter Capital" Limited, Hong Kong - member of the Board of Directors. ▪ "Corporate Advisors" EOOD - Manager and Sole Owner of the capital; ▪ Current in other legal entities: ▪ Association "Multisport Student Club at Private Secondary School "St. George" - Chairman of the Management Board ▪ Association "Bulgarian Athletics Federation" - member of the Management Board; ▪ "Moda Magazine" EOOD - Sole owner of the capital and Manager. 	Previous: <ul style="list-style-type: none"> ▪ Alfa Active" EOOD (old name "Alfa Euroactive" EOOD) - Sole owner of the capital and Manager until 20.07.2021; ▪ "Formoplast 98" JSC - Chairman of the Board of Directors until 04.09.2020, and as of the date of the report, the person is not Chairman of the Board of Directors; ▪ "Euroins Osiguruvanje, Skopje" AD, North Macedonia - Chairman of the Board of Directors until 10.07.2020, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "Euro-Finance" JSC - Chairman of the Board of Directors until 02.04.2020, and as of the date of the report, the person is not Chairman of the Board of Directors; ▪ "Euroins Romania Asigurare - Reasigurare" SA - Chairman of the Board of Directors until 26.03.2020, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "Starcom Hold" JSC - Executive member of the Board of Directors until 06.06.2019, and as of the date of the report, the person is not an Executive Member of the Board of Directors, but remains a member and Chairman of the Board of Directors and a shareholder owning 99.67% of capital; ▪ "Auto Union" AD - Chairman of the Board of Directors until 26.10.2018, and as of the date of the report, the person is not the Chairman of the Board of Directors; ▪ "First Investment Bank" AD, Russia - Chairman of the Supervisory Board until 24.11.2022; 		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years <p>As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.</p>			
Data on coercive administrative measures and punishments or public incrimination in the last 5 years <p>In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>			

Dimitar Stoyanov Dimitrov	Title - Deputy - Chairman of the Supervisory Board		
Office address	City of Sofia, Christopher Columbus Blvd. No. 43		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> "ZD Euroins" JSC - Procurator "Electrohold ICT" EAD (with the old name "CHEZ Information and Communication Technologies Bulgaria" EAD) – Member of the Board of Directors and Executive Director. 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table> <tr> <td> Current: <ul style="list-style-type: none"> "Eurologic Technologies" EOOD - Manager; "Cable Network" AD - Member of the Board of Directors and Executive Director; "Starcom Hold" AD - Member of the Board of Directors and Executive Director; "Starcom Finance" AD - Member of the Board of Directors and Executive Director. </td><td> Previous: <ul style="list-style-type: none"> "Electrohold Bulgaria" EOOD (with the old name "CHEZ Bulgaria" EAD) - Deputy - Chairman of the Supervisory Board until 05.01.2022. The company was transformed by changing its legal form from a sole proprietorship company (EAD) to a sole proprietorship limited liability company (LLC), which is why, as of the date of the report, the person is not the Deputy Chairman of the Supervisory Board; "Lozari" EOOD (with the old name "Creative Software Solutions" EOOD) - Sole owner of the capital until 22.07.2021. and Manager until 30.07.2021, and as of the date of the report, the person is not a Manager and Sole Owner of the capital; "Alkomers" EOOD - Manager until 25.01.2018, and as of the date of the report, the person is not a Manager; </td></tr> </table>		Current: <ul style="list-style-type: none"> "Eurologic Technologies" EOOD - Manager; "Cable Network" AD - Member of the Board of Directors and Executive Director; "Starcom Hold" AD - Member of the Board of Directors and Executive Director; "Starcom Finance" AD - Member of the Board of Directors and Executive Director. 	Previous: <ul style="list-style-type: none"> "Electrohold Bulgaria" EOOD (with the old name "CHEZ Bulgaria" EAD) - Deputy - Chairman of the Supervisory Board until 05.01.2022. The company was transformed by changing its legal form from a sole proprietorship company (EAD) to a sole proprietorship limited liability company (LLC), which is why, as of the date of the report, the person is not the Deputy Chairman of the Supervisory Board; "Lozari" EOOD (with the old name "Creative Software Solutions" EOOD) - Sole owner of the capital until 22.07.2021. and Manager until 30.07.2021, and as of the date of the report, the person is not a Manager and Sole Owner of the capital; "Alkomers" EOOD - Manager until 25.01.2018, and as of the date of the report, the person is not a Manager;
Current: <ul style="list-style-type: none"> "Eurologic Technologies" EOOD - Manager; "Cable Network" AD - Member of the Board of Directors and Executive Director; "Starcom Hold" AD - Member of the Board of Directors and Executive Director; "Starcom Finance" AD - Member of the Board of Directors and Executive Director. 	Previous: <ul style="list-style-type: none"> "Electrohold Bulgaria" EOOD (with the old name "CHEZ Bulgaria" EAD) - Deputy - Chairman of the Supervisory Board until 05.01.2022. The company was transformed by changing its legal form from a sole proprietorship company (EAD) to a sole proprietorship limited liability company (LLC), which is why, as of the date of the report, the person is not the Deputy Chairman of the Supervisory Board; "Lozari" EOOD (with the old name "Creative Software Solutions" EOOD) - Sole owner of the capital until 22.07.2021. and Manager until 30.07.2021, and as of the date of the report, the person is not a Manager and Sole Owner of the capital; "Alkomers" EOOD - Manager until 25.01.2018, and as of the date of the report, the person is not a Manager; 		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years <ul style="list-style-type: none"> "Far Consult" OOD - in liquidation - Manager and partner. As of the date of the report, the company is in liquidation proceedings. As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years. 			
Data on coercive administrative measures and punishments or public incrimination in the last 5 years <p>In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>			

Kustaa Lauri Äimä	Title - Independent member of the Supervisory Board		
Office address	Finland, Helsinki, Tektaankatu 27-29A, 4th floor		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> As of the date of the report, there is no data available on activities carried out outside the company that are significant in relation to the company. 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table> <tr> <td> Current: <ul style="list-style-type: none"> "KJK Management" S.A. – Chairman of the Board of Directors; "KJK Fund II Sikav-Sif" - Chairman of the Board of Directors; "KJK Capital Oy" - Executive Director, member of the Board of Directors; "KJK Fund III Management" S.a.r.l. – member of the Board of Directors; "KJK Investments" S.a.r.l. - member of the Board of Directors; "Ace Baltika" - Member of the Supervisory Board;; "Elan" doo - Chairman of the Board of Directors; "AS PR Foods" - Chairman of the Supervisory Board;; "AS Saarmeer Kala" - member of the Supervisory Board; "Baltic Vairas" - member of the Board of Directors; "Tahe Outdoors Ou" - member of the Supervisory Board; "KJK Sports" S.a.r.l. – member of the Board of Directors; "KJK Investment 2" LLC - member of the Board of Directors; "KK Investment 5" LLC - member of the Board of Directors; "KK Investment 7" LLC - member of the Board of Directors; "KK Investment 8" LLC - member of the Board of Directors; "Kaima Capital Oil" - Executive Director and Chairman of the Board of Directors and sole proprietor; "Kaima Capital Eesti Ou" - member of the Board of Directors; </td><td> Previous: <ul style="list-style-type: none"> "Orejarvi Varenaito Oi" - member of the Board of Directors until 25.03.2020, and as of the date of the report, the person is not a member of the Board of Directors; "As Tallink Group" - member of the Management Board until 09.2019, and as of the date of the report, the person is not a member of the Management Board; "KJK Investment" LLC - member of the Board of Directors until 09.2019, and as of the date of the report, the person is not a member of the Board of Directors; "KJK Investment 3" LLP - member of the Board of Directors until 08.2019, and as of the date of the report, the person is not a member of the Board of Directors; "Leader Group 2016" JSC - member of the Board of Directors until 08.07.2019, and as of the date of the report, the person is not a member of the Board of Directors; "OU Tallink Silya" AB - member of the Management Board until 05.2019, and as of the date of the report, the person is not a member of the Management Board; "Salva Kindlestuse" JSC - director until 07.02.2019, and as of the date of the report, the person is not a director; </td></tr> </table>		Current: <ul style="list-style-type: none"> "KJK Management" S.A. – Chairman of the Board of Directors; "KJK Fund II Sikav-Sif" - Chairman of the Board of Directors; "KJK Capital Oy" - Executive Director, member of the Board of Directors; "KJK Fund III Management" S.a.r.l. – member of the Board of Directors; "KJK Investments" S.a.r.l. - member of the Board of Directors; "Ace Baltika" - Member of the Supervisory Board;; "Elan" doo - Chairman of the Board of Directors; "AS PR Foods" - Chairman of the Supervisory Board;; "AS Saarmeer Kala" - member of the Supervisory Board; "Baltic Vairas" - member of the Board of Directors; "Tahe Outdoors Ou" - member of the Supervisory Board; "KJK Sports" S.a.r.l. – member of the Board of Directors; "KJK Investment 2" LLC - member of the Board of Directors; "KK Investment 5" LLC - member of the Board of Directors; "KK Investment 7" LLC - member of the Board of Directors; "KK Investment 8" LLC - member of the Board of Directors; "Kaima Capital Oil" - Executive Director and Chairman of the Board of Directors and sole proprietor; "Kaima Capital Eesti Ou" - member of the Board of Directors; 	Previous: <ul style="list-style-type: none"> "Orejarvi Varenaito Oi" - member of the Board of Directors until 25.03.2020, and as of the date of the report, the person is not a member of the Board of Directors; "As Tallink Group" - member of the Management Board until 09.2019, and as of the date of the report, the person is not a member of the Management Board; "KJK Investment" LLC - member of the Board of Directors until 09.2019, and as of the date of the report, the person is not a member of the Board of Directors; "KJK Investment 3" LLP - member of the Board of Directors until 08.2019, and as of the date of the report, the person is not a member of the Board of Directors; "Leader Group 2016" JSC - member of the Board of Directors until 08.07.2019, and as of the date of the report, the person is not a member of the Board of Directors; "OU Tallink Silya" AB - member of the Management Board until 05.2019, and as of the date of the report, the person is not a member of the Management Board; "Salva Kindlestuse" JSC - director until 07.02.2019, and as of the date of the report, the person is not a director;
Current: <ul style="list-style-type: none"> "KJK Management" S.A. – Chairman of the Board of Directors; "KJK Fund II Sikav-Sif" - Chairman of the Board of Directors; "KJK Capital Oy" - Executive Director, member of the Board of Directors; "KJK Fund III Management" S.a.r.l. – member of the Board of Directors; "KJK Investments" S.a.r.l. - member of the Board of Directors; "Ace Baltika" - Member of the Supervisory Board;; "Elan" doo - Chairman of the Board of Directors; "AS PR Foods" - Chairman of the Supervisory Board;; "AS Saarmeer Kala" - member of the Supervisory Board; "Baltic Vairas" - member of the Board of Directors; "Tahe Outdoors Ou" - member of the Supervisory Board; "KJK Sports" S.a.r.l. – member of the Board of Directors; "KJK Investment 2" LLC - member of the Board of Directors; "KK Investment 5" LLC - member of the Board of Directors; "KK Investment 7" LLC - member of the Board of Directors; "KK Investment 8" LLC - member of the Board of Directors; "Kaima Capital Oil" - Executive Director and Chairman of the Board of Directors and sole proprietor; "Kaima Capital Eesti Ou" - member of the Board of Directors; 	Previous: <ul style="list-style-type: none"> "Orejarvi Varenaito Oi" - member of the Board of Directors until 25.03.2020, and as of the date of the report, the person is not a member of the Board of Directors; "As Tallink Group" - member of the Management Board until 09.2019, and as of the date of the report, the person is not a member of the Management Board; "KJK Investment" LLC - member of the Board of Directors until 09.2019, and as of the date of the report, the person is not a member of the Board of Directors; "KJK Investment 3" LLP - member of the Board of Directors until 08.2019, and as of the date of the report, the person is not a member of the Board of Directors; "Leader Group 2016" JSC - member of the Board of Directors until 08.07.2019, and as of the date of the report, the person is not a member of the Board of Directors; "OU Tallink Silya" AB - member of the Management Board until 05.2019, and as of the date of the report, the person is not a member of the Management Board; "Salva Kindlestuse" JSC - director until 07.02.2019, and as of the date of the report, the person is not a director; 		

<ul style="list-style-type: none"> UAB D "Investiciu Valdymas" - member of the Board of Directors;; "Amber Trust" SCE - director; "Amber Trust II" SCE - director; "Amber Trust Management" S.A. - member of the Management Board; "Amber Trust II Management" S.A. - member of the Management Board; AS "Tude" - member of the Supervisory Board; "Managetrade O" - member of the Supervisory Board; UAB "Malsena Plus" - member of the Board of Directors; "Bostads AB Blacklinten" - member of the Board of Directors 	<ul style="list-style-type: none"> "JKK Investment 6" LLC - member of the Board of Directors until 10.2018, and as of the date of the report, the person is not a member of the Board of Directors; "JKK Invest Oy" - director until 10.2018, and as of the date of the report, the person is not a director; "JKK Bulgaria Holding" OOD (the company merged into "Leader Group 2016" JSC) - Manager until 11.10.2018, and as of the date of the report, the person was not a Manager; JSC "Baltiyas Apdrosiamasnamas" - director until 09.04.2018, and as of the date of the report, the person was not a director; "KKJK Fund Sikav-Sif" - Chairman of the Board of Directors until 01.01.2018, and as of the date of the report, the person is not the Chairman of the Board of Directors; "Kovinoplastika" LLC - member of the Supervisory Board until 08.2017, and as of the date of the report, the person is not a member of the Supervisory Board; "JKK Serbian Holdings" B.V. - a member of the Board of Directors until 04.2017, and as of the date of the report, the person is not a member of the Board of Directors; AB "Baltic Mill" - member of the Board of Directors until 12.2022, and as of the date of the report, the person is not a member of the Board of Directors; JSC "Rigas Dzirnaveiks" - Chairman of the Supervisory Board until 12.2022, and as of the date of the report, the person is not the Chairman of the Supervisory Board; "JKK Investment 4" LLC - member of the Board of Directors until 07.2022, and as of the date of the report, the person is not a member of the Board of Directors;
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Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years

- ◆ "KKJK Fund Sikav-Sif" - Chairman of the Board of Directors until 01.01.2018, and as of the date of the report, the person is not the Chairman of the Board of Directors, but the company as of 01.01.2018. is in voluntary liquidation procedure
- ◆ As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.

Data on coercive administrative measures and punishments or public incrimination in the last 5 years

In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.

Radi Georgiev Georgiev	Title - Member of the Supervisory Board
Office address	City of Sofia, Christopher Columbus Blvd. No. 43
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company	
<ul style="list-style-type: none"> "ZD EIG Re" EAD - Member of the Supervisory Board; "Euroins Osiguruvanje, Skopje" AD, North Macedonia - member of the Board of Directors. 	
Current: <ul style="list-style-type: none"> „Andre Thurio“ OOD – Partner owning 80% of the capital; "VH Property Management" OOD - Partner, owning 6.67% of the capital; "Loudspeakers CA" EOOD - Sole owner of the capital and Manager. Current in other legal entities: <ul style="list-style-type: none"> Association "Art Republic" - Chairman of the Board of Directors and representative; Law firm "Kalaidzhiev and Georgiev" - partner 	Previous: <ul style="list-style-type: none"> "Corporate Advisors" EOOD - Sole owner of the capital until 11.11.2021, and as of the date of the report, the person is not the sole owner of the capital; "ZD Euroins" AD - Member of the Supervisory Board until 07/09/2020, as, due to the change in the management system of "ZD Euroins" AD from two-tier to one-tier as of 07/09/2020, as of the date of the report, the person is not a member of the Supervisory Board.
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years	
As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.	
Data on coercive administrative measures and punishments or public incrimination in the last 5 years	
In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.	

Ivaylo Krasimirov Angarski	Title - Independent member of the Supervisory Board		
Office address	City of Sofia, "Vazrazhdane" district, "George Washington" street No. 19		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> As of the date of the report, there is no data available on activities carried out outside the company that are significant in relation to the company. 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table> <tr> <td> Current: <ul style="list-style-type: none"> Compass Euroselect Mutual Fund - Manager Compass Funds Select - 21 Contract Fund - Manager Contractual Fund "Plus" - Manager Contract Fund "Compass Global Trends" - Manager Contract Fund "Strategy" - Manager Contract Fund "Eurostability" - Manager Contract Fund "Progress" - Manager "Compass Invest" AD - member of the Board of Directors and Executive Director "Compass Capital" AD - member of the Board of Directors, Executive Director and shareholder owning 81% of the shares "Harvest Capital" EOOD - Manager and Sole Owner of the capital </td><td> Previous: <ul style="list-style-type: none"> none </td></tr> </table>		Current: <ul style="list-style-type: none"> Compass Euroselect Mutual Fund - Manager Compass Funds Select - 21 Contract Fund - Manager Contractual Fund "Plus" - Manager Contract Fund "Compass Global Trends" - Manager Contract Fund "Strategy" - Manager Contract Fund "Eurostability" - Manager Contract Fund "Progress" - Manager "Compass Invest" AD - member of the Board of Directors and Executive Director "Compass Capital" AD - member of the Board of Directors, Executive Director and shareholder owning 81% of the shares "Harvest Capital" EOOD - Manager and Sole Owner of the capital 	Previous: <ul style="list-style-type: none"> none
Current: <ul style="list-style-type: none"> Compass Euroselect Mutual Fund - Manager Compass Funds Select - 21 Contract Fund - Manager Contractual Fund "Plus" - Manager Contract Fund "Compass Global Trends" - Manager Contract Fund "Strategy" - Manager Contract Fund "Eurostability" - Manager Contract Fund "Progress" - Manager "Compass Invest" AD - member of the Board of Directors and Executive Director "Compass Capital" AD - member of the Board of Directors, Executive Director and shareholder owning 81% of the shares "Harvest Capital" EOOD - Manager and Sole Owner of the capital 	Previous: <ul style="list-style-type: none"> none 		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years <p>As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.</p>			
Data on coercive administrative measures and punishments or public incrimination in the last 5 years <p>In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>			

Louise Gabrielle Roman	Title - Member of the Supervisory Board		
Business address	436, High Head Road, Harpswell, ME 04079, United States of America		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <p>As of the date of the report, there are no data available on activities performed outside the company that are significant in relation to the company, except for the activities performed by the member of the Supervisory Board as a consultant to Minerva Global Consulting LLC.</p>			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table> <tr> <td> Current: <ul style="list-style-type: none"> Minerva Global Consulting LLC (Minerva Global Consulting LLC) – sole proprietor; Pacific Bridge Capital LLC (Pacific Bridge Capital LLC) - partner. </td><td> Previous: <ul style="list-style-type: none"> Dechert LLP – Partner until June 2018, and as of the date of the report, the person was not a Partner; Dewey & LeBoeuf (Dewey & LeBoeuf) – Partner until April 2012, and as of the date of the report, the person was not a Partner. </td></tr> </table>		Current: <ul style="list-style-type: none"> Minerva Global Consulting LLC (Minerva Global Consulting LLC) – sole proprietor; Pacific Bridge Capital LLC (Pacific Bridge Capital LLC) - partner. 	Previous: <ul style="list-style-type: none"> Dechert LLP – Partner until June 2018, and as of the date of the report, the person was not a Partner; Dewey & LeBoeuf (Dewey & LeBoeuf) – Partner until April 2012, and as of the date of the report, the person was not a Partner.
Current: <ul style="list-style-type: none"> Minerva Global Consulting LLC (Minerva Global Consulting LLC) – sole proprietor; Pacific Bridge Capital LLC (Pacific Bridge Capital LLC) - partner. 	Previous: <ul style="list-style-type: none"> Dechert LLP – Partner until June 2018, and as of the date of the report, the person was not a Partner; Dewey & LeBoeuf (Dewey & LeBoeuf) – Partner until April 2012, and as of the date of the report, the person was not a Partner. 		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years <p>As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.</p>			
Data on coercive administrative measures and punishments or public incrimination in the last 5 years <p>In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>			

MANAGEMENT BOARD

Kiril Ivanov Boshov	Title - Chairman of the Management Board and representative		
Business address	Sofia, 43 Christopher Columbus Blvd		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> ▪ "Euroins Insurance Group" JSC - member of the Board of Directors and Executive Director; ▪ "Euroins Romania Asigurare - Reasigurare" SA - Chairman of the Board of Directors; ▪ "Electrohold Sales" EAD (old name "CHEZ Electro Bulgaria" AD) - Chairman of the Supervisory Board; ▪ "Starcom Holding" JSC - Chairman of the Board of Directors and shareholder owning 34% of the capital. 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table border="1"> <tr> <td> Current: <ul style="list-style-type: none"> ▪ "Alkomers" EOOD - manager and sole owner of the capital; ▪ "Capital - 3000" JSC - Chairman of the Board of Directors; ▪ "Starcom Hold" JSC - Deputy Chairman of the Board of Directors; ▪ "Hanson Asset Management" Limited, Great Britain (Hanson Asset Management Ltd) - director. ▪ Wonder Group AD - member of the Supervisory Board; Current in other legal entities: <ul style="list-style-type: none"> ▪ Association "Association of Industrial Capital in Bulgaria" - member of the Management Board; ▪ Endeavor Bulgaria Association - member of the Management Board; ▪ Association "Association of Bulgarian Insurers" - member of the Management Board; ▪ University of National and World Economy (UNSS), Sofia - member of the Board of Trustees. </td><td> Previous: <ul style="list-style-type: none"> ▪ Eurolease Auto" EAD, Romania - Member of the Board of Directors until 21.10.2021, and as of the date of the report, the person is not a member of the Board of Directors; ▪ "Auto Union" EAD - Deputy Chairman of the Board of Directors until 28.06.2021, and as of the date of the report, the person is not the Deputy Chairman of the Board of Directors; ▪ "Euroins Osiguruvanje AD, Skopje", North Macedonia - Member of the Board of Directors until 10.07.2020, and as of the date of the report, the person is not a member of the Board of Directors; ▪ "Euro-Finance" JSC - Deputy Chairman of the Board of Directors until 02.04.2020, and as of the date of the report, the person is not Deputy Chairman of the Board of Directors; </td></tr> </table>		Current: <ul style="list-style-type: none"> ▪ "Alkomers" EOOD - manager and sole owner of the capital; ▪ "Capital - 3000" JSC - Chairman of the Board of Directors; ▪ "Starcom Hold" JSC - Deputy Chairman of the Board of Directors; ▪ "Hanson Asset Management" Limited, Great Britain (Hanson Asset Management Ltd) - director. ▪ Wonder Group AD - member of the Supervisory Board; Current in other legal entities: <ul style="list-style-type: none"> ▪ Association "Association of Industrial Capital in Bulgaria" - member of the Management Board; ▪ Endeavor Bulgaria Association - member of the Management Board; ▪ Association "Association of Bulgarian Insurers" - member of the Management Board; ▪ University of National and World Economy (UNSS), Sofia - member of the Board of Trustees. 	Previous: <ul style="list-style-type: none"> ▪ Eurolease Auto" EAD, Romania - Member of the Board of Directors until 21.10.2021, and as of the date of the report, the person is not a member of the Board of Directors; ▪ "Auto Union" EAD - Deputy Chairman of the Board of Directors until 28.06.2021, and as of the date of the report, the person is not the Deputy Chairman of the Board of Directors; ▪ "Euroins Osiguruvanje AD, Skopje", North Macedonia - Member of the Board of Directors until 10.07.2020, and as of the date of the report, the person is not a member of the Board of Directors; ▪ "Euro-Finance" JSC - Deputy Chairman of the Board of Directors until 02.04.2020, and as of the date of the report, the person is not Deputy Chairman of the Board of Directors;
Current: <ul style="list-style-type: none"> ▪ "Alkomers" EOOD - manager and sole owner of the capital; ▪ "Capital - 3000" JSC - Chairman of the Board of Directors; ▪ "Starcom Hold" JSC - Deputy Chairman of the Board of Directors; ▪ "Hanson Asset Management" Limited, Great Britain (Hanson Asset Management Ltd) - director. ▪ Wonder Group AD - member of the Supervisory Board; Current in other legal entities: <ul style="list-style-type: none"> ▪ Association "Association of Industrial Capital in Bulgaria" - member of the Management Board; ▪ Endeavor Bulgaria Association - member of the Management Board; ▪ Association "Association of Bulgarian Insurers" - member of the Management Board; ▪ University of National and World Economy (UNSS), Sofia - member of the Board of Trustees. 	Previous: <ul style="list-style-type: none"> ▪ Eurolease Auto" EAD, Romania - Member of the Board of Directors until 21.10.2021, and as of the date of the report, the person is not a member of the Board of Directors; ▪ "Auto Union" EAD - Deputy Chairman of the Board of Directors until 28.06.2021, and as of the date of the report, the person is not the Deputy Chairman of the Board of Directors; ▪ "Euroins Osiguruvanje AD, Skopje", North Macedonia - Member of the Board of Directors until 10.07.2020, and as of the date of the report, the person is not a member of the Board of Directors; ▪ "Euro-Finance" JSC - Deputy Chairman of the Board of Directors until 02.04.2020, and as of the date of the report, the person is not Deputy Chairman of the Board of Directors; 		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years <ul style="list-style-type: none"> ▪ „Armada Capital" JSC - member of the Board of Directors until 28.02.2020, and as of the date of the report, the person is not a member of the Board of Directors and the company was terminated through voluntary liquidation, deleted from the commercial register on 28.02.2020. <p>As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.</p>			
Data on coercive administrative measures and punishments or public incrimination in the last 5 years <p>In the last 5 years, the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>			

Assen Minchev Minchev	Title - Executive member of the Management Board		
Office address	Sofia, 43 Christopher Columbus Blvd		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> ▪ „Electricity Distribution Networks West" EAD (with the old name "CHEZ Razpradelenie Bulgaria" AD) - Deputy Chairman of the Supervisory Board. 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table border="1"> <tr> <td> Current: <ul style="list-style-type: none"> ▪ "Capital - 3000" AD - Member of the Board of Directors and Executive Director; ▪ "Cable Network" AD - Chairman of the Board of Directors. Current in other legal entities: <ul style="list-style-type: none"> ▪ "St. George" Swimming Sports Club Association - member of the Management Board </td><td> Previous: <ul style="list-style-type: none"> ▪ "Auto Italy" EAD - Member of the Board of Directors until 13.09.2022. as at the date of the report, the person is not a member of the Board of Directors; ▪ "Star Motors" EOOD - Procurator until 17.05.2022. as at the date of the report, the person is not a Procurator; ▪ "Bulvaria Holding" EAD (currently "V.I. Lyulin" EAD) - Member of the Board of Directors until 27.01.2020, and as of the date of the report, the person is not a member of the Board of Directors. </td></tr> </table>		Current: <ul style="list-style-type: none"> ▪ "Capital - 3000" AD - Member of the Board of Directors and Executive Director; ▪ "Cable Network" AD - Chairman of the Board of Directors. Current in other legal entities: <ul style="list-style-type: none"> ▪ "St. George" Swimming Sports Club Association - member of the Management Board 	Previous: <ul style="list-style-type: none"> ▪ "Auto Italy" EAD - Member of the Board of Directors until 13.09.2022. as at the date of the report, the person is not a member of the Board of Directors; ▪ "Star Motors" EOOD - Procurator until 17.05.2022. as at the date of the report, the person is not a Procurator; ▪ "Bulvaria Holding" EAD (currently "V.I. Lyulin" EAD) - Member of the Board of Directors until 27.01.2020, and as of the date of the report, the person is not a member of the Board of Directors.
Current: <ul style="list-style-type: none"> ▪ "Capital - 3000" AD - Member of the Board of Directors and Executive Director; ▪ "Cable Network" AD - Chairman of the Board of Directors. Current in other legal entities: <ul style="list-style-type: none"> ▪ "St. George" Swimming Sports Club Association - member of the Management Board 	Previous: <ul style="list-style-type: none"> ▪ "Auto Italy" EAD - Member of the Board of Directors until 13.09.2022. as at the date of the report, the person is not a member of the Board of Directors; ▪ "Star Motors" EOOD - Procurator until 17.05.2022. as at the date of the report, the person is not a Procurator; ▪ "Bulvaria Holding" EAD (currently "V.I. Lyulin" EAD) - Member of the Board of Directors until 27.01.2020, and as of the date of the report, the person is not a member of the Board of Directors. 		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years <p>As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.</p>			

Data on coercive administrative measures and punishments or public incrimination in the last 5 years

In the last 5 years and as of the date of the report, an administrative penalty (fine) has been imposed on the person on the basis of Art. 221, para. 1, item 4 of the Law on the Public Offering of Securities.

In the last 5 years, no other administrative penalties and/or coercive administrative measures have been imposed on the person in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.

Velislav Milkov Christov	Title - Member of the Management Board
Business address	Sofia, 43, Christopher Columbus Blvd.
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company	
<ul style="list-style-type: none"> ■ "Starcom Holding" JSC - Member of the Board of Directors and shareholder owning 15% of the capital; ■ "ZD EIG Re" JSC - Member of the Supervisory Board; ■ "Starcom Finance" EAD - Chairman of the Board of Directors; ■ Euroins Osiguruvanje AD, Skopje, North Macedonia - Chairman of the Board of Directors ■ "Electrohold Sales" EAD (old name "CHEZ Electro Bulgaria" AD) - Member of the Supervisory Board. 	
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years	
Current: <ul style="list-style-type: none"> ■ "Wander Group" JSC - member of the Supervisory Board; ■ Sovereign Real Estate Limited, Malta - Sole owner of the capital. Current in other legal entities: <ul style="list-style-type: none"> ■ Association "Green Bulgaria Movement" - member of the Management Board; ■ "Ephoria for support of the Bulgarian monastery "St. Georgi Zograf" and the hermitage "Dostoyno est" in St. Gora, Athos" - member of the Management Board. 	Previous: <ul style="list-style-type: none"> ■ CHAD "Euroins Insurance Company", Belarus (with the old name CHAD "ZK "ERGO") - Chairman of the Supervisory Board until 27.12.2022; ■ "Electrohold Bulgaria" EOOD (with the old name "CHEZ Bulgaria" EAD) - Chairman of the Supervisory Board until 05.01.2022. The company was transformed by changing its legal form from a sole proprietorship company (EAD) to a sole proprietorship limited liability company (LLC), which is why, as of the date of the report, the person is not the Deputy Chairman of the Supervisory Board; ■ "ZD Euroins" AD - Member of the Management Board until 07/09/2020, as, due to the change in the management system of "ZD Euroins" AD from two-tier to one-tier as of 07/09/2020, as of the date of the report, the person is not a member of the Management Board.
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years	
<ul style="list-style-type: none"> ■ "VM24.BG" EOOD - sole owner of the capital until 10.04.2017, and as of the date of the report, the person was not the sole owner of the capital and the company was terminated through voluntary liquidation, deleted from the commercial register on 10.04.2017. <p>As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.</p>	
Data on coercive administrative measures and punishments or public incrimination in the last 5 years	
<p>In the last 5 years and as of the date of the report, an administrative penalty (fine) has been imposed on the person on the basis of Art. 221, para. 1, item 4 of the Law on the Public Offering of Securities.</p> <p>In the last 5 years, no other administrative penalties and/or coercive administrative measures have been imposed on the person in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>	

Razvan Stefan Lefter	Title - Independent member of the Management Board
Business address	Romania, Bucharest, 30 Alexandru Serbanescu St
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company	
<p>As of the date of the report, there is no data available on activities carried out outside the company that are significant in relation to the company.</p>	
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years	
Current: <ul style="list-style-type: none"> ■ "AirSL Capital Advisors" SRL - Managing Partner and Director; ■ "Mundus Services" AD - member of the Supervisory Board; ■ "Sfera Franchise Group" SA - member of the Board of Directors. 	Previous: <ul style="list-style-type: none"> ■ "Teraplast" SA - Member of the Board of Directors until 01.2021, and as of the date of the report, the person is not a member of the Board of Directors; ■ "KJK Caramida" SRL (KJK Caramida Srl.) - member of the Board of Directors until 06.2018, and as of the date of the report, the person is not a member of the Board of Directors; ■ "Konpet" SA - member of the Board of Directors until 17.05.2018, and as of the date of the report, the person is not a member of the Board of Directors;

	<ul style="list-style-type: none"> ▪ "Mundus Services" AD - member of the Board of Directors and Executive Director until 01.12.2017, and due to the change of the management system from one-level to two-level from 01.12.2017, as of the date of the report, the person is not a member of the Board of the directors and Executive Director, and a member of the Supervisory Board; ▪ "Semakon" SA - member of the Board of Directors until 08.02.2017, and as of the date of the report, the person is not a member of the Board of Directors.
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.	
Data on coercive administrative measures and punishments or public incrimination in the last 5 years In the last 5 years and as of the date of the report, an administrative penalty (fine) has been imposed on the person on the basis of Art. 221, para. 1, item 4 of the Law on the Public Offering of Securities. In the last 5 years, no other administrative penalties and/or coercive administrative measures have been imposed on the person in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.	

PROCURATOR

Milena Milchova Guentcheva	Title - Procurator		
Business address	Sofia, 43, Christopher Columbus Blvd.		
Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company <ul style="list-style-type: none"> ▪ Euroins Romania Asigurare - Reasigurare" SA – managing director 			
Details of all other participations as a member of a management or control body and/or a partner in the last 5 years <table> <tr> <td> Current: ♦ none </td><td> Previous: ▪ Euroins Romania Asigurare-Reasigurare S.A.– Managing Director; </td></tr> </table>		Current: ♦ none	Previous: ▪ Euroins Romania Asigurare-Reasigurare S.A.– Managing Director;
Current: ♦ none	Previous: ▪ Euroins Romania Asigurare-Reasigurare S.A.– Managing Director;		
Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.			
Data on coercive administrative measures and punishments or public incrimination in the last 5 years In the last 5 years and as of the date of the report, an administrative penalty (fine) has been imposed on the person on the basis of Art. 221, para. 1, item 4 of the Law on the Public Offering of Securities. In the last 5 years, no other administrative penalties and/or coercive administrative measures have been imposed on the person in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy or receivership proceedings; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.			

B.4.3 Committees

An Audit Committee and a Remuneration Committee function in support of the company's management board.

AUDIT COMMITTEE

In May 2009, the Company established its Audit Committee.

In accordance with Art. 107, para. 7 of the Independent Financial Audit Act (IFAA), the Audit Committee of Eurohold Bulgaria AD has adopted Rules of Procedure, which regulate the activities of the Audit Committee. The Rules of Procedure define the functions, rights and obligations of the Audit Committee regarding financial audit and internal control, as well as its relations with the registered auditor and the management bodies of the company and are described in detail in the Corporate Governance Statement.

The purpose of the Audit Committee is to assist the Company's management in fulfilling its obligations for the integrity of the unconsolidated and consolidated financial statements, assessing the effectiveness of internal financial control systems and monitoring the effectiveness and objectivity of internal and external auditors.

COMPOSITION OF THE AUDIT COMMITTEE:

Ivan Georgiev Mankov
Independent member and
Chairman of the Audit
Committee

Dimitar Stoyanov Dimitrov
Member of the Audit
Committee

Rositsa Mihailova Pencheva
Independent member of the
Audit Committee

REMUNERATION COMMITTEE

The remuneration committee function is performed by the Supervisory Board of the company, according to the current Remuneration Policy adopted on 30.09.2020 by the General Meeting of Shareholders of Eurohold Bulgaria AD.

The Supervisory Board is accountable for the exercise of its functions as a Remuneration Committee to the General Meeting of Shareholders.

B.5 BUSINESS OPERATIONS

MAIN ACTIVITY

Eurohold Bulgaria AD is a holding company, performing mainly financial activities related to the acquisition, sale and management of participations and financing of related companies.

The company does not carry out activities subject to a special permit regime for which patents, licenses or other permits are required from regulatory authorities.

In order to optimize management, business processes and fixed costs, the Company has structured its businesses into sub-holding structures depending on the sector in which they operate.

Eurohold Bulgaria AD together with its subsidiaries and their operating companies forms an economic group - the Eurohold Group.

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

ECONOMIC GROUP

Eurohold's organizational structure is at three levels:

- ✓ **parent company**
- ✓ **subsidiaries**
- ✓ **operating companies**

Each of the three levels has its specific functions, business activities and goals.

Existing business activities as of 31.12.2022

The subsidiaries are holding structures uniting the investments of Eurohold Bulgaria in the sectors:

- **Energy** (operating since the end of July 2021),
- **Insurance and**
- **Investment Intermediation and Asset Management**

Discontinued operations in 2022.

↳ Completely ceased business activities

- **Automobiles; and**
- **Leasing**

As of June 30, 2022, Eurohold Bulgaria AD operated in the following business sectors:

- ✓ **Cars** (car sales and servicing) through its subsidiary company Auto Union AD; and
- ✓ **Leasing** (financial and operational leasing) through its subsidiary Eurolease Group AD. (see item B.2.1 Occurred events important for the activity of Eurohold Bulgaria AD)

↳ Discontinued regional business operations in existing businesses

- **Belarus and Russia;**
- **Romania**

- ✓ On December 30, 2022, Euroins Insurance Group (EIG), signed an agreement for the sale of its subsidiary insurance company in Belarus (100% participation) and the group's 48.61% stake in an insurance company in Russia.

As of the date of the contract (30.12.2022), the results of the two insurance companies have been reclassified as discontinued operations.

- ✓ On 17.03.2023, the Romanian insurance supervision ASF revoked the license of the Romanian insurance company Euroins Romania Asigurare-Reasigurare SA (see item C.2.3 Significant events that occurred after the balance sheet date) as a result of which the management of Eurohold Bulgaria AD and of Euroins Insurance Group (EIG) decided to write down the investment in the balance sheet of the companies with the value of the reputation of the Romanian company as of 31.12.2022.

Considering that Eurohold Bulgaria AD, through its subsidiary company Euroins Insurance Group AD, has started a procedure to challenge this decision of the ASF by court order, in the event that the court rules in favor of EIG, the written-off investment in Euroins Romania Assuring-Reassuring SA will be returned to the balance sheet of EIG and Eurohold Bulgaria AD group, taking the appropriate corrective operations.

Information about the companies which Eurohold Group disposed of in 2022.

Sold companies by business groups:

Automobile group - Auto Union AD

Company	Date of sale
Auto Union AD, Bulgaria – a subsidiary of Eurohold Bulgaria AD - 99.99%	30.06.2022
Auto Union subsidiaries::	
Auto Italia EAD, Bulgaria– 100%	30.06.2022
Auto Union Service EOOD, Bulgaria– 100%	30.06.2022
Daru Car EAD, Bulgaria– 100%	30.06.2022
Bulvaria EOOD, Bulgaria– 100%	30.06.2022
Bulvaria Sofia EAD, Bulgaria – 100%	30.06.2022
Star Motors EOOD, Bulgaria – 100%	11.05.2022
Star Motors DOOEL, North Macedonia, - 100%	11.05.2022
Star Motors SH.P.K., Kosovo – 100%	11.05.2022
Motohub EOOD, Bulgaria – 100%	30.06.2022
Motobul EAD, Bulgaria – 100%	30.06.2022
Bopar Pro S.R.L., Romania – 99%	30.06.2022
Benzin Finance EAD, Bulgaria – 100%	30.06.2022
China Motor Company - Bulgaria - 80%	30.06.2022

Leasing group - Eurolease Group AD

Company	Date of sale
Eurolease Group AD, Bulgaria - 90.01%	30.06.2022
Eurolease Group's subsidiaries:	
Eurolease Auto EAD, Bulgaria – 100%	30.06.2022
Eurolease Auto LLC, North Macedonia – 100%	30.06.2022
Eurolease Ren a car EOOD, Bulgaria – 100%	30.06.2022
Amigo Leasing EAD, Bulgaria – 100%	30.06.2022
Autoplaza EAD, Bulgaria – 100%	30.06.2022
Sofia Motors EOOD, Bulgaria – 100%	30.06.2022
Eurolease Auto S.A., Romania: – 77.98% directly;; – 20.45% indirectly (via Euroins Romania))	30.06.2022
Mogo Bulgaria EOOD, Bulgaria – 100%	30.06.2022

Insurance Group – EIG

Subsidiaries of Euroins Insurance Group AD	Date of sale
CHAD ZK Euroins, Belarus – 100%	30.12.2022
Russian Insurance Company Euroins OOD, Russia– 48.61% (associated participation)	30.12.2022
Euroins Romania Asigurare-Reasigurare S.A., Romania – 98.54%*	31.12.2022

*the investment is fully impaired in the balance sheet as of 31.12.2022 due to revocation of license on 17 March 2023

Eurohold Group at the end of 2022

As of 31.12.2022 and as of the date of this report, Eurohold Bulgaria AD has holdings in 22 companies

direct involvement

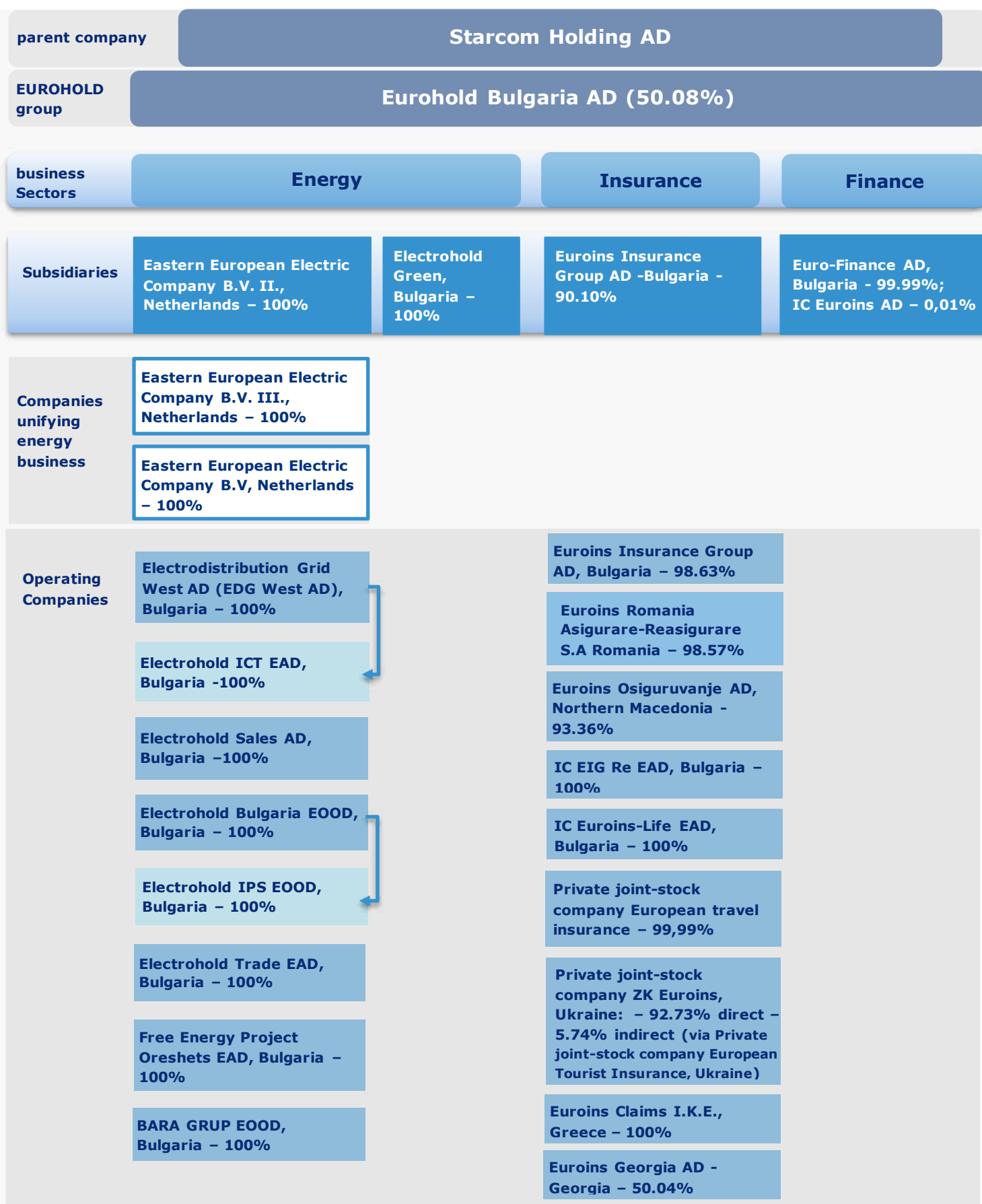
- » 4 subsidiaries, including
- » two sub-holding structures (energy and insurance),
- ✓ two operating companies (finance - investment brokerage and energy)

indirect involvement

- » 2 specially created companies for the development of the energy business
- » 17 operating companies* (8 insurance and 8 energy)

*Including Euroins Romania Asigurare-Reasigurare S.A.

ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP EUROHOLD BULGARIA AS OF 31.12.2022



TYPES OF SERVICES AND PRODUCTS, REGIONAL PRESENTATION

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 acquisition and management operations 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-investment segments.

Regional presentation by types of services / products

Ongoing activities

ENERGY

<u>Services and products provided</u>	<u>Country</u>
» 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, the provision of services	Bulgaria

INSURANCE

<u>Services and products provided</u>	<u>Country</u>
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

<u>Services and products provided</u>	<u>Country</u>
» Investment brokerage	Bulgaria, Germany (as a member of the Frankfurt Stock Exchange – Deutsche Börse Xetra)
» Investment banking	Bulgaria
» Asset management	Bulgaria

Discontinued activities

CARS (until 30.06.2022)

Services and products provided	Country
» Sale of new cars	Bulgaria, North Macedonia
» Car service services	Bulgaria
» Sale of spare parts	Bulgaria
» Import and sale of lubricants for vehicles	Bulgaria
» Fuel card operator	Bulgaria
» Management of showrooms and service centers	Bulgaria

LEASING (until 30.06.2022)

Services and products provided	Country
» Financial leasing	Bulgaria, North Macedonia
» Operating lease	Bulgaria
» Car rental services	Bulgaria
» Sale of used cars	Bulgaria

INSURANCE

Services and products provided	Country
» General Insurance	Belarus; Russia; Romania;

Regional performance by markets

- » In the regional presentation by markets, 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.
- » In Bulgaria, leading business operations are energy companies (acquired at the end of July 2021), followed by insurance companies operating in the country, with the largest share being ZD Euroins AD.
- » The insurance group has the widest regional representation, which in 2022 operates in 13 markets in Europe, with the largest volume of business among the insurance companies being Romania (discontinued activity as of 17.03.2023) and Bulgaria.

Main markets

Through its subsidiaries, Eurohold is positioned in the markets of Central and South-eastern Europe. The insurance business is represented regionally in the widest range, its operations extend to the following geographic markets:

Provided services and products	Country
General insurance	Bulgaria; Northern Macedonia; Ukraine; Georgia; Romania*; Belarus**; Russia** (associated participation)
Life insurance	Bulgaria
Travel insurance	Ukraine
Elimination of damages	Greece
Insurance services distributed under the right of freedom of establishment and freedom to provide services	Italy, Greece (branch), Spain, Poland, Germany, the Netherlands and the United Kingdom (IC Euroins AD operates in these markets)

*(discontinued activity as of 17.03.2023); **(discontinued activity as of 30.12.2022)

The activities of other business areas are represented mainly in Bulgaria, as the energy and automotive business operates only in the country, the leasing business is also represented in Northern Macedonia, and investment and financial activities also offer investment intermediation in Germany through Euro-Finance "AD as a member of the Frankfurt Stock Exchange - Deutsche Börse Xetra.



Subsidiaries- ongoing activities

Insurance services - distributed under the right of freedom of establishment and freedom to provide services

Subsidiaries - discontinued activities

Information on the activity, results, market positions and development trends of the subsidiaries can be found in the annual consolidated report of Eurohold Bulgaria AD for 2022.

B.6. RESULTS OF THE ACTIVITY

B.6.1 Analysis of the financial condition

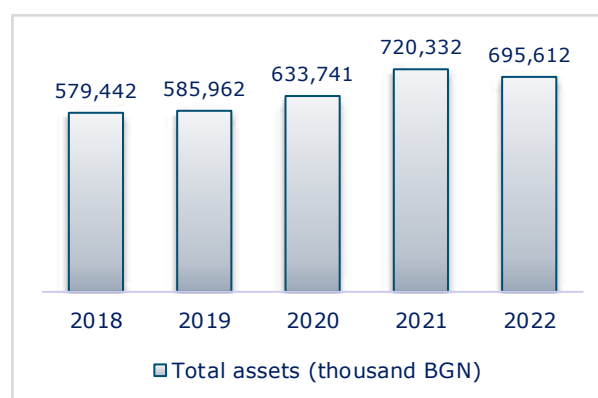
ASSETS

Total Assets

2022 ends with assets worth BGN 695.6 million, marking a decrease of 3.4% compared to 2021, when the Company's total assets amounted to BGN 720.3 million.

The decrease in Assets is the result of the one-time effects of the write-off of goodwill and the sale of investments (see item C.6.1 Results of the activity).

The active activity in the last years of Eurohold Bulgaria, related to investing in subsidiaries in order to develop, support and expand their activities, as well as the acquisition of new companies leads to a significant increase in the total assets.

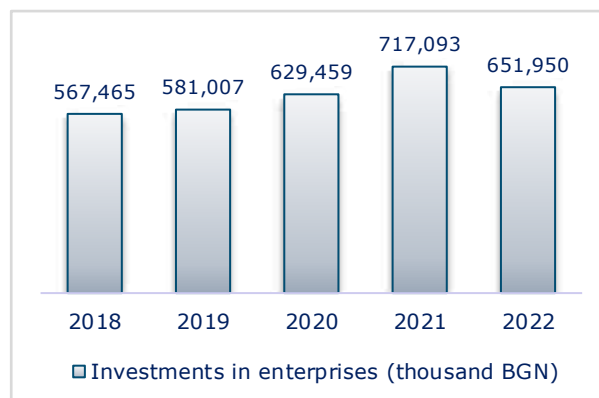


ASSETS		Δ	31.12.2022	Δ	31.12.2021
		%	BGN thousand	BGN thousand	BGN thousand
Non-current assets	Investments in subsidiaries	(9)%	651 950	(65 143)	717 093
	Property, machinery and equipment	(17)%	1 204	(248)	1 452
	Other non-current assets	(99)%	1	(171)	172
Current assets	Receivables from related parties	2698%	23 759	22 910	849
	Other receivables	2428%	16 460	15 809	651
	Cash and cash equivalents	1846%	2 238	2 123	115
Total Assets		(3.4)%	695 612	(24 720)	720 332

Investments in subsidiaries

The main activity of Eurohold is decisive for the structure of the Company's assets, as a result of which investments in subsidiary enterprises occupy nearly 94% of all assets.

As of 31.12.2022, the amount of investments in subsidiaries amounted to BGN 651.9 million, with the noted reduction of 9% due to the write down of investment in of a subsidiary by BGN 52.7 million.



Change in 2022 in the amount of investment in subsidiaries

⇒ Investments increase by BGN 25,950 thousand

- Seven capital increases of Eastern European Electric Company II B.V. were carried out in 2022 with a total value of the cash contributions to the premium reserve of EUR 7,255 thousand (BGN 14,190 thousand);
- A new subsidiary company Electrohold Green EOOD was established with a registered and paid-in capital of BGN 20,000.
- A new subsidiary Daru Invest EAD was established with a registered and paid-in capital of BGN 11,740,000.

⇒ Investments decrease by BGN 91,093 thousand.

- Sale of 100% of the share capital of the newly established subsidiary Daru Invest EAD and write-off of an investment in the amount of BGN 11,740 thousand.
- Sale of 100% of the owned share capital of the automotive subholding Avto Union AD and write-off of an investment in the amount of BGN 2,003 thousand.
- Sale of 100% of the owned share capital of the leasing subholding Eurolease Group AD and write-off of an investment in the amount of BGN 24,635 thousand.
- Expenses for impairment for the amount of BGN 52,715 thousand of investment in Euroins Insurance Group AD due to the revocation of a license by the regulator of its subsidiary Euroins Romania Insurance - Reinsurance SA.

Current receivables from related parties

Current receivables from related parties increased during the reporting period by BGN 22.9 million, net of impairment, mainly in connection with contracts concluded with Euroins Insurance Group AD for debt replacement in the amount of BGN 13.3 million, under which the liabilities were assigned and according to which the financial relationships with the Assignor are settled by transferring the ownership of 7,375 units respectively. redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each. In addition, by the end of 2022, Eurohold Bulgaria AD granted a loan to its subsidiary Euroins Insurance Group AD for amount of BGN 8 million.

Other receivables

Trade and other receivables also reported a significant growth by BGN 15.8 million, which is mainly due to the following:

- Receipt in the amount of BGN 18 million under a debt substitution agreement, under which the obligation was assigned and the financial relationships with the Assignor were settled by transferring the ownership of 10,681 units. redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each.
- Write-down of short-term receivables and assets in the amount of (BGN 2.7 million)

Cash and cash equivalents

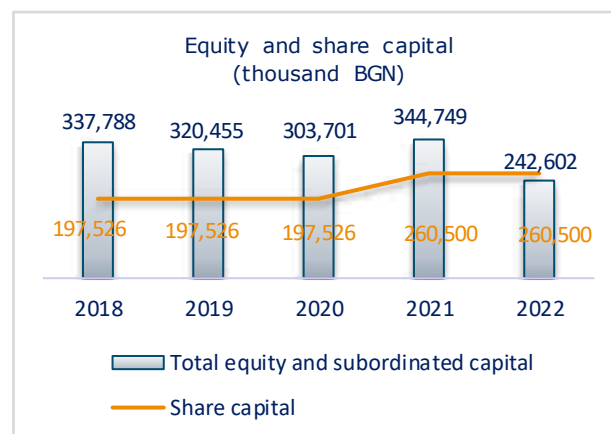
At the end of 2022, cash and cash equivalents amounted to BGN 2.2 million, marking an increase by BGN 2.1 million compared to the end of 2021.

EQUITY AND LIABILITIES

Equity

The share capital of Eurohold remains unchanged at BGN 260.5 million. The Company's registered capital consists of 260,500,000 fully paid ordinary shares with a nominal value of BGN 1 per share. All shares have the right to receive a dividend and a liquidation share and represent one vote at the general meeting of the Company's shareholders.

The equity of Eurohold as of 31.12.2022 is in the amount of BGN 242.6 million, marking a decrease of 29.6% compared to the end of 2021 in connection with the realized loss for the reporting period.



Subordinated debts

The amount of the Subordinated debt instrument - unissued, Tier 1 capital increased by BGN 1.4 million to BGN 8.6 million at the end of the year. The subordinated debt has no fixed maturity, and 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 expiry of 5 (five) years from the date of receipt of the relevant tranche. The interest payable under the contract dated 12.08.2021 is in the amount of 5% (five percent) on an annual basis on the borrowed sums of money for the period of their actual use. The interest due under the contract from 29.11.2022 is in the amount of 6% (six percent) + 3M EURIBOR on an annual basis on the borrowed sums of money for the period of their actual use.

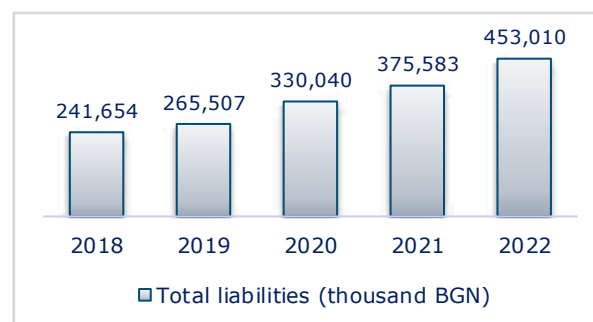
Equity and subordinated debt

The total amount of first tier equity and subordinated debt capital amounts to BGN 251 million at the end of 2022 (BGN 352 million - 2021).

Liabilities

The Company's liabilities reach BGN 453 million, increasing by 20.6% by the end of 2022.

The increase in the liabilities of the Holding is related to its main activity of acquisition, management and financial support of subsidiaries.



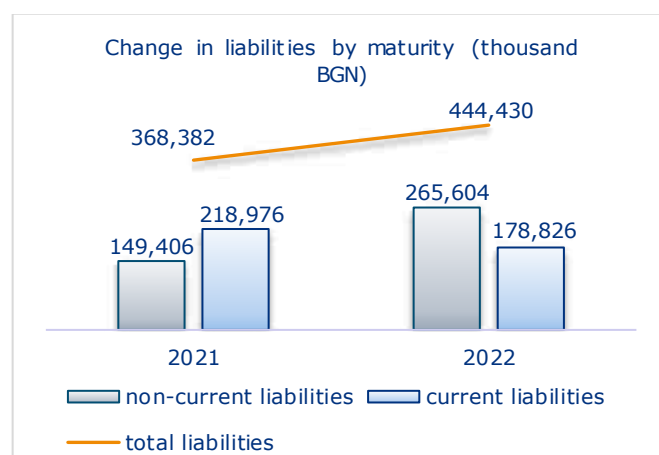
The total amount of Eurohold's liabilities is growing as a direct reflection of the extensive activity in recent years related to investing in subsidiary companies with the aim of developing, supporting and growing their activities both organically and through new acquisitions.

Liabilities analysis

The Company's liabilities (excluding subordinated debt capital) amount to BGN 444.4 million, increasing by nearly 20.6% compared to the end of 2021.

The increase in the Holding's liabilities is related to its main activity of acquisition, management and financial support of subsidiaries.

The data presented in the graph are without taking into account subordinated debt instruments in the amount of total liabilities.



The increase in **non-current liabilities** by 77.8% (BGN 116.2 million) is mainly due to the following changes:

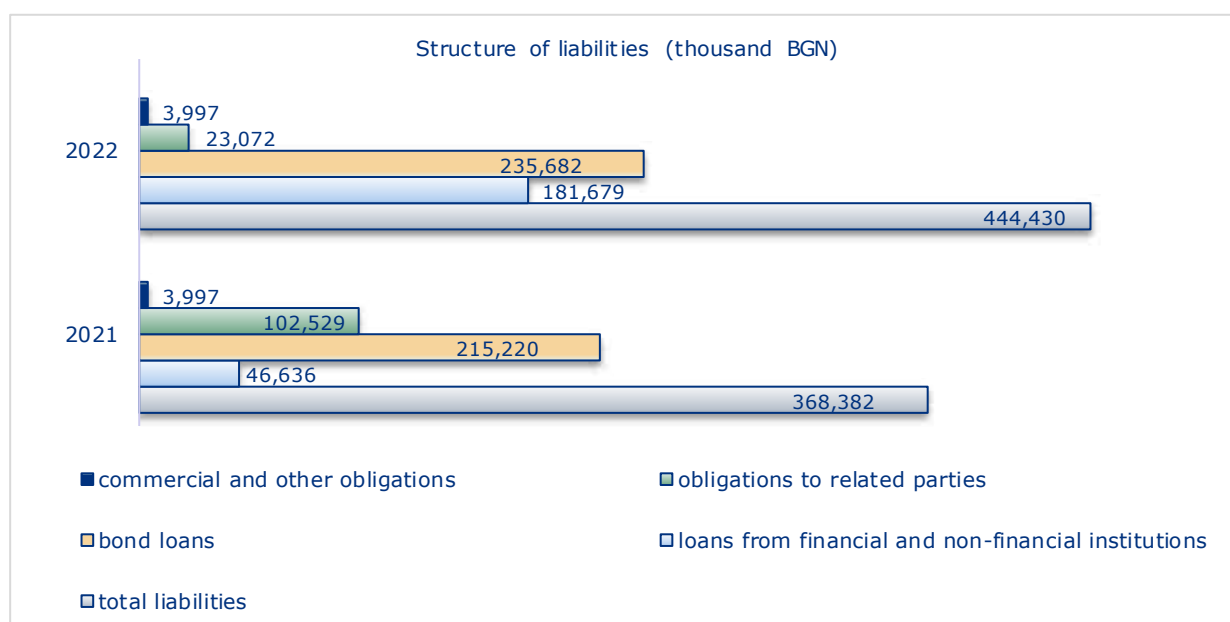
- **Increase of Bonds by 199.2%**
 - > In March 2022, Eurohold issued a new - third bond in a row with ISIN: BG2100002224, in the amount of EUR 40 million, and at the end of June, the principal obligation under this issue was in the amount of BGN 77,937 thousand (39,848 thousand euros). The bonds are corporate, ordinary, registered, bearer, interest-bearing, secured, non-convertible, non-privileged and freely transferable bonds issued under the terms of an initial private (non-public) offering at a 3.25% fixed interest rate on an annual basis and interest payable every 6 /six/ months. The maturity date of the issue is 08.03.2029, with the principal being repaid once upon maturity. Eurohold has undertaken to admit the new bond to trading on the regulated market of the Bulgarian Stock Exchange. TBI Bank EAD was chosen by the Management Board as trustee of the bondholders.
- In December 2022, the Company received consent to extend by 42 months the deadline for the payment of European medium-term bonds, issued within the framework of the European Medium-Term Bond Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange. The issue is with ISIN: XS1731768302, the new maturity is until 07.06.2026, with a fixed interest rate of 6.5% (six and a half percent) on an annual basis and the frequency of interest payment once a year in arrears. As of 31.12.2022, the company owns repurchased own securities with a nominal value of EUR 31,000 thousand.
- Reduction of long-term liabilities to related parties in the amount of BGN 47.1 million after repayment of a loan received from Starcom Holding AD in the amount of BGN 45.7 million and repayment of a loan received from Eurolease Auto AD in the amount of BGN 1.4 million.
- In January 2022 Eurohold absorbed a bank loan from the International Investment Bank in the amount of 7 million euro with an agreed interest rate of 5% + 3 m. EURIBOR and maturity January 2029. The loan is secured by a pledge of shares of a subsidiary.

Current liabilities decreased by 18.3% (BGN 40.2 million), which is mainly due to the following changes:

- Reduction of obligations to bond loans by 98.9% in connection with the renegotiation of a maturing issue in the long term.
- Reduction of liabilities to related parties by 77.7% (BGN 32.3 million) after:
 - a) repayment of a loan to Euroins Insurance Group in the amount of BGN 14.2 million;
 - b) repayment under a loan agreement to Starcom Holding of BGN 8.8 million;

- c) arising obligation to ZD Euroins AD and Euroins Romania Insurance - Reinsurance S.A. under loan agreements for financial instruments in a total amount at the end of the period of BGN 7.4 million with 7% interest and maturity December 2023;
- d) repaid liability in the amount of BGN 1.9 million under contracts for the transfer of receivables with an annual interest rate of 7.5% and due in October 2022.
- Increase in current liabilities to financial and non-financial institutions by BGN 127.5 million mainly due to:
 - > increase in liabilities under issued European Commercial Papers (ECP) by BGN 53 million:
 - a) European Commercial Papers (ECP) with ISIN XS2430057443, with maturity 12.2023, annual interest rate of 2.5% and nominal value of EUR 27,500 thousand.
 - b) European Commercial Papers (ECP) with ISIN XS2491929290, with maturity 06.2023, annual interest rate of 2.0% and nominal value of EUR 2,500 thousand.
 - > Absorbed short-term loan from JP Morgan ES in the amount of EUR 40 million with a maturity of 06.2023 and an agreed interest rate of 8.75% + 3m EURIBOR. The loan is secured by pledge of shares of a subsidiary company and insurance.

Structure of liabilities



The changes in the table above are calculated without taking into account subordinated debt instruments in the amount of total liabilities.

Bond transactions

In 2022, as well as in the comparable period 2021, bond transactions were carried out, and the same are described and can be traced to the annual separate financial statements for 2022, Note 22. Bond Obligations.

Structure of loan obligations by type and nature:

Loan liabilities	Δ	2022	2021
	%	BGN thousand	BGN thousand.
Subordinated debt instruments	19%	8 580	7 201
Liabilities under bank loans:			
Non-current liabilities to banks	197%	124 294	41 781
Current liabilities to banks	84%	16 555	9 006
Debt loan liabilities:	229%	107 739	32 775
Non-current liabilities on debenture loans:	10%	235 682	215 220
EMTN Programme ISIN: XS1731768302	199%	234 111	78 233
EMTN Programme ISIN: XS1542984288	n/a	77 673	-
Debenture loan with ISIN code BG2100013205	-	19 558	19 558
Current liabilities on debenture loans:	-	58 675	58 675
EMTN Programme ISIN: XS1731768302	n/a	78 205	-
EMTN Programme ISIN: XS1542984288	(99)%	1 571	136 987
Interest payable on debenture loans	(100)%	-	136 185
Liabilities to non-financial institutions:	96%	1 571	802
Non-current other loans	1082%	57 385	4 855
Current other loans (Euro Trade Securities - ECP)	1082%	57 385	4 855
Loan liabilities to related parties:	(77)%	23 072	102 529
Non-current	(77)%	13 797	60 926
Current	(78)%	9 275	41 603
Total amount of loan liabilities	21%	449 013	371 586
Non-current liabilities	76%	273 043	155 366
Current liabilities	(19)%	175 970	216 220

The Company's bond transactions for 2022 and the comparative period 2021 can be traced in Note 22. Bond Obligations to the annual separate financial statements for 2022.

B.6.1 Results of the activity

Eurohold Bulgaria AD is a holding company with significant investments in subsidiary companies and as such does not carry out independent and regular commercial transactions. The main (operating) income of the holding company is of a financial nature, with the most significant of them - profits from operations with financial instruments and subsequent assessments appearing in different accounting periods and not of a permanent nature.

Eurohold manages a portfolio of companies in the sectors: insurance, energy (from 27.07.2021), investment brokerage and asset management (financial and investment services). Until 30.06.2022, Eurohold Bulgaria AD also owned investments in the automotive and leasing sectors.

Eurohold Bulgaria AD has a long-term approach to its investments and holds leading positions on the markets in the segments in which it operates.

In this regard, investors and interested parties should analyze the results of this individual financial report together with the consolidated report, giving a clear and complete view of the results, financial position, strategies and development prospects of the Eurohold group.

INFLUENCE OF IMPORTANT EVENTS ON THE RESULTS OF THE ACTIVITY

1 / One-off effect of sale of investments in subsidiaries

The main events in 2022 were related to the sale of the investments in the automobile and leasing business.

In view of the entry from mid-2021 into a new sector market, namely the energy market, Eurohold announced the automotive and lease segments as the non-core business for the group in its development strategy. Within one-year, Eurohold was able to sell part of the automobile companies and negotiate the sale of leasing companies. In addition, on 30.06.2022, Eurohold Bulgaria AD signed an agreement for the sale of the entire remaining automotive and leasing business, through the sale of 100% of the owned shares of the capital of its subsidiaries Auto Union AD and Eurolease Group AD.

As a result of the sales of these subsidiaries, Eurohold incurred for 2022 a loss of BGN 13,469 thousand in 2022, representing a one-time effect of the sale of these investments in subsidiaries and having an impact on the overall performance of Eurohold for 2022 (see below in "Financial result").

The negative result from the sale of subsidiary companies is based on expert assessments by independent appraisers and reflects the significantly reduced business in connection with the previously sold subsidiaries of the automotive subholding Avto Union AD - the main income generators of the automotive group. By the half of 2022, the remaining companies in Auto Union are smaller in terms of business volume and with significantly low growth potential.

Regarding the leasing business - the significantly reduced sales in Auto Union are proportionally reflected in the reduction of the leasing business, which leads to the generation of a significantly smaller volume of new business and a lack of growth factors.

2 / Impairment of the investment in Euroins Insurance Group AD

On 17.03.2023, the Romanian financial regulator ASF decided to revoke the license for the insurance activity of Euroins Romania Insurance - Reinsurance S.A., part of Euroins Insurance Group AD (EIG), opening bankruptcy proceedings and appointing the Insurance Guarantee Fund (FGA) for temporary administrator of the company.

In this regard, the management of Eurohold Bulgaria AD has decided to impair the investment of its subsidiary Euroins Insurance Group AD, which is the parent company of Euroins Romania Insurance - Reinsurance S.A. The management's assessment was made on the basis of valuation reports by independent licensed valuation experts and taking into account the possibility of hidden effects in relation to the withdrawal of the license of the Romanian insurance company and the potential violations of synergy in the group of EIG, maintaining its conservative approach to asset valuation.

In 2022, in the annual separate statement of profit or loss and other comprehensive income of Eurohold Bulgaria AD, impairment expenses for investments in subsidiaries in the amount of BGN 52,715 thousand were reported.

FINANCIAL RESULT

Eurohold Bulgaria AD for the period January 1 - December 31, 2022 reports net loss of BGN 102.1 million in its separate financial statements. If the one-time expenses reported in 2022 of BGN 66.2 million (13.5 from sales of investments and BGN 52.7 million impairment of reputation of Euroins Romania) were to be removed from the transactions for the period, the financial result of the Company would be loss of BGN 36 million.

For comparison, the financial result for 2021 was a net loss of BGN 116.4 million. In 2021, there are also one-off costs of BGN 92.8 million (in connection with the acquisition of the companies from the CEZ group (now Electrohold) in total to BGN 28 million and impairment expenses of the investment of the automotive business in the amount of BGN 64.8 million). If they were not taken into account, the Company's financial result would be loss of BGN 23.6 million.

INCOME AND EXPENSES

Income

When analyzing the Revenues of Eurohold Bulgaria historically based on the individual activity of the company, it is not appropriate to make a comparison of generated revenues and profits from the company's operational activity in different historical periods, due to the specific nature of the activity, namely - holding activity directed to investments in companies through creation and acquisition, their management and financing of related enterprises. In this sense, the revenues generated by the company are non-rhythmical, as many of them are related to one-time large deals with investments and financial instruments, providing financing or selling businesses. In order to gain insight into the performance of Eurohold, the results of the Eurohold group, including the performance of all subsidiaries, should be examined.

The revenues of Eurohold Bulgaria AD for 2022 are primarily finance income from the following activities:

- ✓ Gain on investment operations;
- ✓ Gain on operations with financial instruments and subsequent revaluation;
- ✓ Dividend income;
- ✓ Interest income on loans granted to subsidiaries and third parties;
- ✓ Revenues from services to subsidiaries;
- ✓ Other finance income.

Revenue analysis

Revenues from operating activities	Change in %	2022 thousand BGN	2021 thousand BGN
▪ Dividend	843%	2 102	223
▪ Gains from the sale of investments in subsidiaries, transactions with financial instruments and subsequent revaluation	47%	1 202	819
▪ Interest income	926%	359	35
▪ Other finance income	(98)%	21	846
Total operating income	92%	3 684	1 923

Analysis of material sources of income

- ⇒ **Income from dividends:** in both reporting periods the income from dividends was generated from the distributed profit of the subsidiary Euro-Finance AD.
- ⇒ **Gains on the sale of investments in subsidiaries, transactions with financial instruments and subsequent revaluation** (shown below):

For 2022:

- ✓ Profits from the sale of investments in subsidiaries - BGN 97 thousand (related to the transfer of the ownership of the shares of Auto Union AD to a third party);
- ✓ Profits from operations with investments and financial instruments BGN 337 thousand and include:
 - BGN 133 thousand profit from the sale of purchased own bonds from EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 195 thousand profit from operations with purchased own European Commercial Papers (ECP) with ISIN: XS2430057443;
 - BGN 5 thousand profit from the sale of purchased own bonds with ISIN BG2100002224;
 - BGN 4 thousand profit from the sale of other financial instruments;
- ✓ Income from revaluations of debt instruments valued at fair value BGN 768 thousand including:
 - BGN 591 thousand from the revaluation of purchased own bonds from the EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 110 thousand from revaluation of purchased own bonds with ISIN BG2100002224;
 - BGN 67 thousand from revaluation of other financial instruments.

For 2021:

- ✓ Profits from operations with investments and financial instruments include:
 - BGN 221,000 profit from the transfer of ownership of repurchased bonds from the EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 259 thousand profit from operations with buyback of own bonds with ISIN BG2100013205.
 - BGN 1 profit from operations with other financial instruments.
- ✓ Income from revaluations of debt instruments measured at fair value are:
 - BGN 261 thousand from revaluation of purchased own bonds 10,500 pcs. from EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 76 thousand from revaluation of purchased own bonds with ISIN BG2100013205.
 - BGN 1 thousand profit from revaluation of other financial instruments.

⇒ Interest income

- > Income from interest on loans granted to related parties BGN 356 thousand (2021: BGN 35 thousand).
- > Income from interest on loans granted to third parties 3 thousand. BGN (2021: none).

Expenses

The operating costs of Eurohold are mainly related to the costs of specific ongoing projects, interest costs on borrowed funds utilized / raised to finance the activities of the Holding and the development and support of subsidiaries of its economic group, as well as costs of operations with financial instruments and others of a financial nature.

Eurohold also reports fixed costs for staff and other external services such as office rent, consumables and others related to the normal course of operations.

Cost analysis

Operating expenses	Change in %	2022 thousand BGN	2021 thousand BGN
▪ Interest expenses	11%	(21 710)	(19 547)
▪ Losses from operations with financial instruments and subsequent valuations	(24)%	(16 313)	(21 519)
▪ Other financial expenses	520%	(6 197)	(999)
▪ Costs for external services	(48)%	(4 733)	(9 098)
▪ Staff expenses	9%	(980)	(899)
▪ Depreciation costs	(57)%	(295)	(679)
▪ (Accrued) / Recovered loss from impairment of financial assets, net	279%	(2 310)	(609)
Total operating costs before impairment of investments in subsidiaries	(2)%	(52 538)	(53 350)
Impairment of investments in subsidiaries	(19)%	(52 715)	(64 772)
Total operating costs	(11)%	(105 253)	(118 122)

Analysis of the main costs:

⇒ Interest expenses:

Interest expenses increased for the current year by nearly BGN 2.2 million in connection with absorbed new financing for the development of subsidiaries and a new bond loan issued in March 2022. Interest expenses can be grouped into three categories depending on the financing, namely:

- > Interest on EMTN Program bond loans in the amount of BGN 11,249 thousand – increased by BGN 394 thousand.
- > Interest on corporate bond loans in the amount of BGN 3,941 thousand – with a reported increase of BGN 2,034 thousand;
- > Interest on loans from banks and non-bank financial institutions in the amount of BGN 5 008 thousand, reporting an increase of BGN 1 779 thousand;
- > Interest on received loans and leases from related and third parties in the amount of BGN 1 508 thousand - a decrease of BGN 1 923 thousand was recorded.
- > Interest on loans provided by third parties - BGN 4 thousand - a reduction of BGN 121 thousand.

⇒ **Losses on sale of investments in subsidiaries, transactions with financial instruments and subsequent valuations:**

For 2022:

- ✓ Losses from the sale of investments in subsidiaries - BGN 13 469 thousand (related to: transfer of the ownership of the shares of Eurolease Group AD to a third party in the amount of BGN 13,464 thousand and to Daru Invest EAD in the amount of BGN 5 thousand BGN);
- ✓ Losses from operations with investments and financial instruments in the amount of BGN 1,125 thousand with the following origin:
 - BGN 536 thousand loss from operations with purchased own bonds with ISIN BG2100002224;
 - BGN 405 thousand loss from operations with purchased own bonds from EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 139 thousand fees and commissions for services of an investment intermediary;
 - BGN 39 thousand loss from operations with purchased own European Commercial Papers (ECP) with ISIN: XS2430057443
 - BGN 6 thousand loss from operations with other financial instruments.
- ✓ Costs from revaluations of debt instruments valued at fair value in the amount of BGN 1,719 thousand, of which:
 - BGN 1,701 thousand from the revaluation of purchased own bonds from the EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 10,000 from revaluation of repurchased own European Commercial Papers (ECP) with ISIN: XS2430057443;
 - BGN 4,000 from revaluation of purchased own bonds from EMTN Programme in EUR with ISIN BG2100002224
 - BGN 4 thousand from revaluation of other financial instruments.

For 2021:

- ✓ Reported losses from operations with investments and financial instruments include:
 - One-off effect in the amount of BGN 20,360 thousand in connection with the transfer of shares to a subsidiary as part of a package deal;
 - BGN 440 thousand in connection with the restructuring of bonds from the EMTN Programme with ISIN XS1542984288;
 - BGN 194 thousand in connection with operations with repurchased own bonds with ISIN BG2100013205;
 - BGN 121 thousand in connection with operations with repurchased own bonds from EMTN Programme in EUR with ISIN XS1731768302;
 - BGN 75 thousand fees and commissions for services of an investment intermediary
- ✓ Costs from revaluations of debt instruments measured at fair value:
 - BGN 165 thousand from revaluation of purchased own bonds with ISIN XS1731768302;
 - BGN 54 thousand from revaluation of purchased own bonds with ISIN BG2100013205;
 - BGN 109 thousand from revaluation of other financial instruments.

B.6.3 Dividends

Eurohold Bulgaria maintains a dividend distribution policy, and from 2015 to 2019 inclusive, a total dividend was distributed from the Company's profits in the amount of BGN 5,831 thousand. In 2020, 2021 and 2022, the Company did not distribute dividends.

B.6.4 Cash flows

Cash flows for 2022 are formed mainly by the financial and investment activities of the Company related to the restructuring of long-term debts, as well as the accumulation of free cash from subsidiaries and directing them to finance the current and investment activities of other subsidiaries.

Cash flow analysis

Cash flows	Δ in %	31.12.2022 thousand BGN	31.12.2021 thousand BGN
▪ Net cash flow from operating activities	25%	(4 907)	(3 926)
▪ Net cash flow from investing activities	(87)%	(22 198)	(173 075)
▪ Net cash flow from financing activities	(83)%	29 236	176 842
Net cash flows	1440%	2 131	(159)
▪ Effect of IFRS 9	(214)%	(8)	7
▪ Cash and cash equivalents at the beginning of the year	(57)%	115	267
Cash and cash equivalents at the end of the year	1846%	2 238	115

B.6.5 Climate related matters

Eurohold Bulgaria AD on a stand alone basis does not carry out commercial and/or production activities, in this sense it does not fall into sectors affected by climate change, nor does it have a direct impact on the environment, water ecosystems and biodiversity. However, the Company takes environmental protection and limiting the speed and scale of climate change responsibly and has adopted them as part of its corporate social policy. Management's aspiration is to reduce the negative impact on the environment; towards economical consumption of natural resources; and to raising the awareness of its employees about environmental issues.

The Company has no real estate of its own, and its activities are carried out in a rented office building, class A for energy efficiency. The adopted policy regarding responsible use of natural resources and environmental protection encourages to reduce the use of paper and printed publications, incl. advertising and corporate materials and supplies; ensuring separate collection of types of waste – paper, plastic and glass; issuing and sending electronic invoices; electronic archives and exchange of documents have been introduced; access to clean filtered drinking water is ensured for all employees, leading to a reduction in the consumption of water in plastic bottles; the means of transport used are new up to 5 years old and comply with emission standards EURO norm 6; automatic shutdown of computers, air conditioners and lighting has been introduced, as well as optimal temperature regulation in office premises.

Consistent with the previous year, as of December 31, 2022, the Company has not identified significant risks caused by climate change that could have a negative and material impact on the Company's financial statements.

Climate-related issues will be comprehensively addressed at group level in the 2022 annual consolidated report, which will also cover the climate-related influences and impacts of Eurohold Group subsidiaries.

B.6.6 Financial indicators

INDICATORS	unit	2022 thousand BGN	Change in %	2021 thousand BGN
Income statement				
1. Profit / loss before tax	thousand BGN	(102 147)	(12.24)%	(116 388)
2. Net profit / loss (after tax)	thousand BGN	(102 147)	(12.24)%	(116 388)
3. Revenues from operating activities	thousand BGN	3 684	91.58%	1 923
Statement of financial position as of December 31				
4. Equity	thousand BGN	242 602	(29.63)%	344 749
5. Liabilities (non-current + current + subordinated debt)	thousand BGN	453 010	20.62%	375 583
6. Non-current liabilities (non-current + subordinated debt)	thousand BGN	274 184	75.08%	156 607
7. Assets	thousand BGN	695 612	(3.43)%	720 332
Equity				
Share capital	thousand BGN	260 500 000	0.0%	260 500 000
Weighted average number of shares	Number	260 500 000	14.7%	227 028 075
Loss per share	BGN	(0.3921)	(23.5)%	(0.5127)
Ratios				
Financial autonomy ratios (4/5)		0.536	(41.66)%	0.918
Indebtedness ratio (5/4)		1.867	71.40%	1.089
Equity / Assets (4/7)		34.88%	(27.13)%	47.86%
Non-current liabilities / Equity (6/4)		1.130	148.79%	0.454
Net return on revenue (2/3)		(27.727)	(54.19)%	(60.524)
Net return on equity (2/4)		(0.421)	24.72%	(0.338)
Net return on liabilities (2/5)		(0.225)	(27.24)%	(0.310)
Net return on assets (2/7)		(0.147)	(9.12)%	(0.162)

B.7. CURRENT TRENDS AND FUTURE DEVELOPMENT

TRENDS AND FUTURE DEVELOPMENT

Planned economic policy for the next year, including expected investments and personnel development, expected income from investments and development of the Company, as well as upcoming transactions of essential importance for the Company's activities

Expected future development of the Company

The main activity of Eurohold Bulgaria AD as a holding company will continue in the future to be the management of the subsidiaries in the group. In 2023, the company is not expected to change its activities and realize income of different origins, apart from those related to the usual activity of the company. No significant investments or transactions of material importance are planned beyond the usual ones related to the management of the subsidiaries.

The development trends of Eurohold Bulgaria AD are related to the strategic goals in the development of the energy and insurance 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 development prospects of the Eurohold group for 2023 will be aimed at organic growth and improving the return on the operational activity of the existing companies.

At group level, the focus will again be on:

- the strengthening of the positions of the subsidiary companies in the markets in which they operate;
- improving their efficiency, capitalization and profitability,
- continuing the process of diversifying the product portfolio.

Also, Eurohold will continue to provide and provide full support to its subsidiaries regarding their capital position, sound financial condition and maintaining a high liquidity position and solvency to ensure current servicing of Eurohold group's obligations to all banking and non-financial institutions, bondholders, suppliers, and other creditors.

In 2023, the companies of the Eurohold group do not plan any significant capital investments other than their usual activities.

Given the situation that has arisen with the revocation of Euroins Romania's license, the focus is on control, monitoring and optimized management in all business lines in order to prevent and protect against possible shocks.

The management of Eurohold Bulgaria AD will strive to actively monitor and analyze the manifestation of macroeconomic, political, legal and other significant risks in the countries where it operates, assess their impact on the group's results and take decisions on their mitigation.

At the end of 2022, in connection with the ongoing hostilities on the territory of Ukraine, where the group has two subsidiary insurance companies, the insurance companies operating in Belarus (100% participation)

and in Russia (associate participation of 48.61%) were sold. The business in both countries was insignificant, forming less than 1% of the insurance group's revenues for 2022, which will not have an impact on revenues and assets at group level.

In addition, the development of the group is also dependent on future regulatory changes, as all business units from the insurance, energy and financial-investment activities are highly regulated and their future development is largely dependent on the applicable legislation, changes in the regulatory framework and the decisions of the regulatory authorities.

Number of employed persons

In 2022, 4 employees were appointed to Eurohold Bulgaria AD, and 1 left, no employees were hired on temporary contracts. As of December 31, 2022, a total 24 employees work in Eurohold Bulgaria AD (2021: 21 persons).

In connection with the nature of the activity of the holding company, as well as the fact that, as such, Eurohold does not carry out regular commercial and/or production or any other type of activity requiring the hiring of new personnel during the growth and development of the business, it is not expected for Eurohold Bulgaria significant development in the hiring of personnel in the company in the short and medium term.

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.

B.8. MAIN RISKS

This section describes our significant risks, including how we manage them. 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 negative effect on the Company.

The future results of the Company's operations may differ significantly from past results as a result of the occurrence of the risks described here. Given the dynamic macroeconomic environment at the moment, it is possible that other risks and / or uncertain events may occur that are not currently known or that we are unable to assess or consider to be insignificant at the time and which risks may have a significant adverse effect on the activities of the Company.

We draw your attention to the fact that Eurohold Bulgaria AD develops its activities through its subsidiaries, in this regard the financial condition of the Company, its operational results and prospects for development are directly dependent on the condition, results and prospects of its subsidiaries. Every business sector, including the segments in which we operate, is subject to common risks, such as changes in the macroeconomic environment, social, political, financial, regulatory and legislative changes. Our main risks and uncertainties are those that can have the greatest impact on our group's key priorities. The most significant, main for each business group risks and influencing the activity of the company's part of the Eurohold group, as well as the estimated emerging total group risks can be found in the Annual Consolidated Report of Eurohold Bulgaria for 2022.

At the individual level, key risks for Eurohold Bulgaria AD continue to be similar to those of previous years, but they have developed in the last years, mainly due to the effects of the Covid-19 pandemic and military actions on the territory of Ukraine. Given the international nature of our business (through subsidiaries), another risk assessed in 2022 is the dynamic development of the macroeconomic environment.

A. NON-SYSTEMATIC RISKS

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

Risks related to the activity and structure of Eurohold

As far as the activity of Eurohold Bulgaria AD is related to asset management of other companies, it cannot be referred to a separate sector of the national economy and is exposed to the industry risks of the subsidiaries. The companies from the group of Eurohold Bulgaria AD operate in the following sectors: "insurance", "energy" and "investment intermediation and asset management".

The impact of the individual risks of the subsidiaries is proportional to the share of the respective industry in the structure of Eurohold's long-term investment portfolio.

The main activities of the Holding are carried out through its subsidiaries, which means that its financial results are directly related to the financial results and development trends of the business units of its economic group.

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 negatively affect the profitability of the whole group.

The main risk related to the activity of Eurohold Bulgaria AD is the possibility to reduce the sales revenues of the companies in which it participates and on the receipt of dividends. In this regard, this may affect the growth of the company's revenues, as well as the change in its profitability.

Deteriorating results of one or more subsidiaries could lead to deteriorating results on a consolidated basis. This in turn is related to the share price of the company, 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.

Risks related to the development strategy of Eurohold

Eurohold's future profits and economic value depend on the strategy chosen by the company's senior management and its subsidiaries. Choosing the wrong strategy can lead to significant losses.

Eurohold Bulgaria AD strives to manage the risk of strategic errors by continuous monitoring of the various stages in the implementation of its market strategy and its results. This is crucial in order to be able to react in a timely manner if a change in the strategic development plan is needed at a certain stage. Untimely or inappropriate changes in the strategy can also have a significant negative effect on the company's operations, operating results and financial condition.

Risks related to future acquisitions and their integration into the structure

Until now, the economic group of "Eurohold Bulgaria" AD develops its operations mainly in Bulgaria and other European countries through acquisitions and development of companies and assets. According to its development strategy, Eurohold Bulgaria AD intends in the near future to implement a strategy of organic growth and the diversification of the product portfolio of its existing businesses.

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.

Risks related to the management of Eurohold. Operational risk

Operational risk is the risk of direct and indirect losses for the Group arising from various internal factors related to operations, personnel, technology and infrastructure, as well as external factors that are different from credit, market and liquidity risk and originate from legal requirements and generally accepted rules of corporate ethics.

The risks associated with the management of the Company may be:

- 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 operational staff of Eurohold;
- the inability of the management to start the implementation of planned projects or the lack of suitable employees for the specific projects;
- possible technical errors of the unified management information system;
- possible errors of the internal control system;
- leaving key employees and inability to recruit staff with the necessary qualities;

- risk of excessive increase in management and administration costs, leading to a decrease in the overall profitability of the company.

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

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

The management of Eurohold Bulgaria AD supports the efforts of the subsidiaries in the Group to attract banking resources for investments and use the opportunities provided by this type of financing to provide working capital. The volumes of these attracted funds are maintained at certain levels and are allowed after proving the economic efficiency for each company.

The policy of the management is aimed at raising 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 action to maintain the regulatory capital requirements for each business segment by increasing their capital.

Risks related to attracting and retaining qualified personnel

The business of Eurohold Bulgaria AD is significantly dependent on the contribution of a number of persons, members of the management and control bodies, top and middle management managers of the parent company and subsidiaries of the structural business areas. 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 staff for managerial, operational and technical positions may have an adverse effect on the activities of the economic group as a whole, its operational results and its financial condition.

Risk of concentration

There is a risk of concentration, which is the possibility that the company may incur a loss due to the concentration of financial resources in the business sector or related parties. This risk is expressed in the possibility that the invested funds will not be returned in full due to the recession in the business in which the investment was made. The Company's management actively monitors this risk and strives for decisions, measures and actions to diversify the business in which it operates.

Risk of lack of liquidity

The liquidity risk is related to the possibility that Eurohold Bulgaria AD will not repay its obligations in the agreed amount and / or in time, when they become due. The issuer seeks to minimize this risk by optimally managing cash flows within the group. The Group applies an approach that provides the necessary liquidity resources to meet the incurred liabilities under normal or extraordinary conditions, without realizing unacceptable losses or damaging the reputation of individual companies and the economic 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 completely eliminates the potential effect of extraordinary circumstances.

Risk of possible transactions between the companies in the group, the conditions of which differ from the market ones

Relationships with related parties arise under contracts for temporary financial assistance to subsidiaries and in connection with transactions related to the ordinary activities of subsidiaries.

The risk of possible transactions between the companies in the Group under conditions that differ from the market ones is expressed in taking the risk of achieving low profitability from provided intra-group financing. Another risk that can be taken is that in the implementation of intra-group trade transactions not enough revenue is realized, and hence a good profit for the company. At the consolidated level, this may have a negative impact on the profitability of the whole group.

Within Eurohold, transactions are constantly made between the parent company and the subsidiaries and between the subsidiaries themselves, arising from the nature of their core business. All related party transactions are conducted under conditions that do not differ from normal market prices and in accordance 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. Poor performance of one or more subsidiaries could lead to deterioration of financial results on a consolidated basis.

B. SYSTEMATIC RISKS

Macroeconomic risk

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

Trends in the macroeconomic environment affect market performance and the final results of all sectors of the economy.

The outcome of the realization of some risks related to the international environment will largely depend on the plans and preventive measures of individual countries and international institutions, as evidenced by the recent global economic crisis and the COVID-19 pandemic. The risk of the influence of the international environment on companies cannot be diversified and affects all players, but on the other hand it can become an engine for development and implementation of innovations and digitalization that will drastically change and increase business efficiency globally.

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

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

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

The Eurohold Group operates in Bulgaria, and other European countries, respectively its overall financial position and the results of its operations are affected by economic, legal and political conditions in these countries. Any deterioration in macroeconomic conditions in such countries or in the wider CEE / SEE region

could adversely affect certain products and services offered by the group and lead to lower revenues than originally planned. In addition, general changes in government policy and regulatory systems in each such jurisdiction may increase the Group's operating costs and capital requirements. Any future periods of slowdown or slow growth in each of the markets in which the Group operates could have an adverse effect on the Group's business, financial condition, cash flows, results of operations or prospects.

Manifested macroeconomic risks in 2022 and as of the date of this Report

The Covid-19 pandemic

We are currently witnessing macroeconomic risk arising in early 2020 from the scale and spread of the coronavirus (Covid-19) pandemic, which has affected the entire world and dramatically affected global macroeconomics and economic growth. The COVID-19 pandemic significantly slowed much of global economic growth at the end of the first and throughout the second quarter of 2020, and activity in some sectors was almost completely halted. As a result of the measures imposed by governments to tackle the pandemic, a significant part of international trade has been hampered. This greatly hampers the production process as a result of disrupted supply chains and reduces domestic and external demand. Tightening restrictive measures in response to the significant increase in coronavirus infections (COVID-19) in various countries has led to a decline in economic activity. Globally, the subsequent business results of the economic disruption caused by the pandemic were: deteriorating economic prospects, a significant increase in expected credit losses and other impairments, as well as declining revenues from lower volumes and reduced customer activity.

In 2021 and early 2022, the Covid-19 pandemic continued to affect the health system, the social environment and the economy. The deviations in the prices of energy resources, as well as the shift in trade relations, which led to a global wave of intense inflationary pressures, had a strong impact. After the start of the mass vaccination, a gradual recovery of the global and local economy and the expected recovery of global activity began. The labour market also had a favourable development, and unemployment continued to decline. The banking system remained stable, well-capitalized, with high levels of liquidity meeting regulatory requirements.

At the moment, uncertainties and risks to the economy still exist. The latest wave of the coronavirus actively developed in early 2022 led to a new slowdown in economic recovery in Europe, accompanied by high inflation, absences 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 abatement 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.

Apart from the general effects of the pandemic on all economic entities, it does not directly affect the currently existing businesses of the companies of the Eurohold group. In the period of its manifestation, it had an impact only on the automotive and leasing businesses, which were sold in the middle of 2022. In this sense, possible new waves of the spread of COVID-19 would not have significant segmental effects on the energy, insurance and financial - the investment business in the group. At this stage, management's assessment of the peak periods of the pandemic is that, with timely and flexible measures, the Eurohold group has managed to cope with the consequences of the situation and reduce the impact on it as much as possible. Management continues to monitor new manifestations and effects of the pandemic to take preventive measures and solutions in order to preserve the health of workers and minimize the impact of the crisis caused by COVID-19.



Military actions on the territory of Ukraine

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. This conflict began at a time when the world economy, including Bulgaria's, was gaining momentum after the peak of the Covid-19 crisis and calls into question the previous forecasts for the economic growth of Europe and Bulgaria in particular. 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 generated 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 fully assessed at this stage of development, but indicate extremely serious price effects on the overall global economy, substantial growth in inflation, and difficulty in supplying energy resources. Other manifested effects of the beginning of hostilities are: a decline in economic growth, the risk of a humanitarian crisis in connection with a refugee wave of Ukrainian citizens, an uncertain international environment, problems with gas supplies and a significant increase in gas prices, a surge in prices when trading with electricity, fuels and other petroleum products, supply chain constraints due to restrictive and logistical problems, high volatility in stock markets under the pressure of fluctuations in fuel and other basic resource markets, increased interest rates, a shaky banking system, etc.

If the conflict continues to develop, the economic damage will be significant for all sectors of the economy, both of Bulgaria and the EU, including the sectors and regions in which the Eurohold group operates. Eurohold's management follows with concern the development of the military conflict between Russia and Ukraine, and evaluates its impact on the Group's business, analyzing the impact on both sides of the conflict in order to take measures, decisions and concrete actions to mitigate the effects on the group. Eurohold Bulgaria AD, through its subsidiary Euroins Insurance Group AD, owns investments in two insurance companies in Ukraine, and until the end of 2022, one in Belarus and one with a minority stake in Russia.

The management of Eurohold provided assistance and support to the staff in Ukraine and their relatives. In the first half of March, "Euroins Insurance Group" AD successfully evacuated 80 of its employees, their relatives and friends from Ukraine to Bulgaria. The Ukrainian citizens are accommodated in a holiday village on the Bulgarian Black Sea coast, where they are provided with shelter, food and medical assistance. Some of the evacuated employees continue to perform their duties remotely in a specially equipped room with the necessary equipment.

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.

Macroeconomic forecast

According to the latest Economic Bulletin of the ECB, no. 8/2022 - The global economy is slowing amid ongoing geopolitical uncertainty, particularly as a result of Russia's unjustified war against Ukraine, and a widespread tightening of financing conditions. As the economic fallout from the war in Ukraine continues to play out and fuel strong inflationary pressures, indicators of consumer and business confidence remain weak, with real disposable incomes falling and rising cost pressures constraining output. The negative economic consequences are expected to be partially mitigated by fiscal policy measures. In the medium term, as the energy market rebalances, uncertainty is expected to decrease and real incomes to improve. As a result, economic growth is expected to pick up, supported by strengthening external demand and the removal of

remaining supply constraints, despite less favorable financing conditions. The labor market is expected to remain relatively resilient in the coming moderate recession. Overall, average annual real GDP growth is expected to slow significantly, from 3.4% in 2022 to 0.5% in 2023, before accelerating to 1.9% in 2024 and to 1.8% in 2025.

In the Macroeconomic Forecast of the BNB from December 2022, the expectations for the growth of the real GDP in 2023 is to slow down significantly to 0.4%, which will be determined mostly by the transition from a positive to a negative contribution of the change in stocks in the economy. The growth of economic activity is expected to accelerate to 3.2% in 2024, which will be mainly due to the formation of a low positive contribution of net exports due to the recovery of growth in exports of goods. Annual inflation, measured by the Harmonized Index of Consumer Prices (HICP), is forecast to slow to 4.2% at the end of 2023, with inflation expected to average 7.0% for the year, with short-term pressure on production prices resulting from factors such as realized commodity price increases and supply and labor shortages will continue to weigh on consumer prices. The forecast for inflation at the end of 2024 is for it to slow down to 3.3%, following the downward dynamics of the prices of food and energy raw materials on the international markets.

Source: www.bnb.bg

"Eurohold Bulgaria" AD strives to monitor the probability of the manifestation of the macroeconomic risk and develops group measures to mitigate as much as possible the impact of the effects that the presence of this risk may have. However, the Holding cannot completely exclude and limit its influence on the business, financial position, profits and cash flows at the group level. There is also the possibility that the occurrence of this risk may exacerbate other risks or a combination of risks.

Risk of force majeure

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

Force majeure may also have a strong impact on the overall macroeconomic and international environment. An example of such a risk is the Pandemic declared by the World Health Organization in the early 2020 epidemic of acute respiratory syndrome associated with a new coronavirus (COVID-19) as well as the military conflict between Russia and Ukraine.

Political risk

Political risk reflects the impact of political processes in the country on the economic 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 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 concerning the economic 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 multiparty parliamentary system, free elections, ethnic tolerance and a clear system of separation of powers.

Among the political risks are the successful continuation of Bulgaria's integration into the European Union (EU). After the accession of our country 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 pursue economic reforms, with a view to introducing EU 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. At the present time, parliamentary elections are again coming up in the country.

Despite the stable policy pursued so far, there is no certainty that factors will not appear in the country that will create social and political tensions, lead to a significant and abrupt change in political and economic conditions, which could have a significant adverse effect on business. At present, the political situation in Bulgaria is not very stable. Also, at the moment there is no political unanimity in the country about the complicated geopolitical situation in the region from the development of the Russian-Ukrainian crisis.

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

Given the uncertainty of the outcome of the dynamic political and economic situation, the users of this Report should take into account the presence of political risk in accordance with their own understandings and expectations.

Credit risk of the state

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.

Credit ratings serve as a basis for measuring and determining a country's credit risk. The latest credit ratings awarded to Bulgaria are as follows:

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 adoption beyond 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

On 26.11.2022, the international rating agency S&P Global Ratings confirmed the long-term and short-term credit rating of Bulgaria in foreign and local currency 'BBB/A-2'. The outlook for the rating remains stable.

According to the agency, the stable outlook balances, on the one hand, weaker expectations for Bulgaria's economic growth in the short term and increased domestic political uncertainty, and on the other hand, the country's low net public debt and low interest costs. According to S&P Global Ratings, this development gives Bulgaria policy space and makes its public finances less sensitive to rapidly rising interest rates globally. Bulgaria is currently experiencing high inflation, which according to S&P Global Ratings could pose a challenge to its membership of the Eurozone from 2024.

S&P Global Ratings expect Bulgaria's GDP growth to weaken significantly in the coming months. Although the economy remained more resilient in 2022 from the fallout from the Russia-Ukraine conflict than the rating agency initially expected, several challenges lie ahead. External demand from Bulgaria's main trading partners in the EU is expected to decline and consumption to weaken as continued high inflation, estimated at nearly 10% on average in 2023, will weigh on real wages. Projects financed with EU funds, which will provide some

support for the economy, are assessed as a positive influence. S&P Global Ratings forecast real growth in 2023 of less than 1%, a significant slowdown from their expectations of 3% in 2022.

Source: www.minfin.bg

The adoption of a consistent and long-term economic policy in Bulgaria would be a valid reason for the potential increase in the country's credit rating, which in turn would have a favorable impact on the economic group of Eurohold expressed in the Group's financing opportunities. In the event of a downgrading of Bulgaria's credit rating, as a result of the unstable governance of the country, there may be a negative impact on the Group and on the cost of financing, except in the case that its loan agreements are with fixed interest rates.

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 prices of raw materials and food products may rise more significantly as a result of political crises such as are currently available or an increase in demand. The limited supply of some agricultural goods and especially cereals internationally in connection with adverse climatic events or force majeure circumstances may additionally cause higher inflation in the country.

According to NSI data, according to the consumer price index (CPI), the monthly inflation in February 2023 was 0.8% compared to the previous month, and the annual inflation for February 2023 compared to February 2022 was 16.0%. Year-to-date inflation (February 2023 vs. December 2022) is 2.1%, and average annual inflation for the period March 2022 - February 2023 vs. March 2021 - February 2022 is 16.4%.

According to the Harmonized Index of Consumer Prices (HICP), in February 2023, monthly inflation was 0.7% compared to the previous month, and annual inflation for February 2023 compared to February 2022 was 13.7%. Year-to-date inflation (February 2023 vs. December 2022) is 1.9%, and average annual inflation for the period March 2022 - February 2023 vs. March 2021 - February 2022 is 14.0%.

According to the price index for the small basket (ICPM), in February 2023 an increase of 1.2% was registered on a monthly basis and by 2.7% since the beginning of the year (February 2023 compared to December 2022).

Source: www.nsi.bg

According to the Macroeconomic Forecast of the BNB from December 2022, annual inflation is expected to slow to 4.2% at the end of 2023 and to 3.3% at the end of 2024. Despite the expected slowdown of inflation at the end of 2023, on average for 2023 it is expected to remain high (7.0%) as, in the near term, pressures on producer prices, including from past increases in commodity prices, tight supply and labor shortages, will continue to weigh on consumer prices.

Source: www.bnb.bg

In general, inflation can affect the amount of the Company's expenses, since 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.

However, the current geopolitical situation in Europe makes the outlook for inflation in the Eurozone very uncertain and depends crucially on the development of the military conflict, the impact of current sanctions and possible further measures.

Given this, users of this Report should carefully consider and account for both current levels of inflation risk and future opportunities for its manifestation.

Currency risk

This risk is associated with the possibility of depreciation of the local currency. For Bulgaria in particular, this is a risk of premature abandonment of the terms of the Currency Board at a fixed exchange rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria has been officially admitted to the ERM II currency mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva, and it was accepted that Bulgaria joins the currency mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB. The agreement on the participation of the Bulgarian lev in the Monetary Mechanism II (CM II) is accompanied by a firm commitment of the Bulgarian authorities to pursue prudent economic policies in order to preserve economic and financial stability and achieve a high degree of sustainable economic convergence.

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

The activity of the Company does not presuppose exposure to significant currency risk, because almost all its operations and transactions are denominated in Bulgarian leva and euros, and the latter has a fixed exchange rate against the lev.

Significant changes in the different exchange rates of the subsidiaries outside Bulgaria, namely in Romania, Northern Macedonia, Ukraine, Georgia and Belarus, respectively - Romanian Leu (RON), Macedonian Denar (MKD), Ukrainian hryvnia (UAH), Georgian GEL (GEL) and the Belarusian ruble (BYR), whose exchange rate is determined almost freely on the local foreign exchange market, would have a corresponding effect on Eurohold's group results. The consolidated revenues of Eurohold Bulgaria AD will be exposed to currency risk depending on the movement of these currencies against the euro.

Interest rate risk

Interest rate risk is related to the possibility of changing the prevailing interest rates in the country. Its influence is expressed in the possibility of the net incomes of the companies to decrease due to the increase of the interest rates at which the Issuer finances its activity. 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 emergence of instability in the financial system as a whole. This risk can be managed through the balanced use of different sources of financial resources.

The increase of interest rates, other things being equal, would affect the price of the financial resources used by the Company in the implementation of various business projects. It can also affect the amount of the company's expenses, as not a small part of the company's liabilities is interest-bearing and their servicing is related to current interest rates. The current trend is to gradually increase interest rates by central banks.

Interest rate trends, according to the ECB, are for a significant increase at a steady pace until restrictive levels are reached in order to ensure a timely return of inflation to the medium-term target of 2%.

Risk of high unemployment

Unemployment risk is characterized by a decline in labour demand, influenced by real aggregate demand in the economy, as a result of which the real purchasing activity of some economic entities decreases. High levels of unemployment can seriously jeopardize economic growth in the country, which in turn can lead to shrinking consumption and reduce revenues generated by businesses in the country, including revenues generated by the Company and its subsidiaries.

According to the latest NSI data, the unemployment rate for 2022 is 4.3%, respectively 4.5% for men and 4.0% for women. Compared to 2021, the ratio decreases by 1.0 percentage points. There are 140.4 thousand unemployed persons, of which 78.2 thousand (55.7%) are men and 62.2 thousand (44.3%) are women. The

relative share of the long-term unemployed among all the unemployed is 53.8%, and the long-term unemployment rate is 2.3% - respectively 2.3% for men and 2.1% for women.

Source: www.nsi.bg

According to the Macroeconomic forecast of the BNB from December 2022, in 2023 a slight decrease in employment of 0.2% is predicted in accordance with the predicted slowdown of economic activity in the country. The expected improvement of the external environment and acceleration of real GDP growth in Bulgaria in 2024 will lead to an increase in employment, but its growth will be limited (up to 0.3%) due to unfavorable demographic processes in the country. At the same time, the reduction of the working-age population will be a factor in the gradual lowering of the unemployment rate from 4.3% in 2022 to 4.0% in 2024.

Source: www.bnb.bg

Risks associated with changes in regulations. Regulatory risk

The company's results may be affected by changes in regulations. 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 law enforcement, as well as in discrepancies in legislation and regulations in Bulgaria and in the countries where the Company operates, may have an adverse effect on its activities as a whole, results, as well as its financial condition.

Financial risk

Financial risk is the additional uncertainty for the investor about the receipt of income in cases where the company uses borrowed or borrowed funds. This additional financial uncertainty complements business risk. When part of the funds with which the company finances its activities are in the form of loans or debt securities, the payments for these funds are a fixed obligation.

Risk of increased competition

All sectors in which the subsidiaries of the Eurohold Group operate have a highly competitive environment. The future success of the group will depend on the ability of Eurohold and its subsidiaries to remain competitive compared to other companies operating in the market segment.

C. RISK MANAGEMENT AND MINIMIZATION MECHANISMS

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

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

Overall risk management is focused on minimizing the potential negative effects that could affect the Group's financial results. Financial risks are currently identified, measured and monitored through various control mechanisms in order to determine adequate prices for the services and products offered by the companies in the Eurohold Group and the borrowed capital attracted by them. An adequate assessment of the market circumstances, the investments made in the group and the forms of maintaining the free liquid assets is performed, without allowing unjustified concentration of a given risk.

The occurrence of unforeseen events, incorrect assessment of current trends, as well as many other micro- and macroeconomic factors can affect the assessment of the company's management team.

B.9 INFORMATION AS REQUIRED BY ORDINANCE №2 OF FSC

B.9.1 Appendix № 2 to Ordinance №2

- 1 /** *Information, given in value and quantitative terms regarding the main categories of goods, products and / or provided services, indicating their share in the sales revenues of the Company, as a whole and the changes that occurred during the reporting financial year.*

The information is presented in section C.6 Results of the activity, item C.6.1 Results of the activity.

- 2 /** *Information on the revenue broken down by category of activity, internal and external markets, as well as information on the sources of supplies of materials needed for the production of goods or the provision of services, reflecting the degree of dependence on each individual seller or buyer / consumer, as in case the relative share of any of them exceeds 10 percent of the expenses or revenues from sales, information is provided for each person individually, for his share in sales or purchases and his relations with the Company.*

The information is presented in section C.6 Results of the activity, item C.6.1 Results of the activity.

- 3 /** *Information on performed significant transactions*

All significant transactions undertaken by Eurohold Bulgaria AD are described in section B.2 Significant events in 2022, as well as in the following Notes, to annual separate financial statement for 2022: 3, 4, 5, 7, 8, 13, 9, 10, 12, 16, 17, 20, 21, 22, 23, 24, 26, 27 and 28.

⇒ **Some of these significant transactions relevant to the company's activity are the following:**

- ✓ Issue of a new bond of EUR 40 000 000 with ISIN: BG2100002224 in March 2022. This is the third issue of ordinary, commemorative, dematerialized, interest-bearing, secured, non-convertible, non-preferred and freely transferable bonds. The maturity date of the issue is March 8, 2029, and the principal is repaid once at maturity. Interest payments are made every six months, starting from the date of registration of the issue (March 8, 2022), at a fixed nominal interest rate - 3.25% on an annual basis. The purpose of the debenture loan is to raise funds that are expected to be used to reduce the issuer's indebtedness by repaying maturing short-term and / or long-term liabilities of the Company.
- ✓ In 2022, management continued the policy of disposal of Group's non-key assets and will improvement of its dividend policy in order to provide cash inflows to cover its current indebtedness to related parties and third parties. In this regard:
 - » With Share Purchase Agreement dated 30.06.2022, Eurohold Bulgaria AD transferred its ownership of 80 001 available, registered, non-privileged shares representing 99.99% of the share capital of Auto Union AD to a third party. As a result of the transaction, Eurohold Bulgaria AD reported gain on sale of investments in subsidiaries of BGN 97 thousand.
 - » The ownership of 510 861 available, registered, non-privileged shares owned by Eurohold Bulgaria AD, representing 90.01% of the share capital of Eurolease Group AD was transferred to a third party with the Share Purchase Agreement dated 30.06.2022. As a result of the transaction, Eurohold Bulgaria AD reports a loss from the sale of investments in subsidiaries in the amount of BGN 13 464 thousand.

- ✓ The company has renegotiated the EMTN program with ISIN XS1731768302, which as of 31.12.2022 is an extended EMTN program with maturity until 07.06.2026, fixed interest rate 6.5% (six and a half percent) on an annual basis and frequency of interest payment once in the year in arrears. At the end of 2022, the Company received consent to extend by 42 months the final repayment period of European medium-term bonds issued under the European Medium-Term Bond Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange. As of 31.12.2022, the company owns repurchased own securities with a nominal value of EUR 31 000 thousand.
- ✓ 28.01.2022 - Eurohold Bulgaria AD concluded a loan agreement of EUR 7 million with the International Investment Bank, Russia, the entire amount being fully utilized on 31.01.2022 at an interest rate of 5% and repayment due on 28.01.2029.

⇒ **Impact of macroeconomic conditions on the Company's activities**

The Company also has liabilities under bank loans with carrying value of BGN 45 662 thousand as of 31.12.2022, which were received from the International Investment Bank, Russia and the International Bank for Economic Co-operation, 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.

Apart from the loans described above, the Company has no direct material investments or settlements with customers and suppliers from Russia or Ukraine as of December 31, 2022 and due to the nature of its business, namely holding activities related to investment management and the provision of services, as well as due to the lack of dependence on supplies of raw materials, management's assessment is that there are no identified circumstances and factors that call into question the validity of the going concern principle or that have a direct and negative effect on the Company's activities as a result of the military conflict that has arisen between Ukraine and Russia in 2022.

The war between Russia and Ukraine had an indirect impact on Eurohold Bulgaria AD through its subsidiary Euroins Insurance Group AD, which held 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. The business in the two countries was insignificant, forming less than 1% of the insurance group's revenues for 2022. The two subsidiary companies in Ukraine continue to perform their activities.

4 / *Information on the transactions concluded between the Company and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside its normal activity or significantly deviate from the market conditions to which the issuer or its subsidiary is a party. indicating the value of the transactions, the nature of the connection and any information necessary to assess the impact on the financial condition of the Company.*

As of the date of preparation of the Activity Report, there are no transactions or proposals for related party transactions that are material to Eurohold or its subsidiary and are unusual in nature and terms.

Within the Holding, transactions are constantly carried out between the Parent Company and the subsidiaries, arising from the nature of their main activity.

All transactions are concluded on the principle of fair value. The transactions between the holding and the subsidiaries are typical, in which the liquidity of the individual companies is managed and the investment policy is conducted through intragroup loans. The company lends to its subsidiaries for working capital financing.

In connection with these transactions as of 31.12.2022 and for the comparable period 31.12.2021 for the Company have incurred revenues and expenses from and to related parties, as follows:

4.1 Related party transactions

Related party transactions	2022 thousand BGN	2021 thousand BGN
Dividend income:	2 102	223
Euro-Finance AD	2 102	223
Interest income on loans to related parties:	356	35
Auto Union AD*	20	5
Motobul EAD*	6	11
Auto Union Service Ltd.*	-	2
Starcom Holding AD	1	17
Euroins Insurance Group AD	328	-
Interest expenses on loans and leases received from related parties:	1 508	3 431
Starcom Holding AD	890	2 181
Euroins Insurance Group AD	14	961
Auto Union AD*	10	10
Auto Union Service Ltd.*	4	4
Eurolease Auto EAD (now Money Lease EAD)*	56	260
<i>including. from leasing</i>	2	4
Insurance Company Euroins AD	282	-
Euroins Romania Insurance - Reinsurance SA, Romania	218	-
Eurolease Group EAD*	34	-
Star Motors EOOD**	-	15
Expenses on operations with investments to related parties:	139	75
Euro-Finance AD	139	75
Other financial expenses to related parties:	-	1
Euro-Finance AD	-	1
Costs for services provided by related parties:	174	49
IC Euroins EAD	173	47
Auto Italy EAD*	1	2
Other expenses from related parties:	6	10
IC Euroins AD	3	3
Motobul EOOD*	3	7
Other income from related parties:	117	444
IC Euroins AD	11	7
Euroins Romania Insurance - Reinsurance SA, Romania	46	27
Hanson Asset Management Ltd, UK - Office Rental	60	410

* related parties until 30.06.2022; ** related parties until 11.05.2022

4.2 Balances with related parties

Balances with related parties	2022 thousand BGN	2021 thousand BGN
Non-current receivables from related parties (before Impairment)	-	170
Motobul EAD*	-	170
Receivables from related parties (before Impairment)	321	13
Euroins Insurance Group AD - Interest on loans	321	-
Auto Union EAD*	-	2
Motobul EAD*	-	11
Principals of granted loans	8 010	-
Euroins Insurance Group AD	8 010	-
Other receivables from related parties (before Impairment):	15 656	886
Auto Union Service Ltd.*	-	3

Auto Italy EAD*	-	13
Bulvaria EOOD*	-	5
IC Euroins AD	83	106
Eurolease Auto EAD (now Money Lease EAD)*	-	5
Star Motors EOOD**	-	2
Autoplaza EAD*	-	5
Euroins Insurance AD, Northern Macedonia	1	-
Euroins Insurance Group AD	13 300	14
Euroins Romania Insurance - Reinsurance SA	193	214
Auto Union AD*	-	24
Eurolease Group AD*	-	37
Hanson Asset Management Ltd, United Kingdom	-	81
Euro-Finance AD	1	1
Electrohold Trade EAD	1	-
Eastern European Electric Company B.V.	1 224	188
Eastern European Electric Company II B.V.	850	185
Eastern European Electric Company III B.V.	3	3
Impairment	(228)	(51)
RECEIVABLES FROM RELATED PARTIES	23 759	1 018
Subordinated debt instruments	8 580	7 201
Starcom Holding AD	8 580	7 201
Long-term liabilities to related parties, including:		
Loan principal:	13 797	60 926
Starcom Holding AD	13 797	59 460
Eurolease Auto AD (now Money Lease EAD)* - loan granted	-	1 400
Eurolease Auto AD (now Money Lease EAD)* - leasing	-	66
Short-term liabilities to related parties, including:		
Interest on loans received:	790	4 858
Starcom Holding AD	290	2 126
Auto Union AD*	-	30
Eurolease Auto EAD*	-	963
Euroins Insurance Group AD	-	1 719
Auto Union Service Ltd.*	-	20
IC Euroins AD	282	-
Euroins Romania Insurance - Reinsurance S.A.	218	-
Principle of loans received:	7 385	24 872
Euroins Insurance Group AD	-	14 171
Starcom Holding AD	-	8 801
IC Euroins AD	4 158	-
Euroins Romania Insurance - Reinsurance S.A.	3 227	-
Eurolease Auto EAD (now Money Lease EAD)*	-	1 900
Other liabilities:	1 201	11 974
Starcom Holding AD	101	5 996
IC Euroins AD	155	4
IC Euroins Life AD	30	-
Eurolease Auto EAD (now Money Lease EAD)	-	38
Eurolease Auto EAD (now Money Lease EAD) - leasing	-	38
IC EIG RE EAD	5	54
Auto Union AD*	-	695
Auto Union Service Ltd. *	-	244
Eastern European Electric Company B.V.	-	4 890
Euroins Romania Insurance - Reinsurance SA	910	15
LIABILITY TO RELATED PARTIES	31 753	109 831

*related parties until 30.06.2022; ** related parties until 11.05.2022

4.3 Transactions with Subsidiaries and Other Affiliates Under Common Control

2022

- Pursuant to the contract for the loan of financial instruments with ZD Euroins AD, 2,126 units were acquired from Eurohold Bulgaria AD. securities from the EMTN Programme in EUR with ISIN XS1731768302, as a result of which the company reported interest expenses in the amount of BGN 282 thousand.
- Pursuant to the contract for the loan of financial instruments with Euroins Romania Insurance - Reinsurance S.A. 1,650 units were acquired from Eurohold Bulgaria AD. securities from the EMTN Programme in EUR with ISIN XS1731768302, under which the company has reported interest expenses in the amount of BGN 218 thousand.
- Pursuant to the debt substitution agreement, the Company, as the Borrower, assumed an obligation of BGN 14,426 thousand to Auto Union AD - Creditor (related party until 30.06.2022) and replaced Euroins Insurance Group AD - Original Debtor in debt.
- Pursuant to the debt substitution agreement, the Company, as the Borrower, assumed an obligation of BGN 4,782 thousand to Daru Car EAD (related party until 30.06.2022) - Creditor and substituted Auto Union AD - Original Debtor in debt.
- Pursuant to the Assignment Notice, the Company has transferred a liability to Daru Kar EAD (related party until 30.06.2022) in the amount of BGN 4,782 thousand to a company outside the group.
- Pursuant to the Assignment Notice, the Company has transferred a liability to Auto Union AD (related party until 30.06.2022) in the amount of BGN 14,426 thousand to a company outside the group.
- Pursuant to the Interception Agreement with Eastern European Electric Company B.V. Eurohold Bulgaria AD has set off a liability in the amount of EUR 2,500 thousand with a claim for EUR 96 thousand up to the amount of the claim.
- Pursuant to the set-off Agreement with ZD EIG-Re AD, Eurohold Bulgaria AD set-off a liability in the amount of BGN 55,000 with a claim in the amount of BGN 42,000 up to the amount of the claim.
- Pursuant to the Debt Substitution Agreement, Eurolease Group AD (related party until 30.06.2022) as the Borrower has assumed obligations of BGN 4,370 thousand to Money Lease EAD (previous name Eurolease Auto EAD, related party until 30.06. 2022) - Creditor and replaced in debt by Eurohold Bulgaria AD - Initial debtor.
- Pursuant to the set-off Agreement with Eurolease Group AD (related party until 30.06.2022), Eurohold Bulgaria AD set-off a liability in the amount of BGN 4,370 thousand with a claim in the amount of BGN 148 thousand up to the amount of the claim.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 6,000 units was transferred. (acquired) repurchased own bonds with ISIN BG2100002224, and the obligation with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Pursuant to the contract for the purchase and sale of financial instruments from ZD EIG Re EAD, the ownership of 856 units was transferred. (acquired) repurchased own bonds with ISIN XS1731768302 of Eurohold Bulgaria AD. As of 31.12.2022, the financial relationships under these contracts have been fully settled.
- Pursuant to the contract for the purchase and sale of financial instruments from ZD Euroins AD, the ownership of 450 units was transferred. (acquired) repurchased own bonds with ISIN XS1731768302 of Eurohold Bulgaria AD. As of 31.12.2022, the financial relationships under these contracts have been fully settled.
- The company carried out a SWAP transaction with ZD Euroins AD, repurchasing 25 pcs. ECP with ISIN: XS2344657163 with a face value of EUR 2,500 thousand worth EUR 2,500 thousand and simultaneously replaced it with 25 newly issued ECPs with ISIN: XS2491929290 for EUR 2,462.5 thousand.
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its obligation of BGN 735 thousand to Auto Union AD (related party until 30.06.2022) - Creditor, and the closing of this obligation represents the covering of part from the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Auto Union AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its obligation in the amount of BGN 4,256 thousand to Eurolease Group AD (related party until 30.06.2022) - Creditor, and the closing of this obligation represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Eurolease Group AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Tripartite Agreement and Agreement, the ownership of 495 units was transferred. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

- Pursuant to the Agreement for the transfer of receivables, Eurohold Bulgaria AD as Assignor transfers its receivable worth BGN 189 thousand from Motobul EAD (related party until 30.06.2022) - Debtor of Auto Union Service EOOD (related party until 30.06.2022) - Assignor. Pursuant to the Agreement for set-off of counter-obligations between Eurohold Bulgaria AD and Auto Union Service EOOD (related party until 30.06.2022), the transferred claim in the amount of BGN 189,000 is set-off against part of the obligation that Eurohold Bulgaria AD has to Auto Union Service EOOD (related party until 30.06.2022).
- Pursuant to the Tripartite Agreement, a receivable from a transferee with a loan obligation to Starcom Holding AD in the amount of BGN 7,808 thousand was set off.
- The company carried out a SWAP transaction with Euroins Romania Insurance - Reinsurance S.A., repurchasing ECP with ISIN: XS2430057443 with a nominal value of EUR 23,470,000 for a value of EUR 23,340.9 thousand and at the same time exchanging it for newly issued ECP with ISIN: XS2565406654 for EUR 22,883.3 thousand.
- The company carried out a SWAP transaction with ZD Euroins Life AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 660 thousand for EUR 659.0 thousand and at the same time exchanging it for newly issued ECP with ISIN: XS2565406654 for EUR 643.5 thousand. EUR.
- The company carried out a SWAP transaction with ZD Euroins AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 3,270 thousand for EUR 3,265.3 thousand and at the same time exchanging it for newly issued ECP with ISIN: XS2565406654 for EUR 3,188.3 thousand EUR.
- The company carried out a SWAP transaction with ZD EIG-Re AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 100 thousand for EUR 99.8 thousand and at the same time exchanging it for a newly issued ECP with ISIN: XS2565406654 for EUR 99.5 thousand EUR.
- On behalf of Eurohold Bulgaria AD, a third party paid insurance on a loan in the amount of EUR 360 thousand to a related party.
- Pursuant to the Agreement for set-off of counter-obligations with ZD EIG-Re AD, Eurohold Bulgaria AD set-off a claim worth BGN 50 thousand with a liability of BGN 1,742 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter obligations with Money Lease EAD (former name Eurolease Auto EAD, related party until 30.06.2022) Eurohold Bulgaria AD has set off a claim worth BGN 8 thousand with a liability for BGN 20 thousand BGN up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter obligations with Euroins Insurance Group AD, the Company set-off a liability in the amount of BGN 85 thousand (BGN 77 thousand principal and BGN 8 thousand interest) with a claim for BGN 13,676 thousand (BGN 13,348 thousand principal and BGN 328 thousand interest) up to the amount of the obligation.
- Pursuant to the Agreement for set-off of counter-obligations with Auto Union Service EOOD (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 7 thousand with a liability for BGN 21 thousand up to the amount of the claim.

Transactions concluded with subsidiaries and other related entities under common control for the comparable period 2021 are presented in the Appendices to the Annual Individual Financial Statement for 2022 in note 30.1.1. Transactions with subsidiaries and other related parties under common control.

4.4 Non-cash transactions concluded by Eurohold Bulgaria AD with related parties

In 2022, the Company carried out investment and financial transactions in which no cash or cash equivalents was exchanged and which are not reflected in the statement of cash flows, as follows:

2022

- Pursuant to a contract for the loan of financial instruments with a related party from Eurohold Bulgaria AD, 2,126 units were acquired. securities from the EMTN Programme in EUR with ISIN XS1731768302, as a result of which the company reported interest expenses in the amount of BGN 282 thousand.
- Pursuant to a contract for the loan of financial instruments with a related party from Eurohold Bulgaria AD, 1,650 units were acquired. securities from the EMTN Programme in EUR with ISIN XS1731768302, under which the company has reported interest expenses in the amount of BGN 218 thousand.
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD as Borrower assumed an obligation of BGN 14,426 thousand to a subsidiary (related party until 30.06.2022) - Creditor and replaced another subsidiary in debt - Initial debtor.
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD as Borrower assumed an obligation of BGN 4,782 thousand to a subsidiary (related party until 30.06.2022) - Creditor and substituted another subsidiary (related person until 30.06.2022) - Initial debtor.

- Pursuant to the Assignment Notice, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related entity until 30.06.2022) in the amount of BGN 4,782 thousand to a third party.
- Pursuant to the Assignment Notice, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 14,426 thousand to a third party.
- Pursuant to the Set-off Agreement with a subsidiary, Eurohold Bulgaria AD has set-off a liability in the amount of EUR 2,500 thousand with a claim in the amount of EUR 96 thousand up to the amount of the claim.
- Pursuant to the Set-off Agreement with a third party, Eurohold Bulgaria AD set-off a claim worth GBP 69 thousand with a liability of GBP 54 thousand up to the amount of the liability.
- Pursuant to the Agreement for the transfer of receivables, a third party - the Assignor has transferred to Eurohold Bulgaria AD - the Assignor its claim from a third company outside the group in the amount of BGN 21,000 thousand. The financial relationship has been settled with the transfer to the patrimony of the Assignor of a total of 10,681 . redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each.
- Pursuant to the Agreement for the transfer of receivables, a third party - the Assignor has transferred to Eurohold Bulgaria AD - the Assignee its claim from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 14,429 thousand. The financial relationships have been settled with the transfer to the patrimony of the Assignor, a total of 7 375 pcs. redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each.
- Pursuant to the Agreement for the transfer of receivables, a third party - the Assignor has transferred to Eurohold Bulgaria AD - the Assignor its claim from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 4,782 thousand. The financial relationships have been settled with the transfer to the patrimony of the Assignor, a total of 2 444 pcs. redeemed own bonds with ISIN BG2100002224, with a nominal value of EUR 1,000 each.
- Pursuant to the set-off Agreement with the subsidiary Eurohold Bulgaria AD, set-off of a liability in the amount of BGN 55 thousand with a claim in the amount of BGN 42 thousand up to the amount of the claim.
- Pursuant to the Debt Substitution Agreement, a subsidiary company (related party until 30.06.2022) of Eurohold Bulgaria AD, as the Receiver, assumed obligations of BGN 4,370 thousand to a subsidiary company (related party until 30.06.2022) - Creditor and replaced in debt by Eurohold Bulgaria AD - Original debtor.
- Pursuant to the Set-off Agreement with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set-off a liability in the amount of BGN 4,370 thousand with a claim in the amount of BGN 148 thousand up to the amount of the claim.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 6,000 units was transferred. (acquired) repurchased own bonds with ISIN BG2100002224, and the obligation with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability in the amount of BGN 735 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the claim that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its obligation in the amount of BGN 4,256 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closing of this obligation represents the covering of part of the claim that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- By virtue of Tripartite agreement and Agreement the ownership of 495 units was transferred. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).
- Pursuant to the Agreement for the transfer of receivables, Eurohold Bulgaria AD, as Assignor, transfers its receivable in the amount of BGN 189 thousand from one subsidiary (related party until 30.06.2022) - Debtor of a second subsidiary (related party until 30.06. 2022) - Assignor. Pursuant to the Agreement for the set-off of counter-obligations between Eurohold Bulgaria AD and the second subsidiary (related entity until 30.06.2022), the transferred claim in the amount of BGN 189,000 is set-off against part of the obligation that Eurohold Bulgaria AD has towards the second subsidiary (related party until 30.06.2022).
- Pursuant to the Tripartite Agreement, a claim was set off from a transferee with an obligation under a loan with a related party in the amount of BGN 7,808 thousand.
- The company carried out transactions on the exchange of a European Commercial Papers (ECP) issue bought back before maturity with ISIN XS2430057443 with a newly issued one with ISIN XS2565406654, both with a nominal value of EUR 27,500 thousand.
- In connection with a loan agreement concluded with a credit institution from December 2022, the lender made a deduction in the amount of EUR 3,878 thousand. The amount was used to cover loan costs (consulting services, insurance, fees).

- Upon repurchase of own securities from the EMTN Programme in EUR with ISIN XS1731768302 with a nominal value of EUR 31,000 thousand and interest in the amount of EUR 44 thousand, payments were made directly to the intermediary of the holders with funds from a loan granted on behalf of the Company on the books.
- Pursuant to the Agreement for set-off of counter-obligations with the subsidiary Eurohold Bulgaria AD, set-off of a claim worth BGN 50 thousand with a liability of BGN 1,742 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-obligations with a subsidiary (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a claim worth BGN 8 thousand with a liability of BGN 20 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-liabilities with the subsidiary Eurohold Bulgaria AD, set-off of a liability in the amount of BGN 85 thousand (BGN 77 thousand principal and BGN 8 thousand interest) with a claim for BGN 13,676 thousand. BGN (BGN 13,348 thousand principal and BGN 328 thousand interest) up to the amount of the obligation.
- Pursuant to the Agreement for set-off of counter-obligations with a subsidiary (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a claim in the amount of BGN 7 thousand with a liability for BGN 21 thousand up to the amount of the claim.

The concluded non-cash transactions for the comparable period 2021 are presented in the Appendices to the Annual Individual Financial Statement for 2022 in note 28. Non-cash transactions.

5 / *Information on events and indicators of an unusual nature for the Company, having a significant impact on its activities, and the revenues and expenses incurred by it; assessment of their impact on the results in the current year.*

During the reporting period, there were no events of an unusual nature for the Company outside of its usual activities.

5.1 / One-time effect of sale of investments in subsidiaries

The main events in 2022 were related to the sale of the investments in the automobile and leasing business.

In view of the entry from mid-2021 into a new sector market, namely the energy market, Eurohold announced the automotive and lease segments as the non-core business for the group in its development strategy. Within one-year, Eurohold was able to sell part of the automobile companies and negotiate the sale of leasing companies. In addition, on 30.06.2022, Eurohold Bulgaria AD signed an agreement for the sale of the entire remaining automotive and leasing business, through the sale of 100% of the owned shares of the capital of its subsidiaries Auto Union AD and Eurolease Group AD.

As a result of the sales of these subsidiaries, Eurohold incurred for 2022 a loss of BGN 13,469 thousand in 2022, representing a one-time effect of the sale of these investments in subsidiaries and having an impact on the overall performance of Eurohold for 2022 (see below in "Financial result").

The negative result from the sale of subsidiary companies is based on expert assessments by independent appraisers and reflects the significantly reduced business in connection with the previously sold subsidiaries of the automotive subholding Avto Union AD - the main income generators of the automotive group. By the half of 2022, the remaining companies in Auto Union are smaller in terms of business volume and with significantly low growth potential.

Regarding the leasing business - the significantly reduced sales in Auto Union are proportionally reflected in the reduction of the leasing business, which leads to the generation of a significantly smaller volume of new business and a lack of growth factors.

5.2 / Impairment of the investment in Euroins Insurance Group AD

On 17.03.2023, the Romanian financial regulator ASF decided to revoke the license for the insurance activity of Euroins Romania Insurance - Reinsurance S.A., part of Euroins Insurance Group AD (EIG), opening bankruptcy proceedings and appointing the Insurance Guarantee Fund (FGA) for temporary administrator of the company.

In this regard, the management of Eurohold Bulgaria AD has decided to impair the investment of its subsidiary Euroins Insurance Group AD, which is the parent company of Euroins Romania Insurance - Reinsurance S.A. The management's assessment was made on the basis of valuation reports by independent licensed valuation experts and taking into account the possibility of hidden effects in relation to the withdrawal of the license of the Romanian insurance company and the potential violations of synergy in the group of EIG, maintaining its conservative approach to asset valuation.

6 / *Information on off-balance sheet transactions - nature and business purpose, indication of the financial impact of the transactions on the activity, if the risk and benefits of these transactions are significant for the Company and if the disclosure of this information is essential for assessing the financial condition of the Company.*

Eurohold Bulgaria AD has not entered into off-balance sheet transactions.

As of 31.12.2022, there are no legal cases against the Company.

The Company has provided Guarantees to related parties. The Company also received guarantees by related parties for its liabilities, as follows:

⇒ **The company is a co-debtor/guarantor for loans received from related parties as follows:**

Business area	Third / Related parties	Amount in EUR'000	Amount in BGN'000 as	Amount in EUR'000	Amount in BGN'000 as	MATURITY (EUR'000)					
		as of 31.12.2022	of 31.12.2022	as of 31.12.2021	of 31.12.2021	2023	2024	2025	2026	2027	after 2027
Energy sub-holding											
Corporate payment guarantee	Related parties	3 500	6 845	3 500	6 845	-	3 500	-	-	-	-
Working capital loans	Related parties	19 238	37 626	17 702	34 622	19 238	-	-	-	-	-
Corporate guarantee in connection with an acquisition	Related parties	220 000	430 283	220 000	430 283	-	-	-	-	220 000	-
Insurance sub-holding											
Bond loan	Related parties	-	-	10 000	34 622	-	-	-	-	-	-
Parent company											
Working capital loans	Related parties	6 360	12 439	6 000	11 735	6 360	-	-	-	-	-
Bank loans for investment purposes	Related parties	5 000	9 779	5 000	9 779	-	5 000	-	-	-	-
Group of leasing companies*											
For financing leasing activity	Related parties until 30.06.2022	21 891	42 815	15 252	29 830	8 585	5 734	4 048	2 739	783	2
Group of automotive companies*											
Working capital loans	Related parties until 30.06.2022	4 788	9 365	14 027	27 434	4 120	191	191	192	94	-
TOTAL:		280 777	549 152	291 481	585 150	38 303	14 425	4 239	2 931	220 877	2

* Eurohold Bulgaria AD sold the companies from the automotive and leasing segment in 2022. It is expected that the new owners will take the necessary legal actions to become guarantors for the mentioned loans from banks/financial institutions.

In connection with financing as part of a package deal, a pledge of 35% shares of a subsidiary was established.

In connection with a concluded contract for financing by a financial institution, a pledge of shares of a subsidiary company was established.

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

⇒ **The company is a guarantor under issued bank guarantees **, as follows:**

Company of::	Amount in EUR'000 as of 31.12.2022	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	Amount in EUR'000 as of 31.12.2022	MATURITY OF EXPOSURE AS OF 31.12.2022 (EUR'000)
Automotive subholding (related party until 30.6.2022)	2 050	4 009	-	-	2.2024
Automotive subholding (related party until 30.6.2022)	1 800	3 520	-	-	4.2023
Automotive subholding (related party until 30.6.2022)	-	-	3 750	7 334	4.2022
Automotive subholding (related party until 30.6.2022)	-	-	1 050	2 054	4.2022
Automotive subholding (related party until 30.6.2022)	-	-	6 150	12 028	3.2022
TOTAL:	3 850	7 529	10 950	21 416	

** Eurohold Bulgaria AD is selling the companies from the automotive and leasing segment in 2022. It is expected that the new owners will take the necessary legal actions to become guarantors for the mentioned loans from banking/financial institutions.

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

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2022 in original currency	Maturity date
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000 000	07/2026 r.
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	10 000 000	12/2026 r.
Euroins Insurance Group AD * Pledge of shares of "Euroins Insurance Group" AD in a subsidiary.	EUR	Bank loan	12 000 000	07/2023 r.
Euroins Insurance Group AD * Pledge of shares of a subsidiary - EEEC II BV.	EUR	Loan from financial institution	40 000 000	06/2023 r.

⇒ **Established guarantees in favor of the Company:**

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2022 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03.2023 r.

7 / Information on the Company's shareholdings, its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as investments in equity securities outside its group of enterprises within the meaning of the Accounting and Sources Act / ways of financing.

Detailed information regarding the Company's shareholdings and its main investments in the country and abroad is shown in this report in section C.5 Business operations, item "Economic group".

8 / Information on the loan agreements concluded by the Company, its subsidiary or the parent company, in their capacity as borrowers, indicating the terms of them, including the deadlines for repayment, as well as information on guarantees provided and commitments.

8.1 Loans concluded by Eurohold Bulgaria AD

⇒ Funds raised from financial and non-financial institutions:

Parameters under loan contracts								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Unused limit as of 31.12.2022	Loan currency	Date of Contract and Annexes	Maturity date	Interest rate	by interest	by principal	2023	after 2023
Eurohold Bulgaria AD	International Investment Bank	10,000,000	-	EUR	25.05.2018	18.03.2025	6,0% + 3m Euribor	151	9,035	3,163	6,023
Eurohold Bulgaria AD	International Investment Bank	7,000,000	-	EUR	28.01.2022	28.01.2029	5,0% + 3m Euribor	110	12,638	2,218	10,530
Eurohold Bulgaria AD	International Bank For Economic Co-operation	20,000,000	5,000,000	EUR	28.07.2020	28.07.2023	6,5%	258	23,470	23,728	-
Eurohold Bulgaria AD	JP Morgan SE	40,000,000	-	EUR	09.12.2022	09.06.2023	8,75% + 3m Euribor	399	78,233	78,632	-
Eurohold Bulgaria AD	ECP c ISIN: XS2491929290	2,500,000		EUR	13.07.2022	09.07.2023	-	-	4,890	4,890	-
Eurohold Bulgaria AD	ECP c ISIN: XS2565406654	27,500,000	-	EUR	07.12.2023	04.12.2023	-	-	53,785	53,785	-
Total amount owed on bank loans:								981	182,051	166,416	16,553

More information on the received loans with financial and non-financial institutions, including the collateral for them, is presented in the Annual Individual Financial Statement for 2022 in Note 21. Loans from financial and non-financial institutions.

⇒ Obligations under issued bond loans:

Bond loan parameters								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Issuer	Type of bond	ISIN	Amount issued in original currency	Loan currency	Date of issue	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Eurohold Bulgaria AD	EMTN Programme	XS1731768302	70,000,000	EUR	7.12.2017 / 7.12.2026 extended	07.12.2026	6,5%	585	77 673	585	77 673
Eurohold Bulgaria AD	EMTN Programme	XS1542984288	10,000,000	EUR	29.12.2016 / 29.12.2021 - restructured and extended	29.12.2026	8,00%	9	19 558	9	19 558
Eurohold Bulgaria AD	Bond	BG2100013205	30,000,000	EUR	26-11-20	26.11.2027	3,25%	183	58 675	183	58 675
Eurohold Bulgaria AD	Bond	BG2100002224	40,000,000	EUR	08-03-22	08.03.2029	3,25%	794	78 205	794	78 205
Total amount of obligation under bond loans:								1 571	234 111	1 571	234 111

More information about the bond loans issued, including the collateral for them and the bond transactions carried out, is presented in the Appendices to the Annual Individual Financial Statement for 2022 in Note 22. Bond liabilities.

⇒ Obligations under concluded Loans and Assignments with related parties

Parameters for loan contracts of financial instruments								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Liabe person	Creditor	Amount in original currency	Type of FI	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Eurohold Bulgaria AD	IC Euroins AD	2,126,000	FI – XS173176 8302	EUR	13.01.2022	05.12.2023	7,00%	282	4,158	4,440	-
Eurohold Bulgaria AD	Euroins Romania	1,650,000	FI – XS173176 8302	EUR	13.01.2022	05.12.2023	7,00%	219	3,227	3,446	-
Total amount of financial instruments loan obligation:								501	7,385	7,886	-

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Liabe person	Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Liability under a loan agreement with related parties:											
Eurohold Bulgaria AD	Starcom Holding AD	22,000,000	8,203,388	BGN	06.12.2018	05.05.2025	5.50%	206	13,797	-	14,003
Liability under a contract for Subordinated Debt with related parties::											
Eurohold Bulgaria AD	Starcom Holding AD	50,000,000	49,549,965	BGN	09.08.2021	09.08.2026	5.00%	31	366	31	366
Eurohold Bulgaria AD	Starcom Holding AD	4,200,000	-	EUR	29.11.2022	29.11.2027	6.00% +3m Euribor	53	8,214	-	8,267
Total amount of loan liability with related parties:								290	22,377	31	22,636

8.2 Loans concluded by subsidiaries of Eurohold Bulgaria AD

⇒ Energy group

Parameters under bank loan contracts								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Liabe person	Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Liability under a bank loan agreement:											
EGW EAD	European Bank for Reconstruction and Development	98,000,000	-	EUR	02.11.2016; 22.07.2021;	30.04.2027	1.8% + 6M Euribor	252	38 032	5 213	33 071
Eastern European Electric Company B.V.	Loan Syndicate, organized by JP morgan	360,000,000	-	EUR	21.07.2021	21-07-2026	EURIBOR +3.5%	-	704 099	-	704 099

Eastern European Electric Company II B.V.	Metric Capital Partners	113,989,637	-	EUR	21.07.2021	21-01-27	13%	-	221 009	-	221 009
Liability under an overdraft agreement:											
Electrohold Sales EAD*	UniCredit Bulbank AD	15,000,000	15,000,000	BGN	25.10.2017; 24.10.2018; 31.01.2019; 31.10.2019; 18.11.2019; 29.10.2020; 27.11.2020; 22.07.2021; 31.01.2022; 25.01.2023;	30.04.2023	1.45% + Average Deposit Index	4	-	4	-
Electrohold Trade EAD**	UniCredit Bulbank AD	43,030,800	43,030,800	BGN	15.07.2021; 06.08.2021; 30.09.2021; 04.11.2021; 17.11.2021; 22.11.2021; 31.01.2022; 25.01.2023;	30.04.2023	1.45% + Average Deposit Index	6	-	6	-
Liability under a credit line agreement subject to the issuance of bank guarantees:											
Electrohold Trade EAD***	UniCredit Bulbank AD	43,000,000	5,373,759	BGN	15.07.2021; 06.08.2021; 30.09.2021; 04.11.2021; 17.11.2021; 22.11.2021; 31.01.2022; 25.01.2023;	30.04.2023	0.25% every three months	8	37 626	37 634	-
Liability under a related party loan agreement:											
EGW EAD	Eastern European Electric Company B.V.	30,670,000	-	EUR	03.12.2018; 27.07.2021; 01.12.2021;	31.10.2027	3.5% + 6m Euribor	571	59 985	571	59 985
EGW EAD	Eastern European Electric Company B.V.	16,072,728	-	EUR	28.07.2021; 29.11.2021;	31.10.2027	3.20%	385	15 963	3 529	12 819
EGW EAD	Eastern European Electric Company B.V.	14,000,000	-	EUR	25.11.2021; 30.05.2022; 30.12.2022;	21.07.2026	3.29% + 6M Euribor	120	27 382	120	27 382
Electrohold Bulgaria EOOD	Electrohold Trade EAD	40,000,000	1,200,000	BGN	24.02.2022; 26.01.2023;	31.01.2024	2.12%	352	38 800	352	40 000
Electrohold Bulgaria EOOD	Electrohold Sales EAD	3,400,000	3,400,000	BGN	08.12.2022;	07.12.2023	4.45%	-	-	-	-
Electrohold IPS EOOD	Electrohold Bulgaria EOOD	1,000,000	500,000	BGN	03.11.2022;	02.11.2023	3.30%	1	500	501	-
Total amount of liability for bank loans:								1 699	1 143 396	47 930	1 097 165

* Guarantor under the contract – Eurohold Bulgaria AD

** Guarantor under the contract Eurohold Bulgaria AD;

Collateral: 1. Pledge according to the order of ZOZ/TZ and ZZD; 2. Pledge according to the order of the ZDFO;
3. Contract for suretyship within the meaning of Art. 138 of the ZZD

*** Guarantor under the Eurohold Bulgaria AD contract;

Collateral: 1. Pledge according to the order of ZOZ/TZ and ZZD; 2. Pledge according to the order of the ZDFO;
3. Contract for suretyship within the meaning of Art. 138 of the ZZD.

⇒ Insurance Group

parameters under bank loan contracts								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Liability under a bank loan agreement:											
Euroins Insurance Group AD*	AMC IV ALPHA BV	7,660,000	-	EUR	13.3.2019	31.3.2025	8.00%	653	14 982	653	14 982
IC Euroins Georgia	JSC VTB Bank Georgia	400	47	GEL	31.1.2022	31.1.2023	13.00%	-	245	245	-
IC Euroins Georgia	JSC Halyk Bank Georgia	80	-	GEL	15.9.2022	15.9.2023	13.00%	-	56	56	-
Liability under a loan agreement with related parties:											
Euroins Insurance Group AD	Starcom Holding AD	4,669,464	-	EUR	30.9.2021	30.9.2023	6.00%	1 024	9 133	10 157	-
Euroins Insurance Group AD	Starcom Holding AD	13,534,980	-	BGN	07.12.2022	7.12.2023	8.00%	-	13 535	13 535	-
Euroins Insurance Group AD	Starcom Holding AD	16,500,000	-	BGN	15.12.2022	15.12.2023	8.00%	-	16 500	16 500	-
Euroins Insurance Group AD	Eurohold Bulgaria AD	13,271,064	-	BGN	28.1.2022	28.1.2023	2.50%	321	13 271	13 592	-
Euroins Insurance Group AD	Eurohold Bulgaria AD	8,010,000	-	BGN	08.11.2022	8.11.2023	8.00%	-	8 010	8 010	-
Liability under contract for Subordinated debt to related parties:											
Euroins Insurance Group AD	Starcom Holding AD	2,627,650	-	EUR	25.8.2020	not earlier than 5 years	6.00%	1 316	5 139	-	6 455
Euroins Insurance Group AD	Starcom Holding AD	10,000,000	5,020,000	EUR	19.2.2021	not earlier from 5 years	6.00%	1 070	9 740	-	10 810
IC Euroins AD	Starcom Holding AD	25,000,000	-	BGN	28.06.2022	28.06.2032	6.00%	383	25 000	1 500	23 883
Liability under a repo agreement to unrelated parties:											
IC Euroins AD	An unrelated third party	92,856	-	BGN	07.07.2022	06.01.2023	4.00%	2	93	95	-
IC Euroins AD	An unrelated third party	208,000	-	BGN	23.08.2022	23.02.2023	3.97%	3	208	211	-
IC Euroins AD	An unrelated third party	210,600	-	BGN	31.08.2022	28.02.2023	4.03%	2	211	213	-
IC Euroins AD	An unrelated third party	112,775	-	BGN	31.08.2022	28.02.2023	4.03%	1	113	114	-
IC Euroins AD	An unrelated third party	580,125	-	BGN	31.08.2022	28.02.2023	4.03%	8	580	588	-
IC Euroins AD	An unrelated third party	372,125	-	BGN	07.09.2022	07.03.2023	4.03%	5	372	377	-
IC Euroins AD	An unrelated third party	341,250	-	BGN	21.09.2022	21.03.2023	4.03%	4	341	345	-
IC Euroins AD	An unrelated third party	498,550	-	BGN	21.10.2022	21.04.2023	4.32%	5	498	503	-
IC Euroins AD	An unrelated third party	128,050	-	BGN	04.11.2022	04.05.2023	4.34%	1	128	129	-

IC Euroins AD	An unrelated third party	221,000	-	BGN	11.11.2022	11.05.2023	4.34%	1	221	222	-
IC Euroins AD	An unrelated third party	724,880	-	BGN	30.12.2022	30.06.2023	4.40%	-	725	725	-
IC Euroins AD	An unrelated third party	154,125	-	BGN	30.12.2022	30.06.2023	4.39%	-	154	154	-
IC Euroins AD	An unrelated third party	821,625	-	BGN	30.12.2022	30.06.2023	4.40%	-	822	822	-
IC Euroins life EAD	An unrelated third party	119,600	-	BGN	19.10.2022	19.4.2023	-	1	120	121	-
Total amount of loan obligation:								4 800	120 197	68 867	56 130

*Collateral: Pledge on shares and dividends; Pledge on interest claims; Pledge on bank account receivables

9 / Information on loan agreements concluded by the Company, its subsidiary or the parent company, in their capacity as lenders, including the provision of guarantees of any kind, including to related parties, indicating the specific conditions thereof, including the final payment deadlines and the purpose for which they were granted.

9.1 Receivables from Eurohold Bulgaria AD under loan agreements

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Receivables under a loan agreement with related parties:											
Eurohold Bulgaria AD	Euroins Insurance Group AD	8,010,000	-	BGN	08.11.2022	08.11.2023	8.00%	-	8 010	8 010	-
Receivables under assignment agreement with related parties:											
Eurohold Bulgaria AD	Euroins Insurance Group AD	14,425,523	-	BGN	28.01.2023	01.01.2024	2.5%	321	13 271	-	13 592
Receivables under an assignment agreement with unrelated parties:											
Eurohold Bulgaria AD	An unrelated third party	21,000,000	-	BGN	11.03.2022	unlimited	-	-	18 000	-	18 000
Total loan amount:								321	39 281	8 010	31 592

9.2 Receivables from subsidiaries of Eurohold Bulgaria AD under loan agreements

⇒ Energy group

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Receivables under a loan agreement from related parties											
Eastern European Electric Company B.V.	EGW EAD	30,670,000	-	EUR	03.12.2018; 27.07.2021; 01.12.2021;	31.10.2027	3.5% + 6m Euribor	571	59 985	571	59 985

Eastern European Electric Company B.V.	EGW EAD	16,072,728	-	EUR	28.07.2021; 29.11.2021;	31.10.2027	3.20%	385	15 963	3 529	12 819
Eastern European Electric Company B.V.	EGW EAD	14,000,000	-	EUR	25.11.2021; 30.05.2022; 30.12.2022;	21.07.2026	3.29% + 6M Euribor	120	27 382	-	27 382
Electrohold Trade EAD	Electrohold Sales EAD	40,000,000	1,200,000	BGN	24.02.2022; 26.01.2023;	31.01.2024	2.12%	352	38,800	-	39 152
Electrohold Sales EAD	Electrohold Bulgaria EOOD	3,400,000	3,400,000	BGN	08.12.2022;	07.12.2023	4.45%	-	-	-	-
Electrohold Sales EAD	Electrohold IPS EOOD	1,000,000	500,000	BGN	03.11.2022;	02.11.2023	3.30%	1	500	501	-
Borrowing under a loan agreement from unrelated parties:											
Electrohold Trade EAD	An unrelated third party	20,000,000	-	BGN	01.07.2022;	01.07.2023	6.50%	603	20 000	20 603	-
Electrohold Bulgaria EOOD	An unrelated third party	5,000,000	-	EUR	31.03.2022; 30.06.2022; 30.12.2022;	31.12.2023	6.00%	302	9 779	10 081	-
Electrohold Bulgaria EOOD	An unrelated third party	6,300,000	-	BGN	25.10.2022; 09.01.2023;	10.07.2023	7.00%	82	6 300	6 382	-
Total amount of loan receivable with related parties:								2 416	178 709	44 610	141 995

*Secured: Pledge of shares

**Collateral: Pledge of shares; Guarantor: Eurohold Bulgaria AD and Free Energy Project Oreshets EOOD.

⇒ Insurance Group

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Borrowing under a loan agreement from related parties:											
Euroins Insurance Group AD	Starcom Holding AD	30,000,000	27,755,528	BGN	28.12.2017	28.12.2024	6.00%	1 887	2 244	-	4 131
Collection under a contract for repo transactions from related parties:											
IC Euroins AD	Starcom Holding AD	4,910,000	-	BGN	30.12.2022	30.06.2023	5.07%	1	4 910	4 911	-
IC Euroins Life EAD	Starcom Holding AD	804,006	-	BGN	15.12.2022	15.06.2023	-	-	804	804	-
IC Euroins Life EAD	Starcom Holding AD	437,000	-	BGN	13.12.2022	13.06.2023	-	-	437	437	-
IC Euroins Life EAD	Starcom Holding AD	434,000	-	BGN	16.12.2022	16.06.2023	-	-	434	434	-
IC Euroins AD	Starcom Holding AD	730,800	-	BGN	02.12.2022	02.06.2023	-	2	731	733	-
Collection under contract for transactions with financial instruments from related parties:											
IC Euroins AD	Eurohold Bulgaria AD	2,126,000	-	EUR	13.01.22	05.12.2023	7.00%	282	4 158	4 440	-
IC Euroins AD	Eurohold Bulgaria AD	15,543	-	EUR	2.12.2022	30.06.2023	-	-	30	30	-
IC EIG Re EAD	Eurohold Bulgaria AD	2,355	-	EUR	02.12.2022 Annex 02.12.2022	30.06.2023	-	-	5	5	-
IC EIG Re EAD	Starcom Holding AD	955,962	-	BGN	07.12.2022	06.06.2023	-	3	956	959	-
IC EIG Re EAD	Starcom Holding AD	1,306,000	-	BGN	09.12.2022	09.06.2023	-	4	1 306	1 310	-
IC EIG Re EAD	Starcom Holding AD	462,750	-	BGN	16.12.2022	16.06.2023	-	1	463	464	-
IC EIG Re EAD	Starcom Holding AD	1,385,000	-	BGN	19.12.2022	19.06.2023	-	2	1 385	1 387	-
IC EIG Re EAD	Starcom Holding AD	503,006	-	BGN	23.12.2022	23.06.2023	-	1	503	504	-

Borrowing under a loan agreement from unrelated parties:											
IC Euroins AD	An unrelated third party	400,000	-	EUR	16.11.17	-	3.0%	47	782	426	403
IC Euroins AD	An unrelated third party	300,000	-	EUR	17.07.18	-	3.0%	35	587	320	302
EIG EAD	An unrelated third party	435000	-	EUR	3.2.2022 r.	3.2.2025 r.	6.00%	46	851		897
Receipt under a repo contract from unrelated parties:											
IC Euroins AD	An unrelated third party	1,200,200	-	BGN	01.12.2022	01.06.2023	5.00%	5	1 200	1 205	-
IC Euroins AD	An unrelated third party	618,660	-	BGN	02.12.2022	02.06.2023	5.00%	2	619	621	-
IC Euroins AD	An unrelated third party	139,260	-	BGN	02.12.2022	02.06.2023	5.00%	1	139	140	-
IC Euroins AD	An unrelated third party	1,344,000	-	BGN	06.12.2022	06.06.2023	5.00%	5	1 344	1 349	-
IC Euroins AD	An unrelated third party	1,682,100	-	BGN	06.12.2022	06.06.2023	5.00%	6	1 682	1 688	-
IC Euroins AD	An unrelated third party	316,000	-	BGN	06.12.2022	06.06.2023	5.00%	1	316	317	-
IC Euroins AD	An unrelated third party	456,050	-	BGN	07.12.2022	07.06.2023	5.00%	2	456	458	-
IC Euroins AD	An unrelated third party	2,018,280	-	BGN	08.12.2022	08.06.2023	5.00%	7	2 018	2 025	-
IC Euroins AD	An unrelated third party	656,460	-	BGN	08.12.2022	08.06.2023	5.00%	2	657	659	-
IC Euroins AD	An unrelated third party	1,797,070	-	BGN	16.12.2022	16.06.2023	5.00%	4	1 797	1 801	-
IC Euroins AD	An unrelated third party	279,820	-	BGN	20.12.2022	20.06.2023	5.00%	-	280	280	-
IC Euroins AD	An unrelated third party	994,160	-	BGN	21.12.2022	21.06.2023	5.00%	1	994	995	-
IC Euroins AD	An unrelated third party	1,652,060	-	BGN	22-12-22	22.06.2023	5.00%	2	1 652	1 654	-
IC Euroins AD	An unrelated third party	4,036,990	-	BGN	29.12.2022	29.06.2023	5.00%	1	4 037	4 038	-
ZD Euroins life EAD	An unrelated third party	248,000	-	BGN	23.12.2022	23.06.2023	5.00%	-	248	248	-
ZD Euroins life EAD	An unrelated third party	740,010	-	BGN	19-12-22	19.06.2023	5.00%	1	740	741	-
ZD Euroins life EAD	An unrelated third party	671,006	-	BGN	14.12.2022	14.06.2023	5.00%	2	671	673	-
ZD Euroins life EAD	An unrelated third party	104,140	-	BGN	08.12.2022	08.06.2023	5.00%	-	104	104	-
ZD Euroins life EAD	An unrelated third party	1,014,016	-	BGN	14.12.2022	14.06.2023	5.00%	2	1 014	1 016	-
ZD Euroins life EAD	An unrelated third party	656,699	-	BGN	12.12.2022	12.06.2023	5.00%	1	657	658	-
ZD Euroins life EAD	An unrelated third party	650,504	-	BGN	23-12-22	23.06.2023	5.00%	-	651	651	-
ZD Euroins life EAD	An unrelated third party	533,232	-	BGN	09.08.2022	08-02-23	5.00%	11	533	544	-
ZD Euroins life EAD	An unrelated third party	296,004	-	BGN	08.08.2022	07.02.2023	5.00%	6	296	302	-
ZD Euroins life EAD	An unrelated third party	433,500	-	BGN	16.08.2022	15.02.2023	5.00%	8	434	442	-
ZD Euroins life EAD	An unrelated third party	146,000	-	BGN	12.12.2022	12.06.2023	5.00%	-	146	146	-
Euroins Romania	An unrelated third party	1926590	-	BGN	02.12.2022	13.02.2023	5.00%	7	1 927	1 934	-
Euroins Romania	An unrelated third party	2920990	-	BGN	22.12.2022	13.02.2023	5.00%	4	2 921	2 925	-
Euroins Romania	An unrelated third party	584984	-	BGN	23.12.2022	13.02.2023	5.00%	1	585	586	-
Euroins Romania	An unrelated third party	1956427	-	BGN	29.12.2022	13.02.2023	5.00%	1	1 956	1 957	-
Receipt under contract for transactions in financial instruments from unrelated parties:											
IC Euroins AD	An unrelated third party	21,120,000	-	BGN	27.09.2022		-	-	21 120	21 120	-
IC Euroins AD	An unrelated third party	701,654	-	BGN	12.10.2020	31.12.2023	-	-	702	702	-
IC EIG Re EAD	An unrelated third party	1,456,900	-	BGN	20.07.2022	18.01.2023	-	33	1 457	1 490	-
IC EIG Re EAD	An unrelated third party	4,519,610	-	BGN	02.09.2022	01.03.2023	-	75	4 520	4 595	-

IC EIG Re EAD	An unrelated third party	3,728,100	-	BGN	01.12.2022	01.06.2023	-	16	3 728	3 744	-
IC EIG Re EAD	An unrelated third party	756,000	-	BGN	01.12.2022	01.06.2023	-	3	756	759	-
Total amount of loan receivable with related parties:								2 521	82 943	79 731	3 846

⇒ Euro-Finance AD

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2022. ('000 BGN)		Maturity ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2022	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
Collection under contract for repo transactions from related parties:											
Euro-Finance AD	Starcom Holding AD	900,000	-	BGN	5.12.2022	5.6.2023	5.00%	3	900	903	-
Euro-Finance AD	Starcom Holding AD	950,004	-	BGN	5.12.2022	5.6.2023	5.00%	3	950	953	-
Euro-Finance AD	Starcom Holding AD	857,004	-	BGN	5.12.2022	5.6.2023	5.00%	3	857	860	-
Euro-Finance AD	Starcom Holding AD	1,835,160	-	BGN	29.12.2022	29.6.2023	5.00%	1	1 835	1 836	-
Receipt under a repo contract from unrelated parties:											
Euro-Finance AD	An unrelated third party	67,582	-	BGN	20.9.2022	17.3.2023	8.00%	1	68	69	-
Euro-Finance AD	An unrelated third party	91,195	-	BGN	20.9.2022	17.3.2023	8.00%	2	91	93	-
Euro-Finance AD	An unrelated third party	550,080	-	BGN	21.9.2022	9.2.2023	5.00%	8	550	558	-
Euro-Finance AD	An unrelated third party	651,000	-	BGN	9.12.2022	9.6.2023	5.00%	2	651	653	-
Euro-Finance AD	An unrelated third party	362,250	-	BGN	14.12.2022	14.6.2023	5.00%	1	362	363	-
Euro-Finance AD	An unrelated third party	751,130	-	BGN	16.12.2022	16.6.2023	5.00%	2	751	753	-
Euro-Finance AD	An unrelated third party	1,840,870	-	BGN	30.12.2022	30.6.2023	5.00%	0	1 841	1 841	-
Total amount of loan receivable with related parties:								26	8 856	8 882	-

10 / Information on the use of funds from a new issue of securities during the reporting period.

In 2022, a new corporate bond loan was issued with ISIN code BG2100002224, worth EUR 40,000,000 and registered by the Central Depository AD on 08.03.2022. The issue is a third corporate, ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, unprivileged and freely transferable bonds under the conditions of initial private (non-public) offering to less than 150 participants - a predetermined circle of investors according to a decision of the Management Board of the public company dated February 23, 2022 - TBI Bank EAD. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is March 8, 2029, and the principal is repaid once at maturity. The interest payments are every six months, as of the date of registration of the issue (March 8, 2022), at a fixed nominal interest rate - 3.25% on an annual basis.

The funds raised from the issue of bonds with the ISIN code BG2100002224 have been spent according to the goals set in the Proposal for the subscription of the issue of corporate bonds under the conditions of private placement, namely: to reduce the company's liabilities and to support the operational activities of the issuer's subsidiaries from the and energy the insurance group.

11 / Analysis of the ratio between the achieved financial results, reflected in the financial report for the financial year, and previously published forecasts for these results.

Eurohold Bulgaria AD has not published and presented profit forecasts.

12 / *Analysis and evaluation of the policy on the management of financial resources, indicating the possibilities for servicing the obligations, possible threats and measures that the issuer has taken or is about to take in order to eliminate them.*

The main activity of Eurohold Bulgaria AD, as a holding company, is to effectively manage the monetary resources accumulated in the entire structure and, accordingly, to distribute them depending on the needs of the individual subsidiaries. The Company's policy in this area is to provide financing only in the area of "parent subsidiaries" and not "subsidiary - subsidiary". The management of the free financial resources of the subsidiaries is carried out in accordance with the regulatory requirements and in order to achieve a good return with reasonable risk-taking.

The investment program of Eurohold Bulgaria AD in 2022 has been implemented through own and borrowed funds.

13 / *Assessment of the possibilities for realization of the investment intentions with indication of the amount of the available funds and reflection of the possible changes in the structure of financing of this activity.*

Information regarding the planned economic policy, including forthcoming transactions essential to the company's activities is presented in the item section B.7 Current trends and future development.

14 / *Information on changes during the reporting period in the basic principles of management of the Company and its group of enterprises within the meaning of the Accounting Act.*

During the reporting period there was no change in the basic principles of management of the Company and the companies of its economic group.

15 / *Information on the main characteristics of the internal control system and risk management system applied by Eurohold in the process of preparing the financial statements.*

Eurohold Bulgaria AD and the companies of the economic group have a well-established and functioning system for risk management and internal control, which guarantees the effective functioning of the systems for accounting and financial reporting and for disclosure of information. The internal control system is established and operated in order to identify the risks associated with the activities of the Group and support their effective management.

The main features of the internal control system are the following:

▪ **Control environment:**

- built on the basis of integrity and ethical behavior;
- availability of experienced management with direct participation in the business processes of the Company and critical review of the activity;
- the organizational structure is consistent with the nature of the business and ensures the division of responsibilities;
- the levels of competence are tailored to the specific positions;
- hierarchy and clear rules, rights, obligations and levels of reporting;
- the policy of delegation of powers and responsibilities;
- human resources policies and practices are addressed to the recruitment of competent and reliable staff.

- **Risk management** - a process for identifying, assessing and controlling potential events or situations that may adversely affect the achievement of the Company's objectives through direct participation of management in the activity;

- **Control activities** - control activities aimed at minimizing the risk and increasing the probability that the goals and objectives of the Group will be achieved. Such are the procedures for:

- approval and permission in decision making (authorization);

- preliminary control for legality, carried out by the executive director immediately before signing the decision taken;
 - complete, accurate, accurate and timely accounting of all operations (information processing);
 - operational control and review of the results of the work, carried out daily by the executive director in the assignment and implementation of the work;
 - division of responsibilities
- **Information and communication** - availability of effective and reliable information and communication systems, ensuring the collection and dissemination of complete, reliable and reliable information, horizontal and vertical communication from and to all levels, as well as a timely reporting system.
 - **Monitoring** - there is a system for current monitoring and evaluation of controls, and in case of deviations, corrective and corrective measures are taken.

16 / Information on changes in the Management and Supervisory Boards during the reporting financial year.

In 2022, there were changes in the Supervisory Board of the Company.

On 25.08.2022, Mr. Asen Emanuilov Assenov was removed as a member of Company's Management Board.

17 / Information on the amount of remuneration, rewards and / or benefits of each of the members of the management and supervisory bodies for the reporting financial year and its subsidiaries, regardless of whether they were included in the Company's expenses or result from the distribution of profits, including:

- 1) amounts received and non-monetary remuneration;
- 2) contingent or deferred remuneration incurred during the year, even if the remuneration is due at a later date;
- 3) amount due from the Company or its subsidiaries for the payment of pensions, retirement benefits or other similar benefits.

In 2022, the members of the Management and Supervisory Boards received the following remuneration from Eurohold Bulgaria AD and its subsidiaries, as follows:

Rewards received by the members of the Supervisory and Management Boards and the Procurator for 2022	from Eurohold Bulgaria AD	from subsidiaries	TOTAL
Supervisory Board	144 497	302 431	446 928
Asen Milkov Christov	14 640	49 009	63 650
Dimitar Stoyanov Dimitrov	7 200	185 752	192 952
Radi Georgiev Georgiev	no remuneration agreed and paid for 2022.	67 670	67 670
Kustaa Lauri Äimä	no remuneration agreed and paid for 2022	no remuneration agreed and paid for 2022	no remuneration agreed and paid for 2022
Louise Gabrielle Roman	74 657	no remuneration agreed and paid for 2022	74 657
Ivaylo Krasimirov Angarski	48 000	no remuneration agreed and paid for 2022	48 000
Management Board	206 496	948 789	1 155 285
Kiril Ivanov Boshov	24 000	591 188	615 188
Assen Minchev Minchev	164 468	55 271	219 739
Velislav Milkov Christov	10 245	169 132	179 377
Assen Assenov*	7 783	133 198	140 981
Razvan Stefan Lefter	no remuneration agreed and paid for 2022	no remuneration agreed and paid for 2022	no remuneration agreed and paid for 2022
Procurator	13 320	235 778	249 098
Milena Milchova Guentcheva	13 320	235 778	249 098

Kustaa Lauri Äimä and Razvan Lefter do not have an agreement with Eurohold for the payment of a monthly remuneration for their work as Members of the Supervisory Board and the Management Board, therefore such was not voted at the General Meeting of Shareholders and was not paid during the historical periods under review in any form.

Asen Asenov, in his capacity as a member of the Management Board, received remuneration until the date of termination of his management contract - 25.08.2022.

The members of the Management Board and the Supervisory Board were not paid remuneration and/or benefits in kind during the specified period.

Eurohold Bulgaria, as well as its subsidiaries, do not set aside amounts for the payment of pensions, retirement compensation or other similar benefits to the members of the Management Board and the Supervisory Board, as well as to the Procurators of the company.

The members of the Management Board and the Supervisory Board receive their remuneration based on concluded management contracts and control contracts with the Company. The current contracts of the members of the Management Board and the Supervisory Board with "Eurohold Bulgaria" AD are valid until the termination of the performance of the respective position.

"Eurohold Bulgaria" AD has adopted a policy for the remuneration of the members of the Supervisory and Management Boards. This policy regulates the basic rules for determining the remuneration of the persons who hold positions as members of the supervisory and management board of the public company on the occasion of the performance of their powers in the exercise of managerial and supervisory functions in the company. The remuneration policy was developed based on the requirements of the Law on the Public Offering of Securities and Ordinance No. 48 of the Financial Supervision Commission of March 20, 2013 (amended and supplemented, SG No. 61 of 10.07.2020) for the remuneration requirements with a view to creating a transparent and fair internal organizational framework for the formation of the remunerations of the members of the supervisory board and the management board of "Eurohold Bulgaria" JSC. As of the date of preparation of the Activity Report in the company, the function of the Remuneration Committee is performed by the Supervisory Board.

18 / *For public companies - information on shares of the Company held by the members of the management and control bodies, procurators and senior management, including shares held by each of them separately and as a percentage of shares of each class, as well as provided to them by The Company's options on its securities - type and amount of securities on which the options are based, price of exercising the options, purchase price, if any, and term of the options.*

Information on this point is provided in this report in section C.4 Corporate governance, item C.4.2 Information on the members of the Board of Directors and the Supervisory Board and the Procurator of the Company.

The members of the Management and Supervisory Boards do not hold options on the issued securities of the Company.

19 / *Information on the arrangements known to the company (including after the end of the financial year), as a result of which in the future there may be changes in the relative share of shares or bonds held by current shareholders or bondholders.*

As of the reporting period and after the end of the financial year of the Company, no agreements are known from which changes in the relative share of shares and bonds held by the current shareholders or bondholders may occur.

20 / *Information on pending court, administrative or arbitration proceedings concerning liabilities or receivables of the Company in the amount of at least 10 percent of its equity; if the total value of the liabilities or receivables of the Company in all initiated proceedings exceeds 10 percent of its equity, information is provided for each proceeding separately.*

As of 31.12.2022 no significant lawsuits have been filed against the Company.

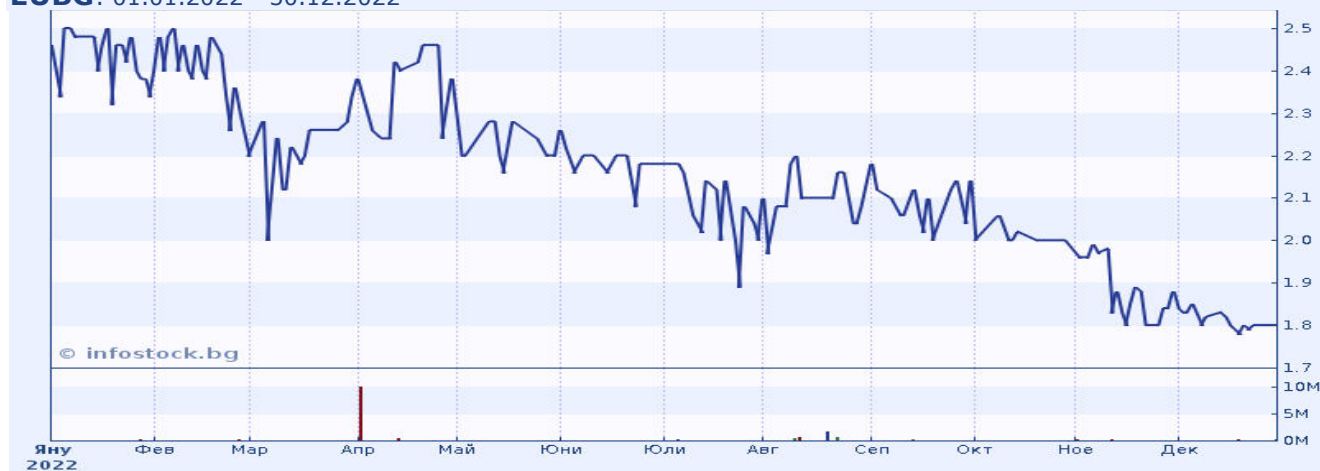
21 / Non-financial declaration, under Article 41 of the Accounting Act, for financial statements and individual basis.

Eurohold Bulgaria AD prepares a consolidated Non-Financial Declaration, i.e. prepared on consolidated basis and it will be presented and disclosed together with the annual consolidated financial statements of the group for 2022.

22 / Changes in the share price of Eurohold Bulgaria AD

All shares of Eurohold Bulgaria AD are registered for trading on the Main Market of BSE AD, Standard Segment, with stock exchange code - **EUBG**.

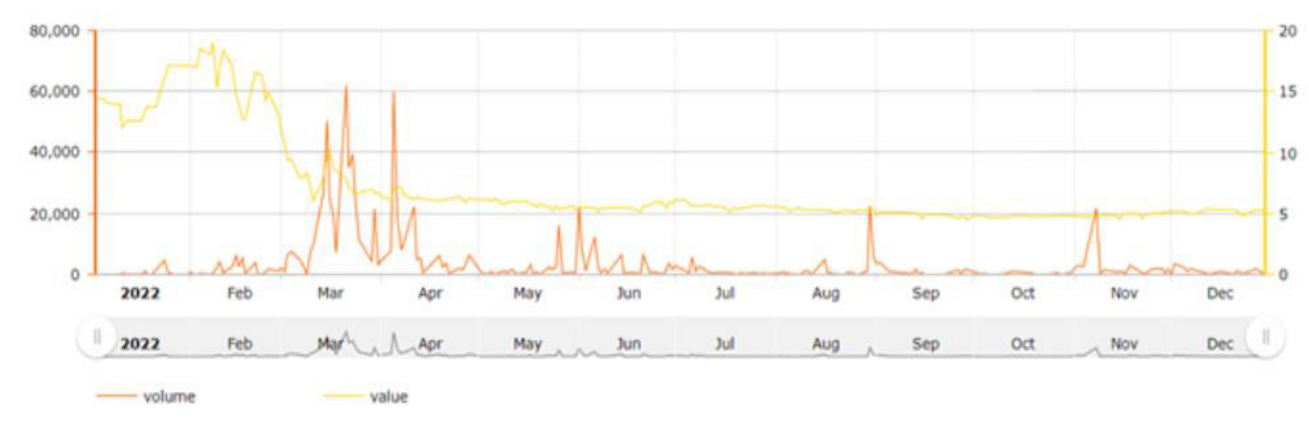
EUBG: 01.01.2022 - 30.12.2022



The chart shows the movement of the prices of the shares of Eurohold Bulgaria AD on the BSE for the period 04.01.2021 - 30.12.2021 (respectively the first and last stock exchange quotation for the reporting year 2022).

- Starting price: BGN 2.26 (04.01.2022)
- Last price: BGN 1.80 (30.12.2022)
- Maximum price: BGN 2.50 (08.02.2022)
- Minimum rate: BGN 1.70 (30.12.2022)
- Value change: BGN -0.46
- Relative change: -20.35%
- Average price: BGN 2.248

After the double listing in 2011, the shares of Eurohold Bulgaria AD are also traded on the Warsaw Stock Exchange, Main Stock Market, with stock exchange code - **EHG**.



The chart shows the movement of the prices of the shares of Eurohold Bulgaria AD on the Warsaw Stock Exchange for the period 04.01.2022 - 30.12.2022.

- Starting price: 3.80 PLN (04.01.2022)
- Last price: 3.62 PLN (30.12.2022)
- Maximum price: 7.15 PLN (30.08.2022)
- Minimum rate: 3.62 PLN (04.01.2022)
- Value change: PLN 3.80 PLN
- Relative change: 4.93%
- Average price: 3.62 PLN

B.9.2 Appendix № 3 of Ordinance № 2

INFORMATION ABOUT THE PUBLIC COMPANY

(according to appendix 3 to art. 10, item 2 of Ordinance No 2 from 09.11.2021 on initial and subsequent disclosure of information during public offering of securities and admission of securities to trading on a regulated market)

1 / *Information about securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state.*

The shares of Eurohold Bulgaria AD are registered for trading on the Main Market of the Bulgarian Stock Exchange AD, Segment Standard Shares, stock code EUBG and on the Warsaw Stock Exchange (GPW) Poland with stock code EHG.

All issued shares of the company are in circulation and admitted to trading on the Bulgarian Stock Exchange and the Warsaw Stock Exchange.

As of 31.12.2022, Eurohold Bulgaria AD has no securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state.

2 / *Information regarding the direct and indirect ownership of 5 percent or more of the voting rights in the company's general meeting, including data on the shareholders, the amount of their shareholding and the manner in which the shares are owned.*

As of 31.12.2022, the authorized capital of "Eurohold Bulgaria" AD is in the amount of BGN 260,500,000, divided into 260,500,000 ordinary shares with a nominal value of BGN 1 (one) each. All shares are paid up. All issued shares are of the same class and give 1 (one) right to vote in the general meeting of shareholders.

According to the book of shareholders as of 31.12.2022, shareholders in "Eurohold Bulgaria" AD are:

- ✓ 114 legal entities owning 252 184 693 total number of voting rights from shares or 96.81% of the Company's capital;
- ✓ 6 legal entities Global Trustee holding 3 845 872 total number of voting rights from shares or 1.50% of the Company's capital;
- ✓ 9 317 individuals owning 4 469 435 total voting rights from shares or 3.43% of the Company's capital.

Information about shareholders holding more than 5% of the votes in the general meeting

Shareholders	Mode of possession	% participation in the share capital	Number of shares /voting rights/	Nominal value, BGN
Starcom Holding AD	direct	50.08%	130 454 157	130 454 157
KJK Fund II SICAV-SIF - Balkan Discovery	direct	10.79%	28 116 873	28 116 873
Boston Management and Research, through the following funds managed by him:	indirectly	8.88%	23 136 758	23 136 758
<i>Global Opportunities Portfolio,</i>	direct	1.97%	5 140 100	5 140 100
<i>Global Macro Portfolio,</i>	direct	2.04%	5 311 731	5 311 731
<i>Global Macro Absolute Return Advantage Portfolio,</i>	direct	4.36%	11 358 027	11 358 027
<i>Global Macro Capital Opportunities Portfolio</i>	direct	0.51%	1 326 900	1 326 900
SLS Holding AD	direct	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
Total		100.00%	260 500 000	260 500 000

The majority shareholder in "Eurohold Bulgaria" is "Starcom Holding" AD, owning 130 454 157 shares. shares as of 31.12.2022 representing a controlling interest of 50.08% of the capital of Eurohold. "Starcom Holding" JSC is a holding company registered in the Republic of Bulgaria, which operates in accordance with Bulgarian legislation.

KJK FUND II SICAV-SIF BALKAN DISCOVERY is the second major shareholder in Eurohold Bulgaria AD, which holds a qualified participation in the Company's capital. As of the end of 2022, KJK FUND II SICAV-SIF BALKAN DISCOVERY owns 28,116,873 shares. shares representing 10.79% of the issued shares of the capital of Eurohold.

Boston Management and Research owns 23,136,758 shares. shares representing 8.88% of the capital of Eurohold, through the following funds managed by it:

- Global Opportunities Portfolio,
- Global Macro Portfolio,
- Global Macro Absolute Return Advantage Portfolio,
- Global Macro Capital Opportunities Portfolio.

In addition to the above-mentioned persons, through their shareholding in the capital of the majority shareholder in the company "Starcom Holding" AD, indirect participation in "Eurohold Bulgaria" AD in the amount of more than 5 percent, the following person also owns:

Asen Milkov Hristov - through his shareholding in the amount of 51% in "Starcom Holding" AD - a majority shareholder in the Company, the person has an indirect share in "Eurohold Bulgaria" AD in an amount equal to the participation of "Starcom Holding" AD in "Eurohold Bulgaria" AD or 50.08%;

Apart from the above-mentioned persons, the Issuer is not aware of any other physical or legal persons who directly or indirectly own in the hypotheses of Art. 145 et seq. of the Civil Code, a shareholding in the amount of 5 or more percent of the shares with the right to vote in the Issuer's general meeting.

There are no physical shareholders who directly own more than 5 percent of the shares with the right to vote in the Issuer's general meeting.

3 / *Details of shareholders with special control rights and a description of those rights.*

All the company's shares give equal voting rights in the general meeting of the Company's shareholders. There are no shareholders who hold special controlling voting rights.

4 / *Agreements between shareholders that are known to the company and that may result in restrictions on the transfer of shares or voting rights.*

The company is not aware of any agreements between shareholders that could lead to restrictions on the transfer of shares or voting rights.

5 / *Material contracts of the company that give effect, are amended or terminated due to a change in control of the company in the implementation of a mandatory tender offer, and their consequences, except in cases where the disclosure of this information may cause serious damage to the company; the exception under the previous sentence does not apply in cases where the company is obliged to disclose the information by virtue of the law.*

As of 31.12.2022, no such circumstances are available for the Company.

B.9.3 MORE INFORMATION

All financial statements and materials provided to the Financial Supervision Commission and the Bulgarian Stock Exchange AD can be found in a complete set on the website of Eurohold Bulgaria AD www.eurohold.bg, where inside information is available at the following link:

<https://www.eurohold.bg/internal-information-645.html>,

as well as on the website of the selected information media Service Financial Markets Ltd. at the following Internet address: www.x3news.com, where inside information is available at the following link:

<http://www.x3news.com/?page=News&unigid=6425872a938a0>

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

Details of the Investor Relations Director

Galia Alexandrova Georgieva

Sofia 1592, 43 Christopher Columbus Blvd.
Tel: (+359 2) 965 15 63; +359 89 999 2394.
e-mail: investors@eurohold.bg
g_georgieva@eurohold.bg

Eurohold Bulgaria AD, Sofia

3 April 2023

Kiril Boshov

**KIRIL
IVANOV
BOSHOF**

Digitally signed by
KIRIL IVANOV BOSHOF
Date: 2023.04.03
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Chairman of the Management Board and Executive Director

Assen Minchev

Executive Director

**ASEN
MINCHEV
MINCHEV**

Digitally signed by
ASEN MINCHEV
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C

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT OF

EUROHOLD BULGARIA AD FOR 2022

(according to the provisions of art. 100n, para. 8 of POSA)

I. Information on compliance, as appropriate, by Eurohold Bulgaria AD with the Corporate Governance Code approved by the Commission or another corporate governance code (Art. 100n, para 8, item 1, letters a /, b / and c / of POSA)

Eurohold Bulgaria AD adheres, as appropriate, to the National Code of Corporate Governance (NCCU), adopted by the National Commission for Corporate Governance (last amended in July 2021) and approved as a code of corporate governance under Art. 100n, para. 8, item 1 in connection with para. 7, item 1 of the Public Offering of Securities Act (POSA) by the Financial Supervision Commission with Decision № 850-CCU of 25.11.2021 and carries out its activities in full compliance with the principles and provisions of the Code.

Eurohold Bulgaria AD adheres to the recommendations given in the National Code of Corporate Governance, guided by the best practices in the field of corporate governance.

Eurohold Bulgaria AD does not carry out significant additional practices beyond those set out in the National Corporate Governance Code.

II. Explanation by Eurohold Bulgaria AD which parts of the corporate governance code under item 1, letter "a" or letter "b" are not observed and what are the grounds for this, respectively when the issuer has decided not to refer to any of the rules of the Corporate Governance Code - grounds for this (Art. 100n, para. 8, item 2 of POSA)

1 / CORPORATE MANUALS

In 2022 the activity of the Management Board and the Supervisory Board of Eurohold Bulgaria AD was carried out in full compliance with the National Corporate Governance Code. The corporate management believes that there are no parts of the National Code of Corporate Governance that the company does not comply with.

The Code is applied on the basis of the "observe or explain" principle. This means that the company complies with the Code, and in case of deviation, management should clarify the reasons for this. (NCCU, Preamble).

The corporate management of Eurohold Bulgaria AD respects the rights of the shareholders and guarantees the equal treatment of all shareholders, including minority and foreign shareholders. The management is obliged to protect their rights, as well as to facilitate their exercise within the limits allowed by the current legislation and in accordance with the provisions of the articles of association of the Company. Management ensures that all shareholders are informed in a timely manner about their rights. Each member of the Supervisory and Management Board in carrying out its activities and in accordance with the objectives and strategies of the Company, as well as in the interest of shareholders, is guided by the principles of transparency, independence and accountability. The rights of the interested parties are recognized and timely and accurate disclosure of information on all issues related to the company, results of operations, investments in enterprises, financial situation and management is ensured.

Eurohold Bulgaria AD has a two-tier management system. The governing bodies are the Management Board (MB) and the Supervisory Board (SB). The Articles of Association of the Company define the structure of management, composition and functions of the members of the Supervisory and Management Boards.

MANAGEMENT BOARD

The Management Board consists of five individuals.

⇒ Functions and responsibilities

The functions and tasks of the members of the Management Board of Eurohold Bulgaria AD in the context of the National Corporate Governance Code are as follows:

- manages the company in accordance with the established vision, goals and strategies of the company and the interests of the shareholders.
- monitors the results of the company's activities and, if necessary, initiates changes in the management of the activity.
- treats all shareholders equally, acts in their interest and with the care of a good trader.
- in the performance of their activities they are guided by the generally accepted principles of integrity, managerial and professional competence. The Management Board has adopted and complies with the Code of Ethics.
- strives to achieve the goals of sustainable development by developing and implementing the policy of engagement of stakeholders approved by the Supervisory Board.
- has provided and controls the construction and operation of the risk management system, incl. for internal control and internal audit, promptly informing the Supervisory Board of its actions.
- encourages the implementation and observance of the principles of sustainable development at the group level by the subsidiaries.
- has built the financial information system of the company in accordance with the guidelines given by the Supervisory Board and ensures its reliable operation.
- coordinates its actions with the Supervisory Board regarding the business plan of the company, transactions of a substantial nature and all other operations and activities established in the bylaws of the company.
- informs and reports on its activities to the Supervisory Board. For this purpose, it shall provide the information required within the relevant deadlines and format.

⇒ Structure and competence

The main powers and functions of the Management Board are regulated in the Articles of Association of the Company and in the adopted Rules of Procedure of the Management Board, which are in accordance with the National Code of Corporate Governance. The members of the Management Board are elected for a term of 5 years and can be re-elected without restriction.

The structure and the number of members of the Management Board of Eurohold Bulgaria AD guarantee the effective activity of the company.

In case of proposals for election of new members of the Management Board of Eurohold Bulgaria AD, the principles of compliance of the competence of the candidates with the nature of the company's activity are observed.

The contracts for assignment of management, concluded with the members of the Management Board of Eurohold Bulgaria AD, define their obligations and tasks, the criteria for the amount of their remuneration, their obligations for loyalty to the company and the grounds for dismissal.

The competencies, rights and obligations of the members of the Management Board of Eurohold Bulgaria AD follow the requirements of the law, the by-laws and the standards of good professional and managerial practice.

⇒ Remuneration

In accordance with the legal requirements and the good practice of corporate governance, the amount and structure of the remuneration of the members of the Management Board of Eurohold Bulgaria AD report:

- a) The obligations and the contribution of each member of the Management Board of Eurohold Bulgaria AD in the activity and the results of the company;
- b) The possibility for selection and retention of qualified and loyal managers;
- c) The need for compliance of the interests of the members of the Management Board of Eurohold Bulgaria AD and the long-term interests of the company

The additional incentives are specifically defined or definable and are linked to clear and specific criteria and indicators regarding the company's results and / or the achievement of pre-determined goals by the Supervisory Board of Eurohold Bulgaria AD, in accordance with the adopted Remuneration Policy.

Eurohold Bulgaria AD may provide as additional incentives to the members of the Management Board shares, stock options and other appropriate financial instruments.

The disclosure of information about the remuneration of the members of the Management Board of Eurohold Bulgaria AD is in accordance with the legal norms and the bylaws of the company. The shareholders have easy access to the adopted company policy for determining the remuneration and royalties of the members of the Management Board of Eurohold Bulgaria AD, as well as to information on the annual remuneration and additional incentives, if any, received by them.

⇒ Conflict of interests

The members of the Management Board of Eurohold Bulgaria AD avoid and do not allow real or potential conflicts of interest.

The procedures for avoiding and disclosing conflicts of interest are regulated in the company's bylaws.

The members of the Management Board of Eurohold Bulgaria AD immediately disclose conflicts of interest and provide the shareholders with access to information on transactions between the company and members of the Management Board of Eurohold Bulgaria AD and related parties by submitting a declaration under Art. 114b of the POSA.

The Management Board of Eurohold Bulgaria AD guarantees that all related party transactions are approved and carried out in a way that ensures reliable management of conflicts of interest and protects the interests of the company and its shareholders.

Any conflict of interest is disclosed to the Supervisory Board of Eurohold Bulgaria AD. The members of the Management Board of Eurohold Bulgaria AD inform the Supervisory Board as to whether directly, indirectly or on behalf of third parties they have a significant interest in any transactions or issues that have a direct impact on the company.

SUPERVISORY BOARD

The Supervisory Board consists of six individuals.

⇒ Functions and responsibilities

The functions and tasks of the members of the Supervisory Board of Eurohold Bulgaria in the context of the National Corporate Governance Code are as follows:

- appoints, directs and controls the Management Board of Eurohold Bulgaria AD according to the division of functions within the two-tier structure.
- provides guidance to the Board of Directors in determining the vision, goals and strategy of the company and the interests of shareholders and stakeholders, including in the context of sustainable

development and monitors their implementation in accordance with the economic, social and environmental priorities of the company.

- gives guidelines to the Management Board of Eurohold Bulgaria AD in building a risk management system, incl. for internal control and internal audit, the financial information system and controls their functioning.
- once a year evaluates the activity of the Management Board and the work of each of its members.
- treat all shareholders and stakeholders equally, act loyally in their interest and with the care of a good trader
- in the performance of their duties, the members of the Supervisory Board must have access to the necessary information about the activities of the company
- controls the observance of the laws and the rules, laid down in the structural acts of the company.
- carries out its activities in the effective exchange of information with the Management Board of the company.

⇒ Appointment and dismissal of the members of the Management Board

The Supervisory Board of Eurohold Bulgaria AD appoints and dismisses the members of the Management Board in accordance with the legal requirements, the bylaws of the company, the principles of continuity and sustainability of the Management Board and the standards of good corporate governance practice.

The policy of the Supervisory Board of Eurohold Bulgaria AD regarding the remuneration guarantees effective management of the company in the interest of the shareholders.

⇒ Structure and competence

The composition of the Supervisory Board of Eurohold Bulgaria AD guarantees the independence and impartiality of the decisions and actions of its members.

The number of members of the Supervisory Board, incl. the number of independent members and the distribution of tasks between them is regulated in the bylaws of the company.

The independent members act in the best interest of Eurohold Bulgaria AD and the shareholders impartially and impartially. The number of consecutive terms is limited.

The members of the Supervisory Board have the appropriate knowledge and experience required by the position they hold, at least one of whom has financial competence. They should also be informed about new trends and in the field of corporate governance and sustainable development.

After the election of new members of the Supervisory Board of Eurohold Bulgaria AD, they get acquainted with the main legal and financial issues related to the company's activities. The training of the members of the Supervisory Board of Eurohold Bulgaria AD is their constant commitment.

The members of the Supervisory Board of Eurohold Bulgaria AD must have the necessary time to perform their tasks and obligations. The members of the Supervisory Board may hold managerial positions in other companies, and the number of companies in which the members may participate should be determined in the articles of association of the company.

The procedures for election of new members of the Supervisory Board of Eurohold Bulgaria AD take into account the requirements for continuity and sustainability of the functioning of the Supervisory Board of the company.

⇒ Remuneration of the members of the Supervisory Board

The Supervisory Board, in its capacity of acting as the Remuneration Committee, develops a clear and specific policy on the remuneration of the members of the Management Board and the Supervisory Board, which is

approved by the GMS. The policy sets out the principles for the formation of the amount and structure of remuneration and should be in line with regulatory requirements in terms of structure and content.

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

The remuneration of the members of the Supervisory Board corresponds to their activities and obligations and is not tied to the results of the company's activities.

The remuneration of the independent members is only mainly without additional incentives and reflects their participation in meetings, as well as the implementation of their tasks to control the actions of the executive management of Eurohold Bulgaria AD and to participate effectively in the work of the company.

The members of the Supervisory Board are not compensated for their activities with shares or options and other additional incentives.

The disclosure of information about the remuneration of the members of the Supervisory Board is in accordance with the legal norms and the by-laws of the company. Shareholders have easy access to information on remuneration.

⇒ Conflict of interest

The members of the Supervisory Board avoid and do not allow real or potential conflicts of interest.

The procedures for avoiding and disclosing conflicts of interest are regulated in the company's bylaws.

The members of the Supervisory Board immediately reveal conflicts of interest and provide the shareholders with access to information on transactions between Eurohold Bulgaria AD and members of the Supervisory Board or related persons by submitting a declaration under Art. 114b of the POSA.

The Supervisory Board of Eurohold Bulgaria AD guarantees that all transactions with related parties are approved and carried out in a way that ensures reliable management of conflicts of interest and protects the interests of the company and its shareholders.

COMMITTEES

The work of the Supervisory Board of Eurohold Bulgaria AD can be supported by committees, as the Supervisory Board determines the need for their establishment according to the specifics of the company.

In accordance with the requirements of the current legislation and on the basis of the criteria determined by it, the Supervisory Board of Eurohold Bulgaria AD approves the proposal of the Management Board to the General Meeting of Shareholders to elect an Audit Committee composed of legal requirements and specific needs. of Eurohold Bulgaria AD.

The establishment of committees is based on a written structure, scope and tasks, mode of operation and reporting procedures.

In 2009 the first Audit Committee of Eurohold Bulgaria AD was established, elected by the General Meeting of Shareholders of the company on 26.05.2009. The composition of this committee was elected at a meeting of the General Meeting held on 30.06.2017 with a five-year term. Its activities are in accordance with the Statute of the Audit Committee approved by the General Assembly. The Audit Committee reports annually to the General Meeting of Shareholders on the results of its activities.

2 / AUDIT AND INTERNAL CONTROL

The corporate management of Eurohold Bulgaria AD, based on a written recommendation from the audit committee, proposes to the General Meeting its proposal for selection of an auditor, guided by the established requirements for professionalism.

The corporate management of Eurohold Bulgaria AD with the assistance of the audit committee ensures compliance with the applicable law with respect to independent financial audit.

The rotation principle applies to the proposals and selection of an external auditor.

The audit committee provides oversight of external auditor relationship activities, including approving non-audit services provided by the company's auditor, if any.

Eurohold Bulgaria AD has an established system for internal control, which identifies the risks associated with the company's activities and supports their effective management. The internal control system ensures the effective functioning of the reporting and disclosure systems.

3 / PROTECTION OF SHAREHOLDERS' RIGHTS

The corporate management of Eurohold Bulgaria AD guarantees equal treatment of all shareholders, including minority and foreign shareholders. Protects their rights, as well as facilitates their exercise within the limits permitted by applicable law and in accordance with the provisions of the articles of association of the company. The corporate management of Eurohold Bulgaria AD provides information to all shareholders about their rights, financial results and corporate events through the information disclosure system and the company's website.

GENERAL MEETING OF THE SHAREHOLDERS

In connection with the holding of a general meeting of bondholders, the corporate management:

- informs all shareholders about the rules according to which the general meetings of shareholders are convened and held, including the voting procedures.
- provides sufficient and timely information on the date and place of the general meeting, as well as complete information on the issues to be considered and resolved at the meeting.
- maintains a database with contacts of its shareholders holding 5 or more than 5% of the company's capital.
- ensures the right of all shareholders to express their opinion, as well as to ask questions during a meeting of the General Meeting.
- enables the shareholders with the right to vote have the right to exercise their right to vote at the General Meeting of Shareholders in person or through representatives. Eurohold Bulgaria AD receives and accepts as valid powers of attorney electronically the following e-mail: investors@eurohold.bg and the electronic messages should be signed with a universal electronic signature (UES) or a qualified electronic signature (QES) by the principal and be attached to them. attached electronic document (electronic image) of the power of attorney with notarized signature, which must also be signed with a universal electronic signature (UES) or a qualified electronic signature (QES) by the principal.
- carries out effective control by creating the necessary organization for the voting of the authorized persons in accordance with the instructions of the shareholders or in the ways permitted by law.
- guarantees equal treatment of all shareholders and the right of each shareholder to express his opinion on the items on the agenda of the General Meeting by strictly following the rules for organizing and conducting meetings of the General Meeting.
- organizes the procedures and the procedure for holding the General Meeting of Shareholders in a way that does not complicate and does not make voting unnecessarily expensive.
- takes actions to encourage the participation of shareholders in the General Meeting, incl. if necessary, it also provides the possibility for remote presence.
- makes every effort to ensure that all members of the management attend the meetings of the General Assembly, except in cases of provable apologetic reasons.

MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

The texts in the written materials related to the agenda of the General Meeting are always specific and clear, without misleading the shareholders. All proposals regarding major corporate events are presented as separate items on the agenda of the General Meeting, incl. the proposal for the distribution of profits.

The company maintains a special section on its website regarding the rights of shareholders and their participation in the General Meeting of Shareholders.

The corporate management assists the shareholders entitled under the current legislation to include additional issues and to propose solutions to issues already included in the agenda of the General Meeting.

The corporate management guarantees the right of the shareholders to be informed about the decisions taken by the General Meeting of Shareholders by publishing full minutes of the meetings.

The corporate management of Eurohold Bulgaria AD guarantees equal treatment of shareholders of one class.

As of the date of preparation of this declaration, all shares of Eurohold Bulgaria AD are of one class - ordinary, registered, dematerialized, with voting rights. Each share gives the right to 1 vote in the General Meeting of Shareholders, the right to dividend and the right to liquidation share, proportional to the nominal value of the share. The issuer's capital does not include securities that are not admitted to trading on a regulated market.

The corporate management of Eurohold Bulgaria AD guarantees the provision of sufficient information to investors regarding the rights granted by all shares of each class, in case the company issues such shares of another class before their acquisition.

Within the limits allowed by the current legislation and in accordance with the provisions of the Company's bylaws, the corporate management of Eurohold Bulgaria AD does not prevent shareholders, including institutional ones, from consulting with each other on issues related to their basic shareholder rights. in a way that prevents abuse.

The corporate management of Eurohold Bulgaria AD does not allow the implementation of transactions with shareholders with controlling rights, which violate the rights and / or legitimate interests of other shareholders, including under the terms of negotiations with itself. In this type of transaction, an explicit decision of the Management Board is required and the interested parties are excluded from the voting. In case of indications for crossing the statutory thresholds under Art. 114, para 1 of the POSA, the Management Board prepares a motivated report and initiates the convening and holding of a General Meeting of Shareholders, at which the transactions are to be put to a vote.

4 / DISCLOSURE OF INFORMATION

In the process of disclosing information, corporate management:

- approves a policy for disclosure of information in accordance with the legal requirements and the by-laws.
- in accordance with the approved policy for disclosure of information, creates and maintains a system for disclosure of financial and non-financial information, which ensures equality of the addressees of information (shareholders, stakeholders, investment community) and not to allow misuse of inside information.
- ensures that the disclosure system provides complete, timely, accurate and comprehensible information that allows for objective and informed decisions and assessments.
- promptly discloses the capital structure of the company and agreements that lead to the exercise of control in accordance with the approved rules for disclosure of information.
- has approved and controls the observance of internal rules for preparation of the annual and interim reports and the procedure for disclosure of information.

- has adopted internal rules that ensure the timely disclosure of any material periodic and incidental information about the company, its management, its operating activities, its shareholder structure.
- Adopt rules that ensure the disclosure of non-financial information on an annual basis on a consolidated basis in accordance with national law and applicable European law. Corporate governance includes non-financial reporting in its annual reports by disclosing: how and to what extent the company's activities can be classified as environmentally sustainable, including what part of its turnover is due to products and services related to economic activities qualified as environmentally sustainable, at the same time what part of its capital costs and its operating costs are related to assets and processes are related to qualified as environmentally sustainable economic activities.
- As part of the information disclosure system, the management of Eurohold Bulgaria AD maintains a bilingual website of the company www.eurohold.bg - in Bulgarian and English, with approved content, scope and frequency of the information disclosed through it. The content of the page fully covers the recommendations of the National Code of Corporate Governance.
- Monitors the periodic disclosure of information on corporate governance in accordance with the "comply or explain" principle.
- Ensures the disclosure of any relevant periodic and incidental information about the company through channels that provide equal and timely access to relevant information by consumers. Eurohold Bulgaria AD uses a single point for disclosure of information electronically, thus the information reaches both the public and the Commission, the Financial Supervision Commission and the regulated securities market in an uncorrected form.

5 / INTERESTED PERSONS. SUSTAINABLE DEVELOPMENT

To achieve sustainable development and interaction with stakeholders, the corporate management of Eurohold Bulgaria AD:

- Is committed to establishing specific actions and policies regarding the sustainable development of the company, including the disclosure of information related to climate and social aspects of their activities.
- Ensures effective interaction with stakeholders, provides guidelines, approves and controls the policy for stakeholder engagement. Stakeholders are groups of persons who are directly affected by the company and who in turn can influence its activities, incl. suppliers, customers, employees, creditors, public pressure groups and others. The company identifies the stakeholders in relation to its activities based on their degree and areas of influence, role and attitude to its sustainable development.
- In its policy towards stakeholders complies with legal requirements, ensures respect for the rights of stakeholders established by law or by mutual agreement with the company. The management of Eurohold Bulgaria AD, observing the good practices of corporate governance, complies with the stakeholders in accordance with the principles of transparency, accountability and business ethics and protection of human rights.
- The management of Eurohold Bulgaria AD guarantees sufficient information to all interested parties about their legally established rights.
- In accordance with the established policy towards stakeholders, it should prepare and approve rules for taking into account the interests of stakeholders, which ensure their involvement in resolving certain issues requiring their position, which rules ensure the balance between development of society and economic, social and the environmentally sound development of the environment in which it operates.
- Maintains effective relations with stakeholders, and in accordance with legal norms and good international practice for disclosure of non-financial information, the company informs about economic, social and environmental issues concerning stakeholders, including the fight against corruption, work with employees, suppliers and customers, social responsibility of the company, environmental protection and human rights violations.

- Guarantee the right to timely and regular access to relevant, sufficient and reliable information about the company when stakeholders are involved in the corporate governance process.

III. Description of the main characteristics of the internal control and risk management systems of Eurohold Bulgaria AD in connection with the financial reporting process (Art. 100n, para 8, item 3 of POSA)

Eurohold Bulgaria AD has a well-established and functioning risk management and internal control system, which guarantees the effective functioning of the accounting and financial reporting and disclosure systems. The system for internal control is built and operated in order to identify the risks associated with the activities of the Company and support their effective management.

Internal control and risk management aim to provide a reasonable degree of certainty regarding the achievement of the strategic objectives of the holding in the direction of achieving efficiency and effectiveness of operations, reliability of financial statements, compliance with and application of existing legal and regulatory frameworks. The internal control and risk management is carried out by the management and supervisory bodies, as well as by the heads of the structural divisions of the holding and the executive directors of the subsidiaries.

Eurohold Bulgaria AD has adopted and applies rules and procedures regulating the effective functioning of the accounting and financial reporting systems and disclosure of information by the company. The rules describe in detail the different types of information created and disclosed by the company, the processes of internal document management, the different levels of access to the types of information of the responsible persons and the deadlines for processing and managing information flows.

The established risk management system ensures the effective implementation of internal control in the creation and management of all company documents, including the financial statements and other regulated information that the Company is obliged to disclose in accordance with the legal provisions.

One of the main objectives of the implemented system for internal control and risk management is to assist management and other stakeholders in assessing the reliability of the company's financial statements.

The annual individual financial statements and the annual consolidated financial statements of Eurohold Bulgaria AD are subject to an independent financial audit, which achieves an objective external opinion on the manner in which they are prepared and presented. The company prepares and maintains its financial statements in accordance with the International Financial Reporting Standards adopted in the European Union (EU).

The risk management policy is applied in an integrated manner and in accordance with all other policies and principles regulated in the internal acts of Eurohold Bulgaria AD.

A detailed description of the risks specific to the activities of Eurohold Bulgaria AD is contained in the annual activity report for 2021.

IV. Information referred to in Article 10, Paragraph 1, letters (c), (d), (e), (h) and (i) of Directive 2004/25 / EC of the European Parliament and of the Council of 21 April 2004 on proposals for absorption (Art. 100n, para. 8, item 4 of POSA)

The members of the Supervisory Board and the Management Board of Eurohold Bulgaria AD provide information under Article 10 (1), letters "c", "d", "e", "h" and "i" of Directive 2004/25 / EC of the European Parliament and of Council of 21 April 2004 on takeover bids:

Par 1, b. "c"	Significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34 / EC.	Eurohold Bulgaria AD has significant direct or indirect shareholdings, which are described in detail in the section "Business Operations" of the Report on the activities of the company for 2022.
Par 1, b. "d"	Holders of all securities with special control rights and description of these rights	There are no shares that give special rights of control.
Par 1, b. "e"	All restrictions on voting rights, such as restrictions on the voting rights of holders of a certain percentage or number of votes, deadlines for exercising voting rights or systems through which, in cooperation with the company, the financial rights granted to the securities are separated from the possession of the securities;	There are no restrictions on the voting rights of holders of a certain percentage or number of votes, deadlines for exercising voting rights or systems through which, in cooperation with the company, the financial rights granted to the securities are separated from the ownership of the securities.
Par 1, b. "h"	The rules governing the appointment or replacement of members of the board and amendments to the memorandum of association;	The rules regulating the appointment or replacement of members of the Management Board and the Supervisory Board and the introduction of amendments to the Articles of Association are defined in the bylaws of Eurohold Bulgaria AD, the adopted regulations for the work of both bodies.
Par 1, b. "i"	The powers of the members of the board, and in particular the right to issue or repurchase shares;	The powers of the members of the Management Board and the Supervisory Board are regulated in the Articles of Association of Eurohold Bulgaria AD and the adopted regulations for the work of the two bodies.

V. Composition and functioning of the administrative, management and supervisory bodies and their committees (Art. 100n, para 8, item 5 of POSA)

Eurohold Bulgaria AD has a two-tier management system. The Supervisory Board and the Management Board act jointly for the benefit of the shareholders and comply with the interested parties.

As of 31.12.2021 the Company is represented and managed by Kiril Ivanov Boshov and Assen Minchev Minchev, Executive Members of the Management Board, and Milena Gencheva - Procurator, jointly by the two Executive Directors or by one Executive Director and Procurator.

MANAGEMENT BOARD

The Management Board of Eurohold Bulgaria AD consists of five individuals, namely:

- Kiril Ivanov Boshov - Chairman, Executive Member;
- Assen Minchev Minchev - Executive Member;
- Velislav Milkov Christov - Member;
- Assen Emanuilov Assenov - Member;
- Divorced Stefan Lefter - Member.

SUPERVISORY BOARD

The Supervisory Board of Eurohold Bulgaria AD consists of six individuals, namely:

- Assen Milkov Christov - Chairman;
- Dimitar Stoyanov Dimitrov - Deputy Chairman;
- Louise Gabrielle Roman - Member
- Radi Georgiev Georgiev - Member;
- Lyubomir Stoev - Independent member;
- Kustaa Lauri Aima - Independent member.

The Management Board and the Supervisory Board of Eurohold Bulgaria AD have adopted and apply regulations for the work of the two bodies, which determine their powers and manner of work in order to ensure their effective operation within the two-tier management system of the company. the requirements of the law and protection of the interests of the shareholders.

COMMITTEES

Audit Committee

In 2009 the first Audit Committee of Eurohold Bulgaria AD was established, elected by the General Meeting of Shareholders of the company on 26.05.2009. The composition of this committee was elected at a meeting of the General Meeting held on 30.06.2017 with a five-year term. Its activities are in accordance with the Statute of the Audit Committee approved by the General Assembly. The Audit Committee reports annually to the General Meeting of Shareholders on the results of its activities.

The Audit Committee consists of three individuals, namely:

- Ivan Georgiev Mankov - Chairman;
- Dimitar Stoyanov Dimitrov - Member;
- Rositsa Mihailova Pencheva - Member.

Remuneration Committee

The function of the Remuneration Committee is performed by the Supervisory Board of the company, according to the new Remuneration Policy adopted on 30.09.2020 by the General Meeting of Shareholders of Eurohold Bulgaria AD. The Supervisory Board reports to the General Meeting of Shareholders on the performance of its functions on the Remuneration Committee.

VI. A description of the diversity policy applied to the issuer's administrative, management and supervisory bodies in relation to aspects such as age, gender or education and professional experience, the objectives of this diversity policy, how it is implemented and the results during the reporting period; when such a policy is not applied, the declaration contains an explanation of the reasons for this (Art. 100n, para. 8, item 6 of POSA)

DIVERSITY POLICY

Eurohold Bulgaria AD has not adopted an explicit policy regarding the diversity of the members of the Supervisory and Management Boards, the managers and the employees.

Nevertheless, Eurohold Bulgaria, as well as the companies part of the Eurohold economic group in adhering to the overall activity of the companies adhere to the principles of:

- equality,
- impartiality,
- avoidance of any form of discrimination and
- providing equal opportunities,

In the internal regulations of the companies part of Eurohold there is no division by sex, age, nationality, race, ethnicity, religion, disadvantaged people and any other form of illegal and unjust discrimination.

The main criteria and principles applied in the selection and evaluation of the members of the management and supervisory bodies of Eurohold Bulgaria AD regarding individuals without introducing any restrictions related to age, gender, nationality and education are:

- to be capable of acting;
- have appropriate qualifications and education, management skills, professional experience, and competence;
- have knowledge of the regulations and requirements of the specific sector segment in which the Company operates;
- have a good reputation;
- to be independent and objective in expressing opinions and making decisions.

The management structure is defined in the company's articles of association. The members of the Supervisory Board are elected by the General Meeting of Shareholders and this is the right and prerogative of the shareholders. Accordingly, the Supervisory Board appoints the members of the Management Board. The remuneration of the members of the Supervisory Board and the Management Board is determined by the General Meeting of Shareholders and is paid only in accordance with the adopted Remuneration Policy of the company. The determination of the remuneration of the members of the Supervisory Board and the Management Board is consistent with the size, internal organization, as well as the nature, scope and complexity of the activities carried out in the company and the group of Eurohold Bulgaria AD. The members of the Management Board and the Supervisory Board may be re-elected without restriction.

This Corporate Governance Declaration of Eurohold Bulgaria AD is an integral part of the Annual Activity Report for 2021, which was approved by the Management Board of the company.

3 April 2023

Kiril Boshov
Chairman of the Management Board and Executive Director

**KIRIL
IVANOV
BOSHOV**

Digitally signed by
KIRIL IVANOV
BOSHOV
Date: 2023.04.03
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Assen Minchev
Executive Director

**ASEN
MINCHEV
MINCHEV**

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ASEN MINCHEV
MINCHEV
Date: 2023.04.03
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REMUNERATION REPORT

Prepared on the basis of Art. 12 of Ordinance № 48 of the Financial Supervision Commission of 20 March 2013 on the requirements for remuneration.

This report is brought to the attention of the company's general meeting of shareholders and contains information on how the remuneration policy has been implemented for the period of the financial year 2022. This report also includes a program for implementing the remuneration policy developed by the Board of Directors of recommendation of the Remuneration Committee.

REMUNERATION REPORT FOR 2022

1 / *Information on the decision-making process in determining the remuneration policy, including, if applicable, information on the mandate and composition of the remuneration committee, the names of the external consultants whose services were used in determining the remuneration policy*

The remuneration policy of the members of the Management and Supervisory Boards of Eurohold Bulgaria AD (the Policy), amendments or supplements, as well as the program for its implementation, is developed at the proposal of the Supervisory Board and approved by the General Meeting of Shareholders. The policy also applies to the company's procurators.

The remuneration of the members of the Supervisory and Management Board of Eurohold Bulgaria AD is formed in accordance with the following basic principles:

- ✓ Transparency of remuneration practices;
- ✓ Compliance of the remuneration with the commitment of the members of the management and control body with the implementation of the strategy for the development of the public company, the short-term and long-term goals with reasonable risk assessment;
- ✓ Support for long-term value creation for shareholders;
- ✓ Non-discrimination, conflict of interest and unequal treatment of the members of the supervisory and management board of the company in determining the remuneration;

The current policy was developed by the Supervisory Board of the company and approved by the General Meeting on 30.09.2020, repealing the remuneration policy of the members of the Management and Supervisory Boards, adopted by the General Meeting on 02.10.2013.

With this policy the General Meeting of Shareholders determines that the function of the Remuneration Committee will be performed by the Supervisory Board of Eurohold Bulgaria AD within the meaning of Art. 21, para. 3 of Ordinance №48 of the FSC.

The services of external consultants were not used in determining the remuneration policy.

2 / *Information on the relative weight of the variable and permanent remuneration of the members of the management and supervisory bodies and the procurator of the company.*

The members of the supervisory and management boards and the procurator of the company receive only a permanent remuneration, which represents 100% of the agreed remuneration.

The permanent remunerations received by the members of the Supervisory Board and the Management Board and the procurator are in compliance with the basic principles described in item 1, as well as with the general provisions set out in the remuneration policy.

The remuneration structure is formed by elements that in combination guarantee an appropriate ratio and fair remuneration, in accordance with the strategy, goals, values and long-term value creation for the group of Eurohold Bulgaria AD as a whole.

The members of the Supervisory Board and the Management Board and the procurator may also receive other remuneration from subsidiaries of Eurohold Bulgaria AD, in which they perform management and / or control functions.

3 / *Information regarding the criteria for achieved results, on the basis of which options on shares, shares of the company or other type of variable remuneration are provided and an explanation of how the criteria under Art. 14, para. 2 and 3 contribute to the long-term interests of the company*

The remuneration policy provides for the possibility in the next period for the GMS to approve, upon a proposal of the Supervisory Board, the provision of variable remuneration by determining the specific criteria for their receipt.

At present, the members of the Supervisory and Management Boards and the procurator do not receive variable remuneration, including options on shares.

4 / *Explanation of the applied methods for assessment of whether the criteria for the achieved results are met*

The remunerations received by the members of the Supervisory Board and the Management Board and the procurator for the reporting year 2022 are only permanent and are based on the basic principles in determining the remunerations specified in item 1.

The company does not pay variable remuneration and has not developed criteria, respectively methods for evaluating their implementation.

5 / *Clarification of the relationship between the remuneration received and the results achieved*

The members of the Management Board and the Supervisory Board and the procurator receive only a permanent remuneration, which corresponds to the basic principles set out in item 1.

In 2022, the remuneration is determined based on the contribution of each member to the management for the implementation of the company's strategic goals related to the sale of investments in the automotive and leasing sectors, as well as the development and organic growth of the insurance and energy sectors. The main measure is the exclusion from the company's balance sheet of leasing and car investments, and the growth of the company's consolidated assets.

6 / *The main payments and justification of the annual scheme for payment of bonuses and / or all other non-monetary additional remunerations*

In addition to the permanent remuneration received, the members of the Management Board and the Supervisory Board and the procurator have the right to receive additional health insurance, according to the applicable policy for additional incentives for the employees of Eurohold Bulgaria AD.

7 / *Description of the main characteristics of the supplementary voluntary pension scheme and information on the contributions paid and / or due by the company to the respective member of the management or supervisory body and procurator for the respective financial year, where applicable*

The company does not pay at its own expense contributions for additional voluntary pension insurance to the executive director, as well as to the members of the supervisory, management board, incl. and the procurator. Due to this circumstance, a description of the applied scheme for voluntary pension insurance is not applicable.

8 / Information on the periods of deferral of payment of variable remuneration

The Company does not pay variable remuneration to the members of the Supervisory Board and the Management Board, incl. and to procurator, which is why no scheme for postponing such remuneration has been adopted. Disclosure in this report of information related to periods of deferral of variable remuneration is not applicable.

9 / Information on the compensation policy upon termination of contracts

The contracts of the members of the Supervisory Board and the Management Board do not provide for benefits in case of termination of the contracts, therefore information on such benefits is not applicable. The same is true for the procurator of the company.

10 / Information for the period in which the shares cannot be transferred and the options on shares cannot be exercised, in case of variable remuneration based on shares

At present, the company does not envisage granting options on shares or shares of the company to the members of the Supervisory and Management Boards, as well as to the procurator, therefore information on the period in which the shares cannot be transferred and options on shares is not applicable. cannot be exercised.

11 / Information on the policy for keeping a certain number of shares until the end of the term of office of the members of the management and control bodies after the expiration of the period under item 10

The company does not follow a policy of retaining a certain number of shares until the end of the term of the members of the supervisory and management boards and procurators after a certain period. Providing information in this sense is not applicable.

12 / Information on the contracts of the members of the management and supervisory bodies, including the term of each contract, the term of the notice of termination and details of the compensation and / or other payments due in case of early termination
a) Information on the contracts of the members of the Supervisory and Management Boards of the Company

Name and position	Date of appointment	Term of the mandate, according to art. 33 (2) and Art. 43 (2) of the Articles of Association	Possibility to extend the contract	Term of the contract	Term of notice for termination
Supervisory Board					
Assen Christov, Chairman	12.12.2006	Five years	unlimited	until the end of the term	without notice
Dimitar Dimitrov, Deputy Chairman	12.12.2006	Five years	unlimited	until the end of the term	without notice
Radi Georgiev, Member	17.04.2015	Five years	unlimited	until the end of the term	without notice
Kustaa Lauri Aima, Independent Member	27.07.2017	Five years	unlimited	until the end of the term	without notice
Ivaylo Krasimirov Angarski	20.07.2021	Five years	unlimited	until the end of the term	without notice
Louise Gabrielle Roman, Member	27.11.2018	Five years	unlimited	until the end of the term	without notice
Management Board					
Kiril Boshov, Chairman	12.12.2006	Five years	unlimited	until the end of the term	without notice
Asen Minchev, Executive Director	12.12.2006	Five years	unlimited	until the end of the term	without notice

Velislav Christov, Member	22.10.2012	Five years	unlimited	until the end of the term	without notice
Assen Assenov *, Member	20.08.2009	Five years	unlimited	until the end of the term	without notice
Razvan Lefter, Member	22.08.2017	Five years	unlimited	until the end of the term	without notice

**In 2022, there is a termination of the functions of the member of the Management Board Assen Assenov with an entry in the Commercial Register and the Register of the National Register of Companies at the Registration Agency, on 25.08.2022.*

b) Information about the contract of the procurator of the Company

Name and position	Date of appointment	Term of the mandate, according to art. 33 (2) and Art. 43 (2) of the Articles of Association	Possibility to extend the contract	Term of the contract	Term of notice for termination
Procurator					
Milena Milchova Guencheva	22.12.2020	not applicable	not applicable	until the withdrawal of the power of attorney	without notice

c) Details of benefits and / or other payments due in the event of early termination - the Remuneration Policy Implementation Program does not provide for such benefits and / or other payments

The Company does not have an agreement for payment of amounts for compensations upon termination of a contract with the members of the Management and Supervisory Boards, as well as with the procurators, regardless of the termination of the person's functions. In the reporting year 2021 there are cases of early termination of the contract with a member of the Supervisory Board and procurator of the Company;

In the reporting year 2022, there were cases of early termination of the management contract with the member of the management board of the Company Assen Emanuilov Assenov.

13 / Full amount of the remuneration and other material incentives of the members of the management and control bodies for the respective financial year

General information on the summarized annual amount of remuneration paid to the members of the Supervisory Board, the Management Board and the Procurators:

The total annual amount of the remuneration paid to the members of the Supervisory Board by EUROHOLD BULGARIA AD amounts to **BGN 144 497**.

The annual amount of remuneration paid to all members of the Supervisory Board by other companies in the same group amounts to **BGN 302 431**.

The total annual amount of the remuneration paid to the members of the Management Board by EUROHOLD BULGARIA AD amounts to **BGN 206 496**.

The total annual amount of remuneration paid to all members of the Management Board by other companies from the same group amounts to **BGN 948 789**.

The total annual amount of the remuneration paid to the Procurator of the company by EUROHOLD BULGARIA AD amounts to **BGN 13 320**.

The total annual amount of remuneration paid to the Procurator of the company by other companies in the same group - **BGN 235 778**.

14 / Information on the remuneration of each person who has been a member of a management or supervisory body in the public company for a certain period during the respective financial year

The permanent gross remuneration paid by Eurohold Bulgaria AD to the members of the Supervisory Board is in accordance with the agreements in the current contract for supervision of the respective member of the Supervisory Board, to the members of the Management Board in accordance with the agreements in the current contract for assignment. of procurators - in relation to the contracts for procuration.

Eurohold Bulgaria AD pays to the members of the Supervisory and Management Boards, as well as to the procurators of the Company, determined and agreed permanent remuneration on a monthly basis.

According to the Remuneration Policy, the members of the Supervisory and Management Boards may receive different amounts of remuneration. Also, the GMS, respectively the Supervisory Board may not decide to receive a permanent remuneration from a member of the Supervisory Board or the Management Board, with the express consent of this member and the same applies to the procurator of the Company. In this regard, some of the members of the management or supervisory body of Eurohold Bulgaria AD do not have an agreed remuneration and accordingly such remuneration has not been paid to them for the reporting financial year 2022.

a) Information on the full amount of the permanent remuneration for 2022, paid by Eurohold Bulgaria AD to the members of the Supervisory and Management Boards of the company

Name and position	Amount of permanent gross remuneration paid by Eurohold Bulgaria for 2022	Amount of the paid and / or accrued remuneration for 2022, if the person has held the position only for a certain period in 2022.	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2022	Total amount of remuneration received and / or accrued from Eurohold Bulgaria for 2022
	BGN	BGN	BGN	BGN
Supervisory Board				
Assen Christov, Chairman	14 640	not applicable	not applicable	14 640
Dimitar Dimitrov, Deputy chairman	7 200	not applicable	not applicable	7 200
Radi Georgiev, Member	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
Kustaa Lauri Aima, Independent Member	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
Ivaylo Krasimirov Angarski, Independent Member	48 000	not applicable	not applicable	48 000
Louise Gabrielle Roman, Member	74 657	not applicable	not applicable	74 657
Total remuneration paid to the Supervisory Board	144 497	not applicable	not applicable	144 497
Management Board				
Kiril Boshov, Chairman	24 000	not applicable	not applicable	24 000
Assen Minchev, Executive Director	164 468	not applicable	not applicable	164 468
Velislav Christov, Member	not applicable	10 245	not applicable	10 245
Assen Assenov*, Member	not applicable	7 783	not applicable	7 783
Razvan Lefter, Member	none	not applicable	not applicable	none
Total remuneration paid to the Management Board	188 468	18 028	-	206 496

*In 2022, there is a termination of the functions of the member of the Management Board Asen Assenov with an entry in the Commercial Register and the Register of the National Register of Companies at the Registration Agency, on 25.08.2022.

b) Information on the full amount of the permanent remuneration for 2022 paid by Eurohold Bulgaria AD to the procurator of the Company

Name and position	Amount of permanent gross remuneration paid by Eurohold Bulgaria for 2022	Amount of the paid and / or accrued remuneration for 2022, if the person has held the position only for a certain period in 2022	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2022	Total amount of remuneration received and / or accrued from Eurohold Bulgaria for 2022
	BGN	BGN	BGN	BGN
Procurator				
Milena Milchova Gencheva	13 320	not applicable	not applicable	13 320
Total remuneration paid to procurators	13 320	-	-	13 320

c) Information on the full amount of the permanent remuneration and other material and intangible incentives received from the members of the Supervisory and Management Boards of the Company and the procurator from other companies from the same group (Eurohold Group)

According to the remuneration policy, the members of the Supervisory and Management Boards, as well as the procurators, may receive other remunerations, including fixed and variable, agreed in subsidiaries of Eurohold Bulgaria AD, in which they perform management and / or control functions. Information on the companies with which some of the members of the Supervisory and Management Boards and the procurators have concluded contracts for control and management, power of attorney and / or consulting contracts is presented below:

✓ **Regarding the members of the Management Board and the Supervisory Board**

Name and position (basis for remuneration received)	Amount of total paid permanent gross remuneration and bonuses from companies - part of the Eurohold Bulgaria group for 2022	Amount of the paid and / or accrued remuneration for 2022, if the person has held the position only for a certain period in 2022.	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2022*	Total amount of remuneration received and / or accrued by companies - part of the Eurohold Bulgaria group for 2022
	BGN	BGN	BGN	BGN
Supervisory Board				
Assen Christov (according to the management and control contracts)	49 009	not applicable	not applicable	49 009
Dimitar Dimitrov (according to the power of attorney contract)	183 611	2 141	not applicable	185 752
Radi Georgiev (according to the current control contract and consulting contract)	67 670	not applicable	not applicable	67 670
Kustaa Lauri Aima	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
Ivaylo Krasimirov Angarski, Independent Member	held office for a certain period in 2021	held office for a certain period in 2021	not applicable	there is no agreed and paid remuneration
Louise Gabrielle Roman	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration

Total remuneration paid to the Supervisory Board	302 431	-	-	302 431
Management Board				
Kiril Boshov (according to management contracts)	591 188	not applicable	not applicable	591 188
Asen Minchev (according to the power of attorney contract)	33 797	21 474	not applicable	55 271
Velislav Christov (according to management contract and consulting contract)	168 968	164	not applicable	169 132
Asen Asenov* (according to management contracts)	27 042	106 156	not applicable	133 198
Razvan Lefter	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
Total remuneration paid to the Management Board	820 995	127 794	-	948 789

* In 2022, there is a termination of the functions of the member of the Management Board Asen Asenov in subsidiary companies.

In 2022, for the members of the Board of Directors of Eurohold Bulgaria AD Asen Minchev and Asen Asenov, there is a termination of the management contract concluded with the subsidiary of the group.

✓ **About the Procurator**

Name and position (basis for remuneration received)	Amount of total paid permanent gross remuneration and bonuses from companies - part of the Eurohold Bulgaria group for 2022	Amount of the paid and / or accrued remuneration for 2022, if the person has held the position only for a certain period in 2022.	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2022*	Total amount of remuneration received and / or accrued by companies - part of the Eurohold Bulgaria group for 2022
	BGN	BGN	BGN	BGN
Procurators				
Milena Milchova Gencheva	235 778	not applicable	not applicable	235 778
Total remuneration paid to procurators	235 778			235 778

*In 2022, there is no person who is a procurator of Eurohold Bulgaria AD, whose functions have been terminated in connection with an award contract concluded by other companies from the same group (the Eurohold group)..

d) Remuneration received from the person in the form of distribution of profits and / or bonuses from Eurohold Bulgaria, as well as from subsidiaries of Eurohold Bulgaria and the grounds for their provision

There is no person, a member of the supervisory or management board, as well as a procurator, who has received remuneration in the form of profit distribution and/or bonuses based on the results of "Eurohold Bulgaria" AD.

There are no specific cases in the remuneration policy for 2022 in which the persons in charge of management or control functions receive additional (variable) remuneration linked to the results of the activity in the form of profit distribution and / or bonuses.

e) Compensation paid and / or accrued on termination of service during the last financial year

The contracts of the members of the Supervisory and Management Boards, as well as of the procurators, do not provide for compensation in case of termination of the contracts, therefore such information is inapplicable.

f) Any additional payments for services provided by the person outside his normal functions, where such payments are eligible under the contract concluded with him

In the contracts for management and control, as well as in the contracts for power of attorney, there is no agreement for payment of additional amounts in case of services provided by the person outside his usual functions. In this regard, such additional services provided were not performed, respectively not paid.

g) All other non-monetary benefits equal to remuneration, other than those mentioned above in this report

For some of the members of the Management and Supervisory Boards and the procurator there are agreed non-monetary benefits, depending on the functions they perform in Eurohold Bulgaria AD or in companies of the Eurohold Group. Such non-monetary benefits can be a business phone and additional health insurance. These additional non-monetary benefits are also provided to all employees on a basic employment contract in Eurohold Bulgaria AD.

h) Information on all provided loans, payments for social and household expenses and guarantees from Eurohold Bulgaria AD or its subsidiaries, as well as other companies that are subject to consolidation in the annual financial statements of Eurohold Bulgaria AD, including and the remaining unpaid portion of them and interest

Eurohold Bulgaria AD, its subsidiaries, as well as other companies that are subject to consolidation in the annual financial statements of Eurohold Bulgaria AD, have not provided loans to the members of the Management and Supervisory Boards and the procurator, have not performed instead, payments for social and household expenses have not issued guarantees in his favor, therefore information on the unpaid part of such obligations and interest on them is not applicable.

15 / Information regarding shares and / or stock options and / or other share-based incentive schemes

At present, the company does not provide the members of the supervisory and management boards, as well as the procurators with stock options or stock options and / or other incentive schemes based on the company's shares.

Due to this circumstance, the company does not submit information under Art. 13, item 15 of Ordinance № 48 of the Financial Supervision Commission of 20 March 2013 on the requirements for remuneration, regarding the following circumstances:

- a) number of options offered on shares or shares granted by the company during the respective financial year and the conditions under which they were offered, respectively granted**
 - None
- b) number of options exercised on shares during the financial year in question and for each of them, number of shares and the exercise price of the option or the value of interest under the share-based incentive scheme at the end of the financial year**
 - None
- c) number of unused options on shares at the end of the financial year, including data on their price and date of exercise and essential conditions for exercising the rights**
 - None
- d) any changes in the terms and conditions of existing stock options accepted during the financial year**
 - None

16 / Information on the annual change in remuneration, the results of the company and the average amount of remuneration based on full-time employees of the company who are not directors in the previous at least five financial years, presented together in a way that allows comparison - Appendix 1 to the Report on the Implementation of the Remuneration Policy of the Members of the Board of Directors of EUROHOLD BULGARIA AD for 2022.

Information on the annual change in the remuneration, assets and financial result of the company and the average amount of remuneration of full-time and part-time employees who are not directors (outside the Board and the Supervisory Board) for at least the previous five financial years, presented together in a manner, to allow matching

Year	2017	Change	2018	Change	2019	Change	2020	Change	2021	Change	2022
		2018 / 2017		2019 / 2020		2020 / 2019		2021 / 2020		2022 / 2021	
Indicator	BGN	%	BGN	%	BGN	%	BGN	BGN	BGN	%	BGN
Gross remuneration of the members of the National Assembly for a year	21,840	214.93%	68,780	130.10%	158,264	12.66%	178,307	-8.51%	163,140	-11.43%	144,497
Gross remuneration of the members of the Management Board for one year	74,400	9.68%	81,600	57.00%	128,114	-12.89%	111,600	16.97%	130,540	58.19%	206,495
Gross remuneration of persons with a contract for the Prosecutor's Office	12,720	0.00%	12,720	4.72%	13,320	0.00%	13,320	39.77%	18,618	-28.46%	13,320
Average amount of remuneration per member of the Supervisory Board and the Management Board per year	15,565	29.19%	20,108	65.61%	33,300	1.18%	33,692	23.06%	41,460	25.42%	51,999
Gross remuneration of executive directors for the year	50,400	14.29%	57,600	81.67%	104,640	-4.82%	99,600	19.02%	118,540	58.99%	188,468
Average remuneration of executive directors per year	25,200	14.29%	28,800	81.67%	52,320	-4.82%	49,800	19.02%	59,270	58.99%	94,234
Amount of assets for the period	557,922	3.86%	579,442	1.13%	585,962	8.15%	633,741	-100.00%	720,332	(3.43)%	695,612
Financial result for the period	(17 306)	(110)%	1 660	(981)%	(14 631)	15%	(16 754)	595%	(116 388)	(12)%	(102 147)
Regarding remuneration of employees in the company on a FULL TIME basis											
Gross remuneration of non-directors per year	212,191	27.11%	269,721	17.95%	318,148	8.17%	344,131	14.83%	395,170	7.42%	424,495
Average remuneration of non-directors per year	35,565	26.40%	44,953	1.11%	45,450	8.17%	49,162	32.13%	64,960	6.69%	69,305
Regarding remuneration of part-time employees in the company equated to full-time employees											
Gross remuneration of non-directors per year	46,495	59.73%	74,267	88.59%	140,062	61.36%	225,999	39.39%	315,026	9.95%	346,380
Average remuneration of non-directors per year	23,248	-20.14%	18,567	-16.18%	15,562	107.46%	32,286	2.71%	33,161	18.81%	39,399
Regarding remuneration of FULL-TIME employees together with PART-TIME employees											
Average amount of remuneration of employees in the company who are not directors for a year	32,101.5	-1.06%	31,760	-3.95%	30,506	33.49%	40,724	11.91%	45,574	13.40%	51,679

17 / Information for exercising the possibility to demand a refund of variable remuneration

No additional remuneration has been paid to the members of the Management Board and the Supervisory Board and the procurator in any form, therefore information on the possibilities for returning variable remuneration is inapplicable.

18 / Information on all deviations from the procedure for the implementation of the Remuneration Policy in connection with extraordinary circumstances under Article 11, paragraph 13, including an explanation of the nature of the extraordinary circumstances and an indication of the specific components that have not been implemented

The remuneration policy does not provide for deviations from the procedure for its application in connection with extraordinary circumstances under Article 11, paragraph 13, including an explanation of the nature of the extraordinary circumstances and an indication of the specific components that have not been applied.

Remuneration policy implementation program for the next financial year or longer

The Basic Principles of Remuneration of the members of the Supervisory Board and the Management Board, adopted at the regular annual General Meeting of Shareholders in 2020, set out the basic principles of Ordinance № 48 of the FSC.

The remuneration policy aims to support the long-term business goals of the company and to promote behavior that supports the creation of value for shareholders, while providing competitive remuneration that is sufficient to attract and retain directors with qualities necessary for successful management and development of the company. This policy is designed to be implemented for a long period of time, unless the company's shareholders request its update and change. Amendments to the Policy approved by the General Meeting of Shareholders shall be adopted in the order of its preparation and approval.

The Supervisory Board, in its function as the Remuneration Committee, considers that the criteria for determining the remuneration are currently effective, in view of the financial results achieved during the reporting period. The implementation of these criteria will continue to be a priority of the Supervisory Board.

For the next 2023 financial year, the Remuneration Committee of Eurohold Bulgaria AD proposes that the remuneration of the members of the Management Board, the Supervisory Board and the Procurator remain unchanged compared to 2022, and that only permanent remuneration be paid to them, as follows:

Management Board

- Kiril Ivanov Boshov - BGN 24 000
- Assen Minchev Minchev - BGN 172 320
- Velislav Milkov Christov - without remuneration
- Razvan Stefan Lefter - without remuneration

Supervisory Board

- Assen Milkov Christov - BGN 14 640
- Dimitar Stoyanov Dimitrov - BGN 7 200
- Louise Gabrielle Roman - \$ 67 000
- Kustaa Lauri Aima - without remuneration
- Radi Georgiev Georgiev - without remuneration
- Ivaylo Krasimirov Angarski - BGN 48 000

Procurator

- Milena Milchova Gencheva - BGN 13 320

The members of the Supervisory Board and the Management Board agree that in case of a sharp change in the financial and economic indicators, regardless of whether they are in an upward or downward direction, the Remuneration Program will be revised and the changes reflected in it will be duly adopted.

Information on recommendations made in the previous remuneration report and disclosure of how these recommendations have been taken into account

No recommendations were made on the previous remuneration report by a shareholder or his representative participating in the regular meeting of the General Meeting of Eurohold Bulgaria AD.

This report was prepared in accordance with the recommendations of the Supervisory Board and adopted at a meeting of the Management Board together with the annual financial statements for 2022.

The remuneration report is published on the website of "Eurohold Bulgaria" AD (www.eurohold.bg) at the same time as the annual financial report for 2022 and is available for a period of 10 years.

3 April 2023

Kiril Boshov

**KIRIL IVANOV
BOSHOV**

Digitally signed by
KIRIL IVANOV BOSHOV
Date: 2023.04.03
17:34:13 +03'00'

Chairman of the Management Board and Executive Director

Assen Minchev

**ASEN
MINCHEV
MINCHEV**

Digitally signed by
ASEN MINCHEV
MINCHEV
Date: 2023.04.03
17:34:27 +03'00'

Executive Director

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DECLARATION BY THE
RESPONSIBLE PERSONS

DECLARATION**under Art. 100n, para 4, item 4 of POSA**

The undersigned,

1. Kiril Boshov - Chairman of the Management Board of Eurohold Bulgaria AD
2. Assen Minchev - Executive Director of Eurohold Bulgaria AD
3. Salih Trampov - Chief Accountant of Eurohold Bulgaria AD (compiler of financial statements)

WE DECLARE that as far as we know:

1. The annual financial statements for 2022, prepared in accordance with the applicable accounting standards, accurately and fairly reflect the information on the assets and liabilities, financial condition and profit or loss of Eurohold Bulgaria AD;
2. The Annual Activity Report for 2022 contains a reliable overview of the development and results of the activities of Eurohold Bulgaria AD, as well as a description of the main risks and uncertainties facing the company.

Declarators:

- | | | |
|----|---------------|--|
| 1. | Kirill Boshov | KIRIL
IVANOV
BOSHOV
<small>Digitally signed by
KIRIL IVANOV
BOSHOV
Date: 2023.04.03
17:33:03 +03'00'</small> |
| 2. | Assen Minchev | ASEN
MINCHEV
MINCHEV
<small>Digitally signed by
ASEN MINCHEV
MINCHEV
Date: 2023.04.03
17:33:25 +03'00'</small> |
| 3. | Salih Trampov | SALIH
REDZHEPOV
TRAMPOV
<small>Digitally signed by
SALIH REDZHEPOV
TRAMPOV
Date: 2023.04.03
17:33:46 +03'00'</small> |

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INDEPENDENT AUDITOR'S REPORT

Grant Thornton OOD

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
EUROHOLD BULGARIA AD
Sofia, 43, Christopher Columbus Blvd.

Report on the Audit of the Separate Financial Statements

Qualified Opinion

We have audited the separate financial statements of Eurohold Bulgaria AD („the Company“), which comprise the separate statement of financial position as of 31 December 2022 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year ended and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion” section of our report, the accompanying separate financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted from the EU and the Bulgarian legislation.

Basis for Qualified Opinion

As disclosed in Note 13 “Investments in subsidiaries” to the separate financial statements, the Company has investments with carrying value of BGN 651 950 thousand as of 31 December 2022, of which BGN 471 100 thousand are related to the investment in Euroins Insurance Group AD. Due to the occurrence of the events on 17 March 2023, which are described in Note 31 “Events after the end of the reporting period” to the separate financial statements, related to the loss of license and the commencement of procedure for insolvency of Euroins Romania Asiguarare – Reasigurare S.A., Romania, a material controlled undertaking from the insurance segment of Eurohold Group, Company’s management performed impairment testing of the investments in the insurance segment, especially those Bulgarian entities, which were directly affected by the events on 17 March 2023, IC EIG RE EAD and Euroins Insurance Group AD. The fair value of the investments in Bulgarian companies was determined on the basis of reports issued by two independent external valuation experts. The management of Eurohold Bulgaria AD recognised impairment loss of BGN 52 715 thousand in 2022 related to the investment in Euroins Insurance Group AD. Due to the specific judgements and estimates made by management in determining the recoverable amount of the investment of Eurohold Bulgaria AD in Euroins Insurance Group AD in accordance with IAS 36 “Impairment of assets”, we were unable to obtain sufficient and appropriate audit evidence regarding the reasonableness of these estimates and judgements. Consequently, we were unable to determine whether and to what extent further adjustments are necessary to the carrying amount of BGN 471 100 thousand of the investment in the subsidiary Euroins Insurance Group AD as of 31 December 2022.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Separate Financial Statements” section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit issues are those issues that, in our professional judgment, were of the greatest importance in the audit of the separate financial statements for the current period. These matters are considered as part of our audit of the separate financial statements as a whole and the formation of our opinion on it, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Basis for Qualified Opinion" section, we have identified the matter described below as a key audit matter to be communicated in our report.

Disclosure of related party transactions and balances	
The disclosures of the Company regarding the related party transactions and balances are presented in Notes 28 and 30 to the separate financial statements.	
Key audit matter	How this matter was addressed during the audit
<p>The main activity of Eurohold Bulgaria AD, a holding company, is acquisition and management of subsidiary undertakings. The main revenue, expenses, gains and losses of the holding company are from management and return on investment. In addition, in 2022 and the comparative period the Company disposed of its investments in the subsidiaries engaged in the automobile and lease segments.</p> <p>As disclosed in Note 30 to the separate financial statements, as of 31 December 2022 the Company has related party receivables with carrying value BGN 23 759 thousand and related party payables of BGN 31 753 thousand.</p> <p>The Company carried out significant non-cash transactions with related parties and third parties, which are disclosed in Note 28 as well as significant related party transactions, as disclosed in Note 30.1, which affect most of the items recognised in profit or loss and the items in the separate statement of financial position.</p> <p>Due to the significance of the amounts and the nature of the transactions with related parties for the users of the separate financial statements, we have selected their disclosures as a key audit matter.</p>	<p>In this area, our audit procedures included, but were not limited to, evaluating management's assessment of the accounting treatment of the transactions with related parties and performing the following audit procedures:</p> <ul style="list-style-type: none"> - analysis of the Company's contractual agreements with related parties, as well as specific facts and circumstances, in order to identify the nature of the transactions and their effect on the financial condition and results of operations of the Company; - receipt of confirmation letters on related party transactions and balances, as well as management's statements, which we analysed in the context of the available documentation for these transactions; - analysis of certain documents and registers selected by us in order to identify relationships and transactions with related parties as well as inquiries and analysis of the procedures established by the Company for identifying related parties; - we focused on the assessment of the presentation and disclosure of transactions and balances with related parties in view of their consistency with our understanding of the business model of the Company and its subsidiaries, as well as the results of our audit procedures in other relevant areas; - procedures for assessment of the adequacy of Company's disclosures in the separate financial statements regarding related parties, including the assessment of the carrying value of the receivables from and payables to them.

Information Other than the Separate Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information consists of the annual activity report, including the corporate governance statement and the report on compliance with the remuneration policy prepared by management in accordance with the Accounting Act and other applicable legislation requirements, but does not include the separate financial statements and our audit report thereon.

Our opinion on the separate financial statements does not cover other information and we do not express any form of assurance about it unless expressly stated in our report and to the extent that it is stated. In connection with our audit of the separate financial statements, our responsibility is to read the other information and thereby determine whether that other information is materially inconsistent with the separate financial statements or our knowledge of the audit, or otherwise it appears to contain material misstatement. In the

event that, based on the work we have done, we conclude that there is a material misstatement in this other information, we are required to report this fact.

As described in the "Basis for Qualified Opinion" section of this report, we have not been able to obtain sufficient appropriate audit evidence on the matter identified in this section. Accordingly, we are unable to conclude whether the other information does not contain material misstatement in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Accounting Standards (IAS), adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council (IFRS) adopted by the EU and Bulgarian law, and for such an internal control system as management deems necessary to ensure the preparation of financial statements that do not contain material misstatements, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain a reasonable degree of assurance as to whether the separate financial statements as a whole do not contain material misstatements, whether due to fraud or error, and to issue an audit report that includes our audit opinion. A reasonable level of assurance is a high level of assurance, but there is no guarantee that an audit performed in accordance with ISA and the Independent Financial Audit Act will always reveal material misstatement, where such exists. Incorrect readings may arise as a result of fraud or error and are considered material if it could reasonably be expected that they, alone or as a whole, could influence the economic decisions of consumers made on the basis of this financial statement. report.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the separate financial statements, whether due to fraud or error, develop and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not disclosing material misstatement resulting from fraud is higher than the risk of material misstatement resulting from error, as fraud may include collusion, falsification, intentional omissions, introductory statements the auditor's misrepresentation, as well as neglect or circumvention of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the accounting base based on the going concern assumption and, based on the audit evidence obtained, whether there is material uncertainty about events or conditions that could give rise to significant doubts about the Company's ability to continue to operate as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the disclosures related to this uncertainty in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to operate as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section "Information Other than the Separate Financial Statements and Auditor's Report Thereon", regarding annual activity report, including the corporate governance statement and the report on compliance with the remuneration policy, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act and Article 100m, paragraph (10) in relation to Article 100m, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act, as well as Article 100m, paragraph 14 in relation to Article 116c, paragraph (1) of Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the activity report is consistent with the separate financial statements for the same reporting period, on which we have issued qualified opinion in the section "Report on the Audit of the Separate Financial Statements" above;
- (b) the activity report is prepared in accordance with the applicable legal requirements;
- (c) as a result of the acquired knowledge and understanding of the Company's activities and the environment in which it operates, we have not identified cases of material misstatement in the activity report, except for the possible effect described in "Information Other than the Separate Financial Statements and Auditor's Report Thereon" in "Report on the Audit of the Separate Financial Statements";
- (d) the corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100m, paragraph (8) of Bulgarian Public Offering of Securities Act;
- (e) the report on compliance with the remuneration policy has been prepared in accordance with the requirements of the ordinance pursuant to Article 116c, paragraph 1 of Bulgarian Public Offering of Securities Act and the information in it is consistent with the separate financial statements for the same reporting period.

Statement Pursuant to Article 100m, Paragraph (10) of Bulgarian Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Company and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Company in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the corporate governance statement, being a component of the annual management report.

Additional reporting concerning the audit of financial statements in connection with Article 100m, paragraph (4), subparagraph (3) of Bulgarian Public Offering of Securities Act

- *Statement on Article 100m, paragraph 4, subparagraph (3), item "b" of Public Offering of Securities Act*

Related party transactions are disclosed in note 30 to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of separate financial statements

as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the accompanying separate financial statements for the year ended on 31 December 2022, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures“. The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on related party transactions.

– *Statement on Article 100m, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act*

Our responsibilities for audit of the separate financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Separate Financial Statements“, include assessment whether the separate financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the separate financial statements for the year ended on 31 December 2022, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the separate financial statements, were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on the significant transactions.

Reporting on compliance of the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, para 4 of Bulgarian Public Offering of Securities Act with the requirements of ESEF Regulation

In addition to our responsibilities and reporting under ISA, described above in the section "Auditor's Responsibilities for the Audit of the Separate Financial Statements", we have followed the procedures in accordance with the Guidelines on Issuing of Audit Opinion regarding the Implementation of the European Single Electronic Format (ESEF) for the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)" of Bulgarian Institute of Chartered Accountants (ICPA) in Bulgaria". These procedures include verifying the electronic file format and whether the human readable part of it corresponds to the audited separate financial statements and expressing an opinion regarding the compliance of the electronic format of the separate financial statements of Eurohold Bulgaria AD for the year ended 31 December 2022, contained in the electronic file „74780000JOW85Y204X80-20221231-BG-SEP.xhtml“, with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"). Based on these requirements, the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, para. 4 of Bulgarian Public Offering of Securities Act, must be submitted in XHTML format.

The management of the Company is responsible for the application of the requirements of ESEF Regulation when preparing the electronic format of the separate financial statements in XHTML.

Our opinion is only regarding the electronic format of the separate financial statements included in the electronic file „74780000JOW85Y204X80-20221231-BG-SEP.xhtml“ and does not include the other information contained in the annual separate financial report on the activity under art. 100n, para. 4 of Bulgarian Public Offering of Securities Act.

Based on the performed procedures, our opinion is that the electronic format of the separate financial statements of the Company for the year ended 31 December 2022, contained in the attached electronic file „74780000JOW85Y204X80-20221231-BG-SEP.xhtml“, on which we are issuing a qualified audit opinion, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the separate financial statements of "Eurohold Bulgaria" AD for the year ended on 31 December 2022 by the general meeting of shareholders, held on 28 November 2022, for a period of one year.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2022 of the Company represents second, consecutive year of continuous commitment for mandatory audit of this company, performed by us.
- In support of the audit opinion, we have provided in the "Key Audit Matter" section a description of the most important assessed risks, a summary of the auditor's response and important observations regarding those risks, where appropriate.
- We confirm that our audit opinion is consistent with the additional report to the audit committee of the Company, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company and its controlled undertakings in conducting the audit.
- For the period covered by our statutory audit, in addition to the audit, we have not provided other services to the Company, which are not disclosed in the annual separate financial statements.

Mariy Apostolov
Managing partner

Silvia Dinova
Registered auditor responsible for the audit

Grant Thornton Ltd., registered № 032
Audit firm

4 April 2023
Bulgaria, Sofia, 26, Cherni Vrah Blvd.

Grant Thornton OOD

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DECLARATION under Art. 100n, para. 4, item 3 of the Public Offering of Securities Act

To the shareholders of
EUROHOLD BULGARIA AD
Sofia, 43 Christofoor Columbus Blvd.

Undersigned:

1. Mariy Georgiev Apostolov, in my capacity as Manager of an **audit firm** Grant Thornton OOD, registered with UIC 831716285, with registered office, address of management and address for correspondence: Sofia, 1421, Cherni Vrah Bld. № 26 and
2. Silvia Borislavova Dinova, in my capacity as a registered auditor (with reg. № 737 from the register under Art. 20 of the Independent Financial Audit Act), responsible for the audit engagement on behalf of audit firm Grant Thornton (with reg. № 032 from the register under Art. 20 of the Independent Financial Audit Act), **we declare that:**

The audit firm Grant Thornton OOD was engaged to perform a statutory financial audit of the financial statements of Eurohold Bulgaria AD for 2022, prepared in accordance with International Financial Reporting Standards, adopted by the EU, the common name of the accounting base, defined in item 8 of the Additional Provisions of the Accounting Act under the name „International Accounting Standards“. As a result of our audit, we issued an auditor's report dated 4 April 2023.

We hereby CERTIFY THAT, as reported in our auditor's report on the annual separate financial statements of Eurohold Bulgaria AD for 2022, issued on 4 April 2023:

1. **Statement of Article 100n, paragraph. 4, subparagraph. 3, item „a“ Qualified Audit opinion:** In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion” section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted from the EU and the Bulgarian legislation. *(page 1 of audit report);*
2. **Statement on Article 100n, paragraph 4, subparagraph (3), item "b" Information, relating to transactions of Eurohold Bulgaria AD with related parties.** Related party transactions are disclosed in note 30 to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of the separate financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the separate financial statements for the year ended on 31 December 2022, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures. The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on related party transactions. *(page 4 of auditor's report).*
3. **Statement on Article 100n, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act**

Our responsibilities for audit of the financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Financial Statements“, include assessment whether the financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the financial statements for the year ended on 31 December 2022, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the financial statements, were taken

into consideration for the purposes of issuing an auditor's opinion on the financial statements as a whole, not for issuing a separate opinion only on the significant transactions. *(page 5 of auditor's report)*.

The verifications made with this statement should be considered only in the context of the auditor's report issued by us as a result of the independent financial audit of the annual separate financial statements of Eurohold Bulgaria AD for the reporting period ending 31 December 2022, with date of auditor's report 4 April 2023. This declaration is intended only for the above-mentioned addressee and has been prepared solely in compliance with the requirements set out in Art. 100n, para. 4, item 3 of the Public Offering of Securities Act (POSA) and should not be taken as a substitute for our statements contained in the auditor's report issued by us on 4 April 2023 with regard to the issues covered by Art. 100n, item 3 of Bulgarian POSA.

Mariy Apostolov
Managing partner

Silvia Dinova
Registered auditor responsible for the audit

Grant Thornton OOD
Audit firm

4 April 2023
Sofia, Bulgaria



Eurohold Bulgaria AD

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