

EUROHOLD BULGARIA

INTERIM CONDENSED CONSOLIDATED REPORT



December 31, 2024

INTERIM CONDENSED CONSOLIDATED REPORT

containing information on important events that occurred during the period

1 January – 31 December 2024 pursuant to Article 100o, paragraph 4, item 2 of the PO SA

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Information for investors

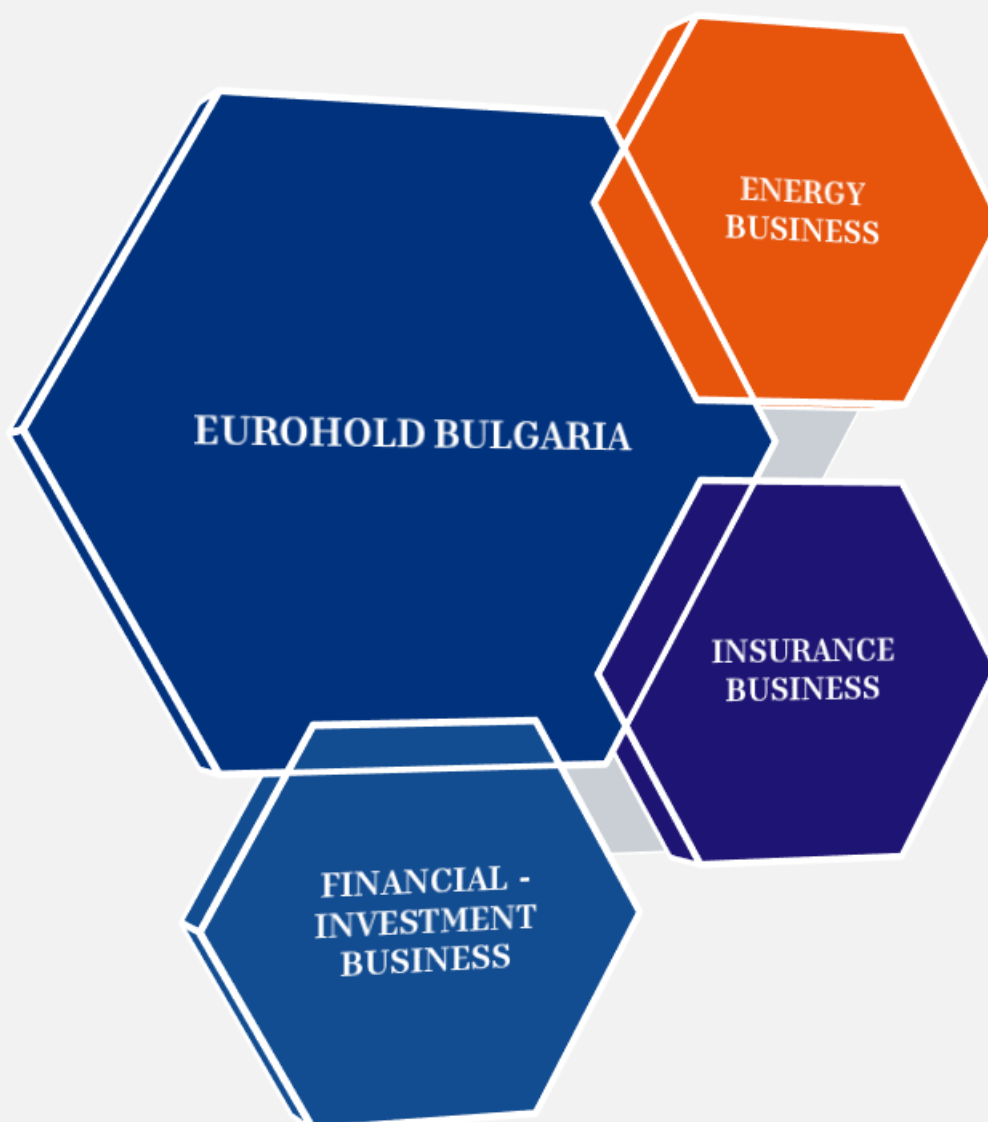
Communication and Media

please visit:

www.eurohold.bg



31 December 2024



1

INTERIM CONDENSED
CONSOLIDATED
ACTIVITY REPORT

as of 31 December 2024

OPERATIONAL AND FINANCIAL REVIEW

BUSINESS HIGHLIGHTS

EUROHOLD GROUP,

- ✦ is a leading independent business group in Central and Southeastern Europe (CEE/SEE) with leading positions in the energy and insurance business:
 - » one of the largest energy groups in Bulgaria – Electrohold Group
 - » insurer from CEE and SEE with leading positions in Bulgaria - Euroins Insurance Group (EIG)
- ✦ has an experienced management team and management at all business levels
- ✦ is guided by a high level of corporate governance in line with the best practices
- ✦ Eurohold Bulgaria AD (parent company) is a public joint stock company within the meaning of Bulgarian Public Offering of Securities Act. The company's shares are registered for trading on:
 - » Bulgarian Stock Exchange (BSE) - code EUBG
 - » Warsaw Stock Exchange (WSE) - code EHG

DECEMBER 2024

BUSINESS HIGHLIGHTS

- ✓ 3 business segments
- ✓ 4 subsidiaries
- ✓ 2 specially created companies for the development of the energy business
- ✓ 16 operating companies
- ✓ 1 associated company
- ✓ 12 countries in Europe
- ✓ 9 400 shareholders
- ✓ 28 years of history

STRATEGIC ASSETS:

Eastern Electric Company II B.V. - energy

A company uniting the energy business in the Eurohold group.

Euroins Insurance Group - insurance

Company uniting the group's insurance business operating in CEE and SEE. Active operations in 12 markets in Europe.

Euro-Finance - investment brokerage and asset management

Investment intermediary and asset management operations. Market turnover leader on the Bulgarian Stock Exchange, Member of Deutsche Börse Group.

KEY FINANCIAL INFORMATION

Eurohold Bulgaria reports strong results of its energy business

For the per 2024, the Eurohold Group continued its successful performance, reporting EBITDA growth of 47% and net result from continuing operations of 184%.

Group results highlights

| | 31.12.2024 | 31.12.2023* |
|--|-----------------------------|--------------------|
| Revenues | BGN 2.81 billion ▲ 0.4% | BGN 2.80 billion |
| Gross profit | BGN 455.3 million ▼ 0.1% | BGN 455.9 million |
| EBITDA (earnings before interest, depreciation and taxes) | BGN 308 million ▲ 47% | BGN 209 million |
| Net result from continuing operations | BGN 38.4 million ▲ 184% | BGN (45.8) million |
| | 31.12.2024 | 2023 |
| Financial assets | BGN 496 million ▲ 18% | BGN 420 million |
| Cash and cash equivalents | BGN 193 million ▼ 15% | BGN 227 million |
| Total Assets | BGN 2.77 billion ▲ 11.8% | BGN 2.48 billion |
| Equity | BGN 278 million ▲ 122% | BGN 125 million |
| Liabilities | BGN 2.49 billion ▲ 5.9% | BGN 2.35 billion |

SIGNIFICANT EVENTS

SUMMARY OF MAJOR EVENTS FOR EUROHOLD GROUP DURING THE PERIOD FROM 01 JANUARY 2024 UNTIL THE DATE OF THIS REPORT

(the important events for the activities of the subsidiaries in the Eurohold group are presented in chronological order)

Important events for the Group during the reporting period

March

- ✓ **On 18 March 2024**, Eurohold Bulgaria AD made an additional capital contribution to the subsidiary Eastern European Electric Company II B.V. with 940 000 euros. The amount was paid to EEEC II B.V. in two tranches – EUR 600 000 on March 14, 2024 and EUR 340 000 on March 15, 2024.
- ✓ **On 29 March 2024**, IC Euroins AD (Euroins Bulgaria), part of the insurance group of Eurohold - Euroins Insurance Group AD (EIG), applied for registration in the Commercial Register of its capital increase by BGN 20 million.
The capital increase is through the issue of 5 000 000 new shares with an issue value of BGN 4 each, of the same type and class as the existing issue of shares of the company, with a nominal value of BGN 1. The amount of the capital increased from BGN 410 971 200 to BGN 44 721 200, with the shareholding of Euroins Insurance Group AD in the capital of IC Euroins being 98.88%.
- ✓ **On 29 March 2024**, at a meeting of the Company's management board, a decision was made to convene an extraordinary general meeting of shareholders regarding the adoption of a decision to issue warrants in the amount of up to 260 500 000 (two hundred and sixty million and five hundred thousand) non-available, registered, freely transferable warrants under the conditions of a public offering in accordance with the Law on the Public Offering of Securities (POSA).

May

- ✓ **On 22 May 2024**, Eurohold Bulgaria AD (Eurohold) and Euroins Insurance Group AD (EIG) officially filed an international arbitration case against the Government of Romania at the International Center for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than 500 million euros. As of the date of preparation of the interim condensed consolidated activity report, a procedural exchange of documents is taking place between the parties.
- ✓ **On 30 May 2024**, at an extraordinary general meeting of shareholders of Eurohold Bulgaria AD, a decision was made to issue warrants in the amount of up to 260 500 000 (two hundred and sixty million and five hundred thousand) number of non-available, registered, freely transferable warrants under the terms of a public offering by the company the order of the Law on the Public Offering of Securities, with an issue value of BGN 0.50 (fifty cents) each, which entitle the holders of warrants to exercise within a 10-year period their right to subscribe for the corresponding number of shares (of the same type and class as the existing issue of shares of the company - absent, registered, non-privileged, with the right to 1 (one) vote in the general meeting of the company's shareholders, with the right to a dividend and the right to a liquidation share) - the underlying asset of the warrants at an issue value of 2.00 (two) BGN per share at a warrant/share conversion ratio of 1:1, which Eurohold Bulgaria AD will issue upon future capital increase/s, provided that the new shares are subscribed by warrant holders. The public offering of the warrant issue will be considered successfully completed only if at least 78 150 000 units of the warrants offered, representing 30% (thirty percent) of the securities offered, are subscribed and fully paid.

June

- ✓ **On 18 June 2024**, Eastern European Electric Company B.V. (EEEC) and Eastern European Electric Company II B.V. (EEEC II) successfully refinanced approximately EUR 500 million of existing debt raised for the acquisition of CEZ Group's business in Bulgaria in 2021, its subsequent development and investments in the energy business.
The new financing transaction is to include a EUR 460 million syndicated secured loan and additional debt financing for a further EUR 65 million with a repayment term of 5 years and 3 months. The purpose of the funds raised from the new financing is for the refinancing of the existing syndicated loan of EUR 360 million at the level of EEEC B.V.

and liabilities of EUR 125 million at the level of EEEC II B.V. as well as for capital expenditure within the energy subsidiaries in preparation for the liberalisation of the electricity market.

The new financing achieves better terms, including savings on interest costs, until maturity in 2029. It also provides for a smoother debt repayment schedule on relaxed terms, in line with the energy group's operations and taking into account its good performance achieved over the last few years following its acquisition by the Eurohold group. It also removes the need for guarantees from the parent company, Eurohold.

The newly raised financing also includes capital expenditure (CAPEX) financing of EUR 15 million provided by the European Bank for Reconstruction and Development (EBRD) for ERM West EAD, the Group's electricity distribution subsidiary, to upgrade and develop the power distribution network, which will accelerate the Company's investment programme in view of the upcoming liberalisation of the electricity market.

- ✓ **On 19 June 2024**, Fitch Ratings confirmed a long-term 'B' rating with a stable outlook for Eurohold Bulgaria AD.

Fitch's rating reflects the reduced risk following the successful refinancing of the obligations of the group's energy subholdings and the good performance of their subsidiaries.

Fitch's rating also reflects the increased profitability and reduced indebtedness of Eurohold's energy companies, as well as their good growth prospects.

July

- ✓ **On 11 July 2024**, Eurohold Bulgaria AD repaid early a loan to JP Morgan SE in the amount of EUR 15 084 thousand.

September

- ✓ **On September 5, 2024**, Eurohold Bulgaria AD introduced the new members of the Board of Directors of Euroins Insurance Group AD, namely:
 - Nikolaus Frei represents the European Bank for Reconstruction and Development (EBRD), which has been a minority shareholder in EIG since 2021 with a share of 9.90% in the capital.
 - Ivan Kostov, Chief Financial Officer and Director of Risk Management of the group, and
 - Iva Falina, Director of IT and Digitalization of Euroins Insurance AD.
- ✓ **On September 12, 2024**, the transfer of ownership of all shares held by EIG in ICLAIM Sole Proprietorship for Claims Settlement Services P.K., Greece to a new owner following the conclusion of a purchase and sale agreement for the company was entered into in the Commercial Register of Greece. As of the date of entry, ICLAIM is not part of the EIG group.
- ✓ **On September 17, 2024**, Eurohold Bulgaria AD introduced Ms. Angeliki Mouratidou as the manager of the Euroins branch in Greece.
- ✓ **On September 26, 2024**, the Bulgarian Credit Rating Agency (BCRA) published an updated corporate credit rating of Eurohold Bulgaria AD. BCRA affirms the assigned ratings of Eurohold Bulgaria AD, maintaining their outlooks as follows:
 - Long-term credit rating: BBB; Outlook: Stable; Short-term credit rating: A-3
 - Long-term national scale rating: A (BG); Outlook: Stable; Short-term national scale rating: A-1 (BG)
 - Issue rating BG2100013205: Long-term credit rating: BBB; Outlook: Stable; Short-term credit rating: A-3
 - Issue rating BG2100002224: Long-term credit rating: BBB; Outlook: Stable; Short-term credit rating: A-3.

November

- ✓ **On November 25, 2024**, at an extraordinary General Meeting of Shareholders of Eurohold Bulgaria AD, the following decisions were made:
 1. The consolidated annual report of the company for 2023 was adopted.
 2. A specialized auditing firm, Grant Thornton Ltd., has been selected to perform an independent financial audit of the financial statements and the activity report of Eurohold Bulgaria AD for 2024 and to express assurance on the sustainability report of Eurohold Bulgaria AD.
 3. A decision was adopted to amend and supplement the company's articles of association.
- ✓ **On November 12, 2024**, the Financial Supervision Commission (FSC) approved the prospectus for the initial public offering of warrants to be issued by Eurohold Bulgaria AD, Sofia.

The issue is in the amount of up to 260,500,000 dematerialized, registered, freely transferable warrants, with an issue value of BGN 0.50 each warrant, with ISIN code BG9200007243, which entitle the warrant holders within a period of 10 years to exercise their right to subscribe for the respective number of shares of the underlying

asset of the warrants at an issue value of BGN 2.00 per share, with a warrant/share conversion ratio of 1:1 which Eurohold Bulgaria AD will issue upon subsequent increase(s) of its capital, according to a decision of the General Meeting of Shareholders of the company, held on 30.05.2024.

The prospectus for the public offering of the warrant issue is available on the company's website www.eurohold.bg in the Investor Information section, Warrants section.

December

- ✓ **On December 10, 2024**, the subscription for the warrant issue issued by Eurohold Bulgaria AD was completed. The results of the public offering are as follows:
 1. Start of the subscription: 25.11.2024
 2. Date of completion of the subscription: 10.12.2024
 2. Total number of subscribed and paid warrants: 260,481,631 warrants.
 3. Amount received from the subscribed warrants: 130,240,815.50 bgn.

As of December 17, the warrant issue with issuer Eurohold Bulgaria AD and ISIN code BG9200007243 has been admitted to trading on the Bulgarian Stock Exchange AD (BSE) with the assigned stock code EUBW.
- ✓ **On December 20, 2024**, at a meeting of the Board of Directors of Euroins Insurance Company, a decision was made to increase the company's capital in accordance with Art. 195 in connection with Art. 196, para. 3 of the Commercial Act from BGN 49,721,200 to BGN 62,221,200, through the issuance of a new 12,500,000 shares, with a nominal value of BGN 1 (one) and an issue value of BGN 4 (four) each, of the same type and class as the existing issue of shares of the company - ordinary, registered, dematerialized, non-preferred shares with voting rights.
- ✓ The new shares from the capital increase were fully subscribed and paid for by the majority shareholder Euroins Insurance Group AD and entered in the Commercial Register on 20.12.2024.

Important events for the Group after the reporting period

January 2025

- ✓ **On January 16, 2025**, The Commercial Register has made an entry of the simultaneous increase and decrease in the capital of Euroins Insurance Group AD.

The decision to simultaneously decrease and increase the capital of Euroins Insurance Group AD (EIG AD), pursuant to Art. 203 in connection with Art. 252, para. 1, item 5 of the Commercial Act, was taken on 11.11.2024 by the General Meeting of Shareholders. According to the decision:

 - The capital of EIG AD was reduced from BGN 576,242,734 to BGN 119,932,734 through the cancellation of 442,212,912 ordinary, registered, available shares and 76,981,791 preferred, registered, available shares with a par value of BGN 1 each.
 - At the same time, the capital was increased from BGN 119,932,734 to BGN 149,932,734 through the issuance of 30,000,000 shares, of which Eurohold Bulgaria AD subscribed and paid in December all 30,000,000 shares at an issue value of BGN 5.83 each or a total value of BGN 174,900 thousand.

The capital of Euroins Insurance Group AD as of the date of this report amounts to BGN 149,932,734, distributed into 149,932,734 ordinary, registered, outstanding shares with a par value of BGN 1 each, the change being entered in the Commercial Register on 16.01.2025. The percentage of participation of Eurohold Bulgaria AD increases from 90.01% to 92.08%.

February 2025

- ✓ **On 21 February 2025**, a subsequent capital increase of "IC Euroins" AD was entered in the Commercial Register with the issuance of 16,250,000 new shares with a nominal value of BGN 1 each and an issue value of BGN 4 of the same type and class as the existing issue of shares of the company - ordinary, registered, dematerialized, non-preferred shares with voting rights. The new shares from the capital increase were fully subscribed and paid for by the majority shareholder Euroins Insurance Group AD, the amount raised was BGN 65,000,000.

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

For more information, visit the "News" section on the website of Eurohold Bulgaria AD www.eurohold.bg.

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

BRIEF PRESENTATION OF EUROHOLD GROUP

A / "EUROHOLD BULGARIA" AD - PARENT COMPANY

Company information

| | |
|---|--|
| Country of incorporation | Republic of Bulgaria |
| Registration number | UIC 175187337 |
| Identification number of the legal entity | LEI code 74780000J0W85Y204X80 |
| Legislation | Bulgarian |
| Headquarters address and correspondence | Bulgaria, Sofia, 1592, Iskar district, 43 Christopher Columbus Blvd |
| Phone number | +359 2 9651 651; + 359 651 653 |
| Fax | +359 2 9651 652; |
| Email address (e-mail) | investors@eurohold.bg ; office@eurohold.bg |
| Website | www.eurohold.bg |

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

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

Eurohold Bulgaria AD is a public joint stock company within the meaning of the Public Offering of Securities Act. The shares of the company are registered for trading on the main market of:

- » Bulgarian Stock Exchange AD with stock exchange code EUBG; and
- » Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG.

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

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

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

B / ECONOMIC GROUP

The organizational structure of Eurohold is structured on three levels:

- ✓ parent company;
- ✓ subsidiaries; and
- ✓ operating companies.

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

Existing business activities as of 31.12.2024

Subsidiaries are holding structures combining the investments of Eurohold Bulgaria AD in the following sectors:

- » Energy;
- » Insurance; and
- » Financial-investment (Investment intermediary and asset management)

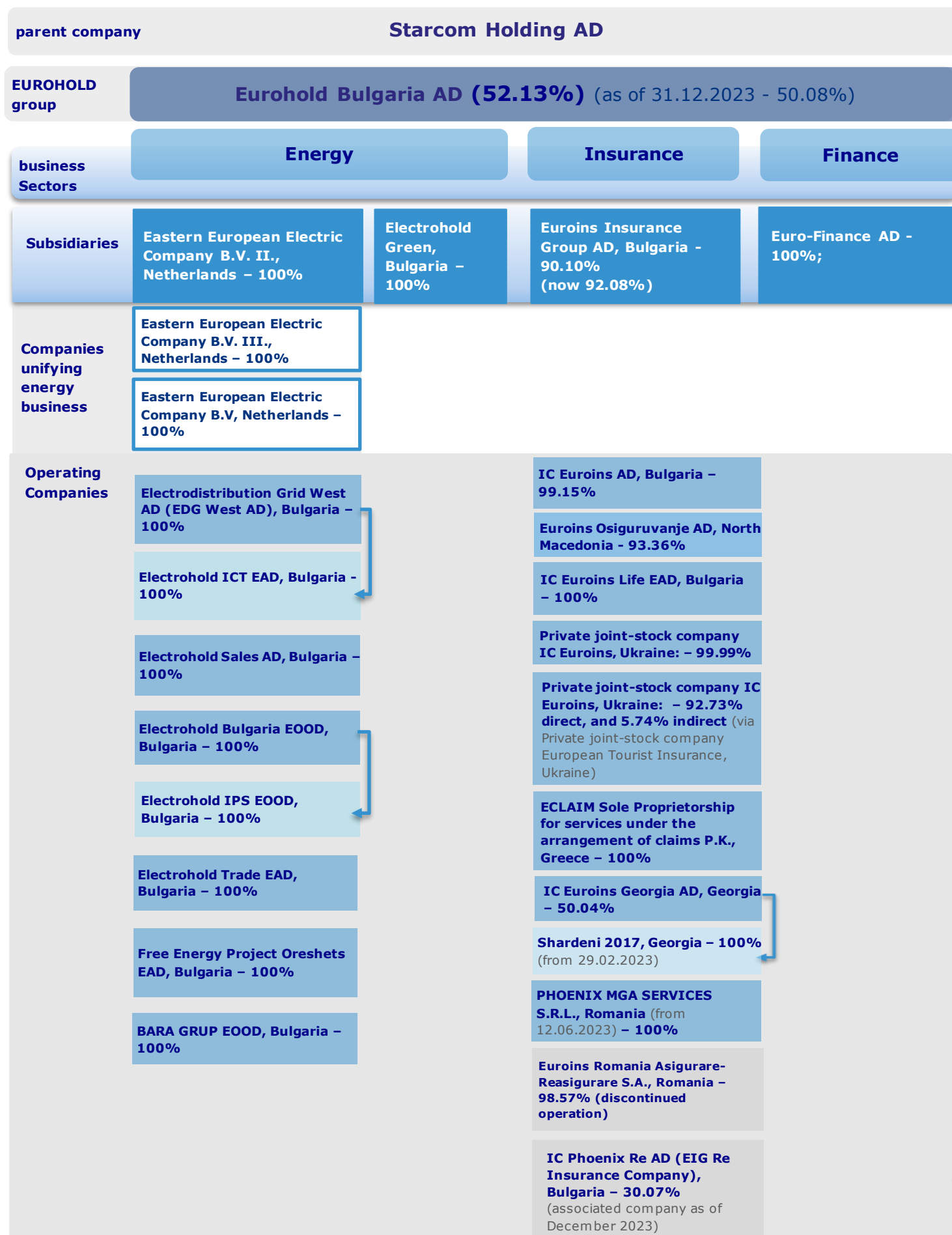
As of 31.12.2024 and as of the date of this report, Eurohold Bulgaria AD has holdings in 23 subsidiaries and 1 associated company

| <i>direct participation</i> | <i>indirect participation</i> |
|--|--|
| <ul style="list-style-type: none"> » 4 subsidiaries, including <ul style="list-style-type: none"> ✓ two sub-holding structures: <ul style="list-style-type: none"> > energy > insurance ✓ two operating companies: <ul style="list-style-type: none"> > financial-investment > energy (no activity) | <ul style="list-style-type: none"> » 2 specially created companies for energy business development » 16 operating companies <ul style="list-style-type: none"> > 8 energy companies > 8 insurance companies » 1 associated company ("IC Phoenix Re" AD before "EIG Re" EAD - insurance) » 1 insurance company in Romania with license revoked from 17.03.2023* |

* Euroins Romania Asigurare-Reasigurare S.A. (insurance company in Romania) – terminated due to license revocation and opening of bankruptcy proceedings on 09.06.2023. As of the date of issuance of this interim condensed consolidated activity report, the decision to open bankruptcy proceedings of the Romanian subsidiary was confirmed by a decision of the Romanian court of second instance dated 11.02.2025. The reasons for the decision have not been disclosed as of the date of issuance of this interim condensed consolidated activity report, respectively, an assessment is pending as to whether the company can use extraordinary means to request its cancellation.

Changes in Eurohold economic group,

- > **for the period 1 January - 31 December 2024**
 - ICLAIM Sole Proprietorship for Claims Settlement Services P.K., Greece – discontinued operations as of 12.09.2024 (as of 31.12.2023 -100%)
- > **for the period 1 January - 31 December 2023**
 - The insurance company IC Euroins Georgia AD acquired a subsidiary trading company - Shardeni 2017, Georgia (from 29.02.2023);
 - Euroins Insurance Group AD established a subsidiary company in Romania - FENIX EM G.I. SERVICES S.R.L., Romania (as of 12.06.2023);
 - At the end of 2023, the Group lost its control within the meaning of IFRS 10 "Consolidated Financial Statements" over EIG Re EAD (from September 2024 - "IC Phoenix Re" AD) and transformed its interest in the company from a subsidiary to an associate.

**ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP EUROHOLD BULGARIA AS OF 31.12.2024
AND AS OF THE DATE OF THIS REPORT**


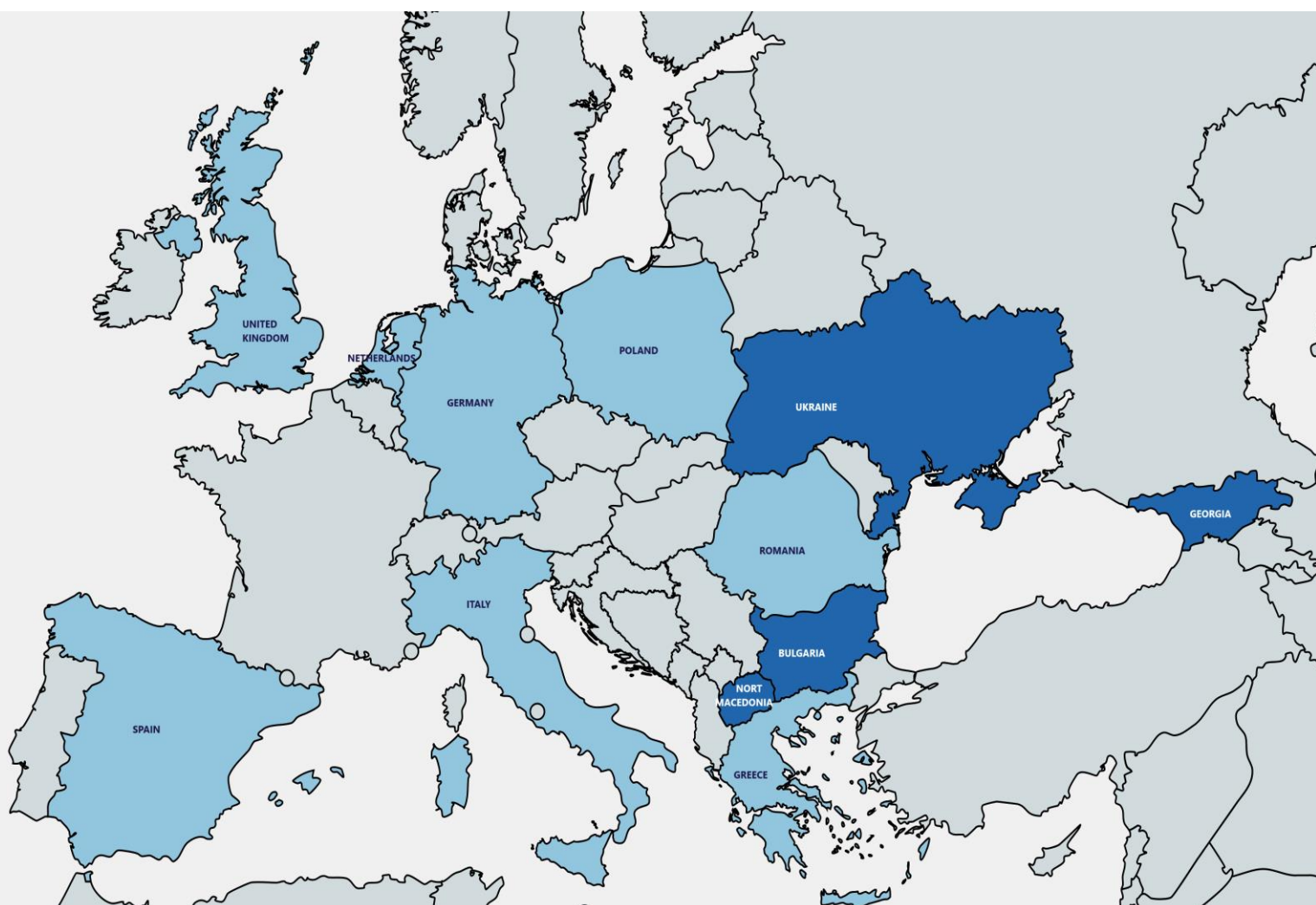
TYPES OF SERVICES AND PRODUCTS OFFERED BY THE EUROHOLD GROUP, REGIONAL REPRESENTATION


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


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

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

Eurohold is positioned in the markets of the Central and South-Eastern Europe region.



 Subsidiaries - operating companies

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

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

| INSURANCE | |
|--|--|
| Services and products provided | Country |
| » General insurance | Bulgaria; North Macedonia; Ukraine; Georgia; Romania |
| » 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 United Kingdom, and Romania (from the end of September 2023) - IC Euroins AD operates in these markets |

| FINANCIAL-INVESTMENT ACTIVITY (INVESTMENT INTERMEDIARY AND ASSET MANAGEMENT) | |
|---|--|
| Services and products provided | Country |
| » Investment intermediary | Bulgaria, Germany (as a member of the Frankfurt Stock Exchange – Deutsche Börse Xetra) |
| » Investment banking | Bulgaria |
| » Asset management | Bulgaria |

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

Credit ratings awarded

| | |
|---|--|
|  <p>EuroHold Issuer Default Rating "B" Outlook: stable</p> |  <p>EuroHold Long-term: BBB- Outlook: stable Short-term: A-3</p> <p>bonds issues Long-term: BBB- Outlook: stable Short-term: A-3</p> <p>ISIN: BG2100013205; ISIN: BG2100002224</p> |
|  <p>Euroins Bulgaria Issuer Default Rating "B+" Outlook: stable</p> |  <p>Euroins Bulgaria Long-term: BBB- Outlook: stable Short-term: A+</p> |

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

REVIEW OF THE GROUP FINANCIAL RESULTS

31.12.2024

This section presents the results of the Eurohold group's activity by main key indicators for 2024 compared to the corresponding comparative period.

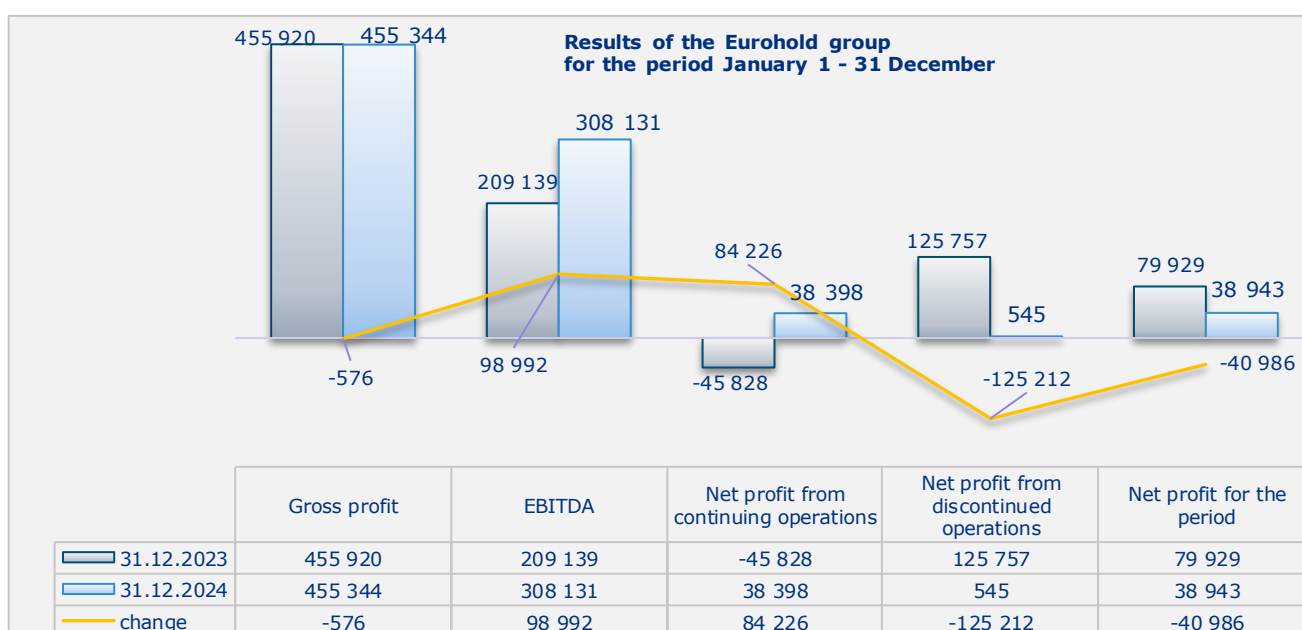
The data are based on the interim condensed consolidated financial statements of Eurohold Bulgaria AD as of 31.12.2024 prepared in accordance with the applicable International Financial Reporting Standards (IFRS) adopted by the EU.

SUMMARY

Eurohold Group reports the nine months 2024 operating profit growth in operating result performance, increasing its profitability.

- ↳ Gross profit - retained earnings of BGN 355 million.
- ↳ EBITDA - growth of 47.3% to 308 million BGN.
- ↳ Net profit from continuing operations - growth of 134% to 38,398 million BGN.

CONSOLIDATED FINANCIAL RESULT



CONSOLIDATED RESULTS BY BUSINESS ACTIVITIES

| Consolidated results | change | 31.12.2024 | 31.12.2023 |
|---|----------------|--------------------|--------------------|
| | in % | BGN thousand | BGN thousand |
| Revenue | | | |
| Revenue from energy business | -1.4% | 2 287 578 | 2 320 144 |
| Insurance revenue, including: | +9.2% | 520 316 | 476 452 |
| - insurance revenue | +6.4% | 496 070 | 466 142 |
| - finance and investment income/ from insurance | +135.2% | 24 246 | 10 310 |
| Revenue from financial-investment business | +46.2% | 2 299 | 1 573 |
| Total operating income | +0.4% | 2 810 193 | 2 798 169 |
| Expenses | | | |
| Expenses of energy business | +1.8% | (1 824 355) | (1 791 493) |
| Expenses for insurance business | -3.7% | (530 101) | (550 558) |
| - insurance expenses | +9.5% | (497 406) | (454 242) |
| - net result from reinsurance contracts held | -59.7% | (29 529) | (73 235) |
| - financial and investment expenses of insurance | -86.3% | (3 166) | (23 081) |
| Intermediary expenses | +98.5% | (393) | (198) |
| Total expenses of main activity | +0.5% | (2 354 849) | (2 342 249) |
| Gross profit | -0.1% | 455 344 | 455 920 |
| Income from dividends - financial-investment business | -4.1% | 118 | 123 |
| Other income from the activity | +298.1% | 149 933 | 37 658 |
| Profit (loss) from financial instruments, net | +1453.5% | 11 682 | 752 |
| Administrative expenses | -1.1% | (252 256) | (255 178) |
| > expenses on materials | -2.8% | (15 620) | (16 062) |
| > hired services expenses | +10.3% | (71 372) | (64 729) |
| > employee benefits expenses | -1.9% | (157 426) | (160 537) |
| > other expenses | -43.4% | (7 838) | (13 850) |
| (Accrued)/recovered impairment loss on financial assets, net | -467.4% | (2 127) | 579 |
| Other operating expenses | +77.6% | (54 563) | (30 715) |
| - energy business | +85.5% | (3 128) | (21 777) |
| - insurance business | - | (8 935) | (8 938) |
| - parent company | +100% | (42 500) | - |
| EBITDA (Profit before interest, depreciation and taxes) | 36,6% | 308 131 | 209 139 |
| Amortization expense | 4,8% | (117 147) | (111 850) |
| EBIT (Profit before interest and taxes) | +96.3% | 190 984 | 97 289 |
| Result from financial operations, net | +11.4% | (136 420) | (122 452) |
| Gain/(loss) from changes in foreign exchange rates, net | -2969% | 918 | (32) |
| Share of profit of associate | +100% | 4 098 | - |
| EBIT (Profit)/(Loss) Before Taxes | -336.5% | 59 580 | (25 195) |
| Tax expenses | +2.7% | (21 182) | (20 633) |
| Net profit/(loss) for the year from continuing operations | -184% | 38 398 | (45 828) |
| Net (loss)/profit for the year from discontinued operations | -99.6% | 545 | 125 757 |
| Net (loss)/profit for the year attributable to: | -51.3% | 38 943 | 79 929 |
| > Equity holders of the parent | -51.9% | 37 138 | 77 242 |
| > Non-controlling interests | -32.8% | 1 805 | 2 687 |

Group result

Total group revenue for 2024 amounted to BGN 2.81 billion, marking a slight increase of 0.4% compared to the realized consolidated revenue for the comparable period of 2023, when it amounted to BGN 2.80 billion.

The group's operating expenses directly reflect the changes in the business volume of the companies reported in the consolidated report of Eurohold. The reported operating expenses amounted to BGN 2.35 billion, marking a slight increase of 0.5% compared to the expenses for the previous period.

As a result of maintaining the efficiency of the operating activity, the group's gross profit retained its amount of BGN 455 million.

Revenues from the energy business decrease by 1.4%

Revenues from the energy sector decreased by BGN 32.6 million due to lower purchase prices on IBEX (the Bulgarian Energy Exchange) in 2024 compared to the same period in 2023.

For 2024, the energy group's revenues amount to BGN 2.29 billion (31.12.2023: BGN 2.32 billion).

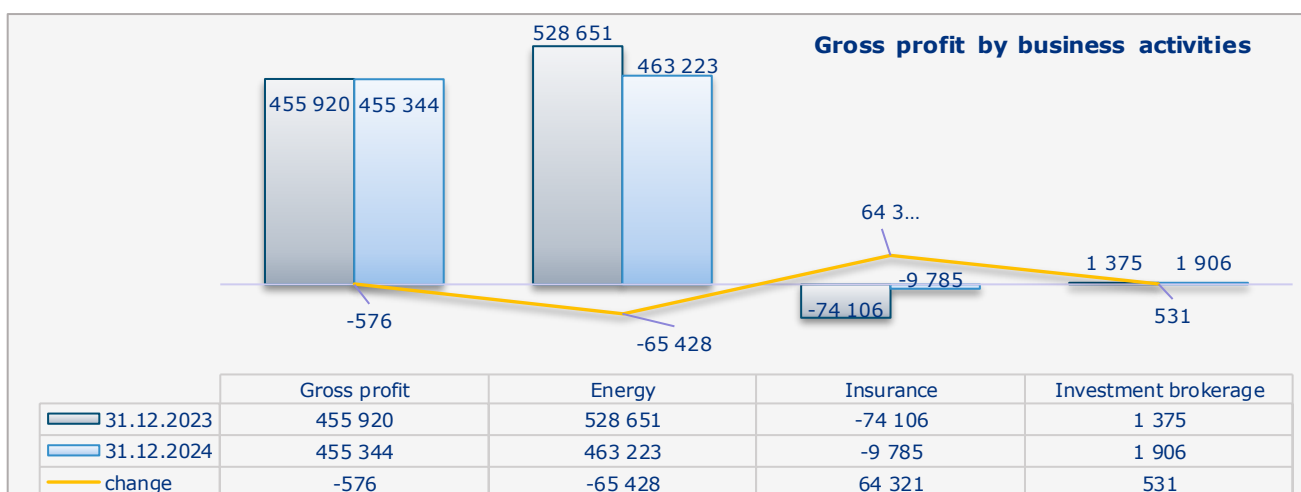
Total income from insurance activity increased by 9.2%

- > Growth in insurance revenues (income from insurance activities) by 6.4% - an increase of BGN 29.9 million. For 2024, the group's consolidated insurance revenues amount to BGN 496 million (31.12.2023: BGN 466 million).
- > Growth in the realized net positive result from financial and investment operations by 135% - an increase of BGN 13.9 million. For 2024, financial and investment income from insurance amounted to BGN 24.2 million (31.12.2023: BGN 10.3 million).

Revenues from financial and investment activities increased by 46.2%.

For 2024, the revenues of the investment intermediary Euro-Finance AD recorded a growth of 46.2%, amounting to BGN 2.3 million (31.12.2023: BGN 1.6 million).

Gross profit by business activities



Administrative costs

| Administrative costs (BGN thousand) | Energy | | Insurance | | Financial-investment activity | | Parent company | |
|--|-----------------|-----------------|----------------|---------------|-------------------------------|---------------|----------------|---------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Expenses on materials | (15 447) | (15 932) | (92) | (56) | (64) | (52) | (17) | (22) |
| Hired services expenses | (60 526) | (54 597) | (5 852) | (4 636) | (917) | (708) | (4 077) | (4 788) |
| Employee benefits expenses | (150 894) | (155 856) | (4 059) | (2 312) | (1 365) | (1 353) | (1 108) | (1 016) |
| Other expenses | (6 754) | (13 043) | (446) | (120) | (329) | (240) | (309) | (447) |
| Total administrative costs | -233 621 | -239 428 | -10 449 | -7 124 | -2 675 | -2 353 | -5 511 | -6 273 |

Financial operations

| Result of financial operations (BGN thousand) | Energy | | Insurance | | Financial-investment activity | | Parent company | |
|--|------------------|-----------------|-----------------|----------------|-------------------------------|--------------|-----------------|-----------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Interest costs on loans | (96 933) | (84 629) | (5 104) | (8 001) | (167) | (155) | (17 699) | (22 221) |
| - including interest income from cash flow hedges* | 1 468 | - | - | - | - | - | - | - |
| Interest expense - leasing contracts | (724) | (479) | (115) | (538) | (39) | (43) | (39) | (46) |
| Other finance costs | (12 214) | (9 184) | (6 437) | (237) | | | (1 696) | (621) |
| Total finance costs | (108 403) | (94 292) | (11 656) | (8 776) | (206) | (198) | (19 434) | (22 888) |
| Interest income | 2 434 | 2 099 | - | - | 582 | 449 | - | - |
| Result of financial operations | (105 969) | (92 193) | (11 656) | (8 776) | 376 | 251 | (19 434) | (22 888) |

* In connection with the conclusion on 03.06.2024 of a new syndicated loan in the energy group and in order to minimize the risk of a rise in EURIBOR, a hedging contract was signed, with interest rates hedged through interest rate swaps on part of the principal. As a result, interest expenses for the reporting period have been effectively reduced. The Group presents hedging income less interest expense.

Depreciation and tax expenses

| Expenses of business activities (BGN thousand) | Energy | | Insurance | | Financial-investment activity | | Parent company | |
|---|------------------|------------------|----------------|----------------|-------------------------------|--------------|----------------|--------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Depreciation expense | (111 586) | (105 756) | (5 054) | (5 601) | (306) | (286) | (201) | (207) |
| <i>incl. right of use assets</i> | <i>(6 843)</i> | <i>(6 067)</i> | <i>(3 247)</i> | <i>(3 396)</i> | <i>(241)</i> | <i>(218)</i> | <i>(176)</i> | <i>(176)</i> |
| Tax expenses | -13 140 | -18 915 | -394 | -234 | -3 | -3 | - | - |

RESULTS BY TYPE OF ACTIVITIES BASED ON NON-CONSOLIDATED DATA (BEFORE ELIMINATIONS)

The following tables present information on realized revenues and results of business activities before eliminations for 2024 compared to the comparable period of 2023.

| Operating revenues from business activities | | | |
|---|-----------------|-----------------------------|-----------------------------|
| Business activities | change % | 31.12. 2024 BGN thousand | 31.12. 2023 BGN thousand |
| Energy | -1.4% | 2 287 696 | 2 320 207 |
| Insurance, incl. <i>insurance revenue</i> | +10.1% +7.2% | 530 316 504 751 | 481 563 470 774 |
| Financial-investment activity | +23.5% | 3 016 | 2 442 |
| Revenue from operating activities | +0.6% | 2 821 028 | 2 804 212 |
| <i>Intragroup eliminations</i> | +79.3% | -10 835 | -6 043 |
| Consolidated operating revenues from business activities | +0.4% | 2 810 193 | 2 798 169 |

| Gross profit by business activities | | | |
|--|--------------|-----------------------------|-----------------------------|
| Business activities | change % | 31.12. 2024 BGN thousand | 31.12. 2023 BGN thousand |
| Energy | -12.4% | 463 341 | 528 714 |
| Insurance | -100.3% | 215 | -68 995 |
| Financial-investment activity | +16.9% | 2 623 | 2 244 |
| Gross profit | +0.9% | 466 179 | 461 963 |
| <i>Intragroup eliminations</i> | +79.3% | -10 835 | -6 043 |
| Consolidated gross profit from operating activities | -0.1% | 455 344 | 455 920 |

| Earnings before interest, depreciation and taxes (EBITDA) | | | |
|---|---------------|-----------------------------|-----------------------------|
| Business activities | change % | 31.12. 2024 BGN thousand | 31.12. 2023 BGN thousand |
| Energy | -1.1% | 290 842 | 294 127 |
| Insurance | -125.6% | 21 875 | -85 475 |
| Financial-investment activity | +285.8% | 1 227 | 318 |
| EBITDA from subsidiaries | +50.2% | 313 944 | 208 970 |
| Parent company | -7040% | 23 178 | -334 |
| EBITDA before eliminations | +61.6% | 337 122 | 208 636 |
| <i>Intragroup eliminations</i> | -5864% | -28 991 | 503 |
| Consolidated earnings before interest, depreciation and taxes (EBITDA) | +47.3% | 308 131 | 209 139 |

| Financial result | | | |
|---|---------------|-----------------------------|-----------------------------|
| Business activities | change % | 31.12. 2024 BGN thousand | 31.12. 2023 BGN thousand |
| Energy | +4.9% | 101 843 | 97 065 |
| Insurance | -109.1% | 9 205 | -101 118 |
| Financial and investment activity | +161.5% | 1 747 | 668 |
| Financial result of subsidiaries | +3432% | 112 795 | 3 385 |
| The parent company | -101.2% | 276 | -23 895 |
| Financial result before eliminations | +515% | 113 071 | -27 280 |
| <i>Intragroup eliminations</i> | <i>-2666%</i> | <i>-53 491</i> | <i>2 085</i> |
| Financial result from continuing operations | 337% | 59 580 | -25 195 |
| Tax expenses | 2.7% | -21 182 | -20 633 |
| <i>Net (loss)/gain from discontinued operations</i> | <i>-99.6%</i> | <i>545</i> | <i>125 757</i> |
| Consolidated net result for the period | -51.3% | 38 943 | 79 929 |

| Consolidated assets and liabilities by business activities | | | |
|--|----------------|-----------------------------|-----------------------------|
| Business activities | change % | 31.12. 2024 BGN thousand | 31.12. 2023 BGN thousand |
| Assets | | | |
| Energy | -3.9% | 2 120 888 | 2 207 076 |
| Insurance | +12.9% | 891 824 | 789 961 |
| Financial-investment activity | +2.0% | 29 900 | 29 314 |
| Parent company | +30.4% | 824 070 | 631 830 |
| Total Assets before eliminations | +5.7% | 3 866 682 | 3 658 181 |
| <i>Intragroup eliminations</i> | <i>-7.0%</i> | <i>-1 100 378</i> | <i>-1 183 160</i> |
| Consolidated Assets | +11.8% | 2 766 304 | 2 475 021 |
| Liabilities | | | |
| Energy | +18.3% | 1 592 152 | 1 346 244 |
| Insurance | -13.0% | 555 210 | 638 154 |
| Financial-investment activity | -5.3% | 6 250 | 6 603 |
| Parent company | +14.9% | 474 846 | 413 123 |
| Total Liabilities before eliminations | +9.3% | 2 628 458 | 2 404 124 |
| <i>Intragroup eliminations</i> | <i>+158.5%</i> | <i>-140 103</i> | <i>-54 193</i> |
| Consolidated Liabilities | +5.9% | 2 488 355 | 2 349 931 |

FINANCIAL POSITION

ASSETS

By the end of 2024, the consolidated assets of the Eurohold group increased by 11.8%, amounting to BGN 2.77 billion compared to BGN 2.47 billion as of 31.12.2023.

| Consolidated Assets | change | 31.12. 2024 | 31.12. 2023 |
|---|---------------|------------------|------------------|
| | in % | BGN thousand | BGN thousand |
| ASSETS | | | |
| Cash and cash equivalents | -14.8% | 193 287 | 226 779 |
| - energy business | -17.5% | 168 090 | 203 707 |
| - insurance business | +12.3% | 20 853 | 18 567 |
| - financial-investment activity | -4.1% | 4 231 | 4 412 |
| - parent company | +21.5% | 113 | 93 |
| Term deposits in banks – insurance business | +7.2% | 32 701 | 30 505 |
| Assets under insurance contracts purchased | -6.33% | 188 240 | 200 970 |
| Assets under reinsurance contracts held | -86.6% | 1 246 | 9 273 |
| Assets under insurance contracts | +32.7% | 329 | 248 |
| Trade and other receivables | +38.1% | 637 063 | 461 404 |
| ➤ Non-current receivables | +491% | 41 355 | 6 992 |
| ➤ Current receivable | +17.6% | 449 621 | 382 459 |
| ➤ Other current receivables | +103% | 146 087 | 71 953 |
| Financial actives | +18.1% | 495 803 | 419 676 |
| Inventory | +50.8% | 36 147 | 23 975 |
| - energy business | +51.5% | 36 038 | 23 790 |
| - insurance business | -41.1% | 109 | 185 |
| - parent company | +9.9% | 956 253 | 869 827 |
| Property, plant and equipment | +10.4% | 939 333 | 850 623 |
| - energy business | -11.2% | 15 276 | 17 211 |
| - insurance business | -15.8% | 796 | 945 |
| - financial-investment activity | -19.1% | 848 | 1 048 |
| - parent company | +38.1% | 637 063 | 461 404 |
| Intangible assets | -5.2% | 89 067 | 93 916 |
| - energy business | -6.8% | 84 455 | 90 622 |
| - insurance business | +38.8% | 4 399 | 3 169 |
| - financial-investment activity | +70.4% | 213 | 125 |
| Investment accounted for using the equity method - insurance business | -0.6% | 12 577 | 12 657 |
| Reputation | 0,00% | 116 883 | 116 883 |
| Deferred Tax Assets | -024.7% | 6 708 | 8 908 |
| Total Assets | +11.8% | 2 766 304 | 2 475 021 |

Receivables by sector

| Receivables | Energy | | Insurance | | Financial-investment activity | | Parent company | |
|--|----------------|----------------|---------------|---------------|-------------------------------|-------------|----------------|--------------|
| BGN thousand | 31.12. 2024 | 31.12. 2023 | 31.12. 2024 | 31.12. 2023 | 31.12. 2024 | 31.12. 2023 | 31.12. 2024 | 31.12. 2023 |
| Non-current trade receivables | - | - | 7 466 | 6 964 | 22 | 28 | 33 867 | - |
| Current trade receivables | 534 671 | 494 505 | 60 600 | 43 828 | 1 | 147 | 436 | 1 076 |
| Receivables from customers and suppliers | 344 798 | 330 930 | 15 668 | 11 398 | 1 | - | 607 | 1 474 |
| Impairment | (70 256) | (68 294) | - | - | - | - | (519) | (516) |
| Advances paid | 158 768 | 98 839 | 554 | 8 628 | - | - | - | - |
| Other receivables | 103 492 | 47 330 | 48 191 | 23 415 | - | 147 | 230 | 5 |
| Impairment | (11 995) | (12 178) | (5 059) | (4 672) | - | - | - | - |
| Prepaid expenses | 6 107 | 5 701 | 1 176 | 355 | - | - | 109 | 113 |
| Court and awarded receivables | 42 007 | 41 932 | - | - | - | - | - | - |
| Impairment | (39 267) | (38 156) | - | - | - | - | - | - |
| Tax receivables | 1 017 | 7 929 | 70 | 32 | - | - | 9 | - |
| Total after impairment | 534 671 | 494 505 | 68 066 | 50 792 | 23 | 175 | 34 303 | 1 076 |

Financial assets

| Financial assets | Energy | | Insurance | | Financial-investment activity | | Parent company | |
|-------------------------------------|---------------|---------------|----------------|----------------|-------------------------------|---------------|----------------|-------------|
| BGN thousand | 31.12. 2024 | 31.12. 2023 | 31.12. 2024 | 31.12. 2023 | 31.12. 2024 | 31.12. 2023 | 31.12. 2024 | 31.12. 2023 |
| Government bonds ¹ | - | - | 9 935 | 25 046 | 970 | 956 | - | - |
| Corporate bonds ¹ | - | 36 464 | 72 932 | 70 389 | 1 888 | 1 347 | 2 848 | 7 |
| Capital investments ¹ | 13 532 | 8 114 | 277 225 | 215 271 | 8 944 | 7 199 | 19 | 9 |
| Impairment | - | - | - | - | - | - | (9) | (9) |
| Other financial assets ² | 81 731 | 44 671 | 17 601 | 1 639 | 8 278 | 8 798 | - | - |
| Impairment | - | - | - | (115) | (91) | (110) | - | - |
| Total | 95 263 | 89 249 | 377 693 | 312 230 | 19 989 | 18 190 | 2 858 | 7 |

¹ reported at fair value through profit or loss

² reported at amortised cost

Investment accounted for using the equity method (Investments in associates)

At the end of 2023, the Group transferred its control within the meaning of IFRS 10 "Consolidated Financial Statements" over EIG Re EAD to third parties and transformed its interest in the company from a subsidiary to an associate.

For more information on the result of the transformation, see: Note 29.1 of the Interim Condensed Consolidated Financial Statements for 2024.

Off-balance sheet assets

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

EQUITY AND LIABILITIES

| Consolidated Equity and Liabilities | change in % | 31.12. 2024 BGN thousand | 31.12. 2023 BGN thousand |
|---|----------------|-----------------------------|-----------------------------|
| EQUITY | | | |
| Share capital | 0.0% | 260 500 | 260 500 |
| Repurchased own shares | 0.0% | (77) | (77) |
| Premium reserves when issuing securities | +90.4% | 274 271 | 144 030 |
| General reserves | 0.0% | 7 641 | 7 641 |
| Cash flow hedge reserve | +100,0% | (18 025) | - |
| Revaluation and other reserves | +1726% | (13 757) | 846 |
| Accumulated loss | -19.8% | (308 866) | (384 999) |
| Current (loss)/profit | -51.9% | 37 138 | 77 242 |
| Equity belonging to the owners of the Parent Company | +127.1% | 238 825 | 105 183 |
| Non-controlling interest | +96.6% | 39 144 | 19 907 |
| Total Equity | +122.2% | 277 969 | 125 090 |
| SUBORDINATED DEBT INSTRUMENTS | | | |
| - Insurance business | -54.4% | 25 000 | 54 879 |
| - Parent company | -72.0% | 108 | 386 |
| LIABILITIES | | | |
| Loans from banks and non-bank financial institutions | +8.5% | 1 122 439 | 1 034 043 |
| - Energy business | +12.0% | 1 099 561 | 982 054 |
| - Insurance business | -100% | - | 252 |
| - Parent company | -55.8% | 22 878 | 51 737 |
| Obligations under bond loans – Parent company | +9.6% | 238 567 | 217 588 |
| Trade and other liabilities | -0.1% | 571 003 | 571 433 |
| - Non-current trade and other liabilities | -22.9% | 102 484 | 132 928 |
| - Current trade liabilities | +26.7% | 243 805 | 192 461 |
| - Current other liabilities | -25.1% | 165 537 | 221 010 |
| - Leasing liabilities | +136.4% | 59 177 | 25 034 |
| Derivative financial instruments | +100,0% | 18 025 | - |
| Liabilities under insurance contracts issued | +7.4% | 470 675 | 438 113 |
| Liabilities under reinsurance contracts purchased | +65.6% | 25 520 | 15 408 |
| Deferred tax liabilities | -7.6% | 16 698 | 18 081 |
| Total liabilities | +7.3% | 2 462 927 | 2 294 666 |
| Total liabilities and subordinated debt instruments | +5.9% | 2 488 335 | 2 349 931 |
| TOTAL EQUITY AND LIABILITIES | +11.8% | 2 766 304 | 2 475 021 |

↳ Equity

The total consolidated equity of Eurohold Bulgaria amounts to BGN 277.9 million, reporting a growth of 122.2% compared to December 31, 2023. Including this, the capital belonging to the owners of the parent company amounts to BGN 238.8 million (+127.1%), while the capital belonging to the non-controlling interest amounts to BGN 39.1 million (+96.6%).

For comparison, at the end of 2023, the capital belonging to the owners of the parent company amounted to BGN 105.2 million, and the capital belonging to the non-controlling interest amounted to BGN 19.9 million, or total equity of BGN 125.1 million.

The share capital of Eurohold as of 31.12.2024 did not change and amounted to BGN 260.5 million.

↳ Shares repurchased

As of 31.12.2024, 77,227 voting shares of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2023 – 77,227 voting shares).

↳ Subordinated debt instruments

In support of equity, the Group holds subordinated debt instruments in the amount of BGN 25.4 million owned by insurance companies and the parent company.

During the reporting period, the total amount of subordinated debt instruments in the form of a loan received decreased by a total of BGN 30 million.

- » Insurance business - BGN 25 million (31.12.2023: BGN 54.9 million)
- » Parent company - 108 thousand BGN (31.12.2023: 386 thousand BGN)
- »

For more information on the parameters of the subordinated debt instruments entered into - see Appendix 31, 31.1 and 31.2 to the interim condensed consolidated financial statements for 2024.

↳ Liabilities

Consolidated liabilities (excluding subordinated debt) of the Eurohold Group amounted to BGN 2.5 billion, recording a growth of 7.3% compared to the comparable period.

The majority of liabilities represent borrowings from banks and non-bank financial institutions and bond loans. The total amount of borrowings amounted to BGN 1.36 billion compared to BGN 1.25 billion as of December 31, 2023, recording a growth of 8.6%.

| Obligations for loans from banks and non-bank institutions, and bond issues by maturity: | 31.12.2024 <i>thousand BGN</i> | Change % | 31.12.2023 <i>thousand BGN</i> |
|---|--|---------------------------|--|
| To banks and non-bank financial institutions, including: | 1 122 439 | +8.5% | 1 034 043 |
| - non-current liabilities | 1 033 414 | +28.8% | 802 157 |
| - current liabilities | 89 025 | -61.6% | 231 886 |
| On bond loans, including: | 238 567 | +9.0% | 218 912 |
| - non-current liabilities | 236 998 | +8.9% | 217 588 |
| - current liabilities | 1 569 | +18.5% | 1 324 |
| Total debt obligations, including: | 1 361 006 | +8.6% | 1 252 955 |
| - total non-current liabilities | 1 270 412 | +24.6% | 1 019 745 |
| - total current liabilities | 90 594 | -61.2% | 233 210 |

| Obligations for loans from banks and non-banking institutions, and bond issues by business sector: | 31.12.2024 thousand BGN | Change % | 31.12.2023 thousand BGN |
|--|----------------------------|---------------|----------------------------|
| To banks and non-bank financial institutions, including: | 1 122 439 | +8.5% | 1 034 043 |
| - Energy, including: | 1 099 561 | +12.0% | 982 054 |
| > non-current liabilities of them: | 1 027 095 | +31.5% | 780 886 |
| ▪ on loans from banks | 1 027 095 | +88.1% | 546 181 |
| ▪ on loans from non-bank financial institutions | - | -100% | 234 705 |
| > current liabilities | 72 466 | -64.0% | 201 168 |
| - Insurance - current liabilities on loans from banks | - | -100% | 252 |
| - Parent company | 22 878 | -55.8% | 51 737 |
| > non-current liabilities – on loans from banks | 6 319 | -70.3% | 21 271 |
| > current liabilities – on loans from banks | 16 559 | -45.6% | 30 466 |
| On bond loans, Parent company, including: | 223 076 | +2.5% | 217 588 |
| > non-current liabilities (principal) | 212 556 | -1.7% | 216 264 |
| > current liabilities (accrued interest) | 10 520 | +695% | 1 324 |

Loans from banks and non-bank financial institutions

For more information on the parameters of liabilities for loans from bank and non-bank financial institutions – see: notes 32, 32.1, 32.2, 32.3 to the interim condensed consolidated financial statements for 2024.

Bond loans

The Parent Company has issued 4 bond issues, of which:

- » 2 bond issues issued under an approved EMTN programme admitted to trading on the Irish Stock Exchange, respectively:
 - > issue with ISIN: XS1731768302 in the amount of €70 million, fixed interest rate 6.5% and maturity June 2026
 - > issue with ISIN: XS1542984288 of EUR 10 million, fixed interest rate 8.0% and maturity December 2026
- » 2 issues of corporate bonds listed on the Bulgarian Stock Exchange, respectively:
 - > issue with ISIN: BG2100013205 in the amount of EUR 30 million, fixed interest rate 3.25% and maturity November 2027
 - > issue with ISIN: BG2100002224 in the amount of EUR 40 million, fixed interest rate 3.25% and maturity March 2029

For more information on the parameters of the bank and bond loan commitments - see Appendix 33, and 33.1 to the interim condensed consolidated financial statements for 2024.

Legal cases

As of 31.12.2024 Eurohold Bulgaria AD has no material legal cases pending.

- » In May 2024, Eurohold Bulgaria AD and Euroins Insurance Group AD formally filed an international arbitration case against the Government of Romania with the International Centre for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than EUR 500 million. As of the date of preparation of the Interim condensed consolidated report on operations, a procedural exchange of papers between the parties takes place.
- » Energy business companies are parties to a number of cases, but they are not material for the Group.

For more information - see: appendix 40.1 to the interim condensed consolidated financial statement for 2024.

↳ Derivative financial instruments

The Group (specifically Eastern European Electric Company B.V.) entered into hedging agreements to mitigate the risk of an increase in EURIBOR, which could lead to higher interest expenses on a syndicated loan dated June 3, 2024. The Group has agreed to pay a fixed interest rate and receive a variable interest rate for a part of the syndicated loan.

The interest rate swaps are designated as cash flow hedges that meet the eligibility criteria under IFRS 9 Financial Instruments. Their value in the statement of the financial position represents the fair value of the hedging.

↳ Sureties and Guarantees

The Eurohold Group is a co-debtor/guarantor for loans obtained from banks/financial institutions and for issued bank guarantees. Guarantees and sureties have also been arranged in favour of the Group

For more information on guarantees and warranties in the group – see: note 40.2 of the Group to the interim condensed consolidated financial statements for 2024.

CASH FLOWS

| Consolidated cash flows | | 31.12.2024 | 31.12.2023 |
|---|---------------------|-------------------|-------------------|
| Net cash flows from operating activities | BGN thousand | 136 124 | 410 613 |
| Net cash flows from investing activities | BGN thousand | (166 801) | (212 734) |
| Net cash flows from financing activities | BGN thousand | (2 815) | (185 112) |
| Net increase/(decrease) in cash and cash equivalents | BGN thousand | (33 492) | 12 767 |
| Cash and cash equivalents at the beginning of the period | BGN thousand | 226 779 | 214 012 |
| Cash and cash equivalents at the end of the period | BGN thousand | 193 287 | 226 779 |

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

OVERVIEW OF KEY RESULTS BY BUSINESS LINES

RESULTS BY BUSINESS ACTIVITIES

EUROINS INSURANCE GROUP AD – INSURANCE

Euroins Insurance Group AD (EIG) is one of the largest independent groups operating in the insurance markets of Central, Eastern and Southeastern Europe. EIG is a company established at the end of 2007 and concentrates the entire insurance business of Eurohold Bulgaria AD. The EIG Group provides a full range of insurance products in general insurance, health insurance and life insurance.

The EIG Group operates in Bulgaria, Greece, North Macedonia, Great Britain, Georgia, Poland, Ukraine, Spain, Italy, Germany and the Netherlands.

Main indicators:

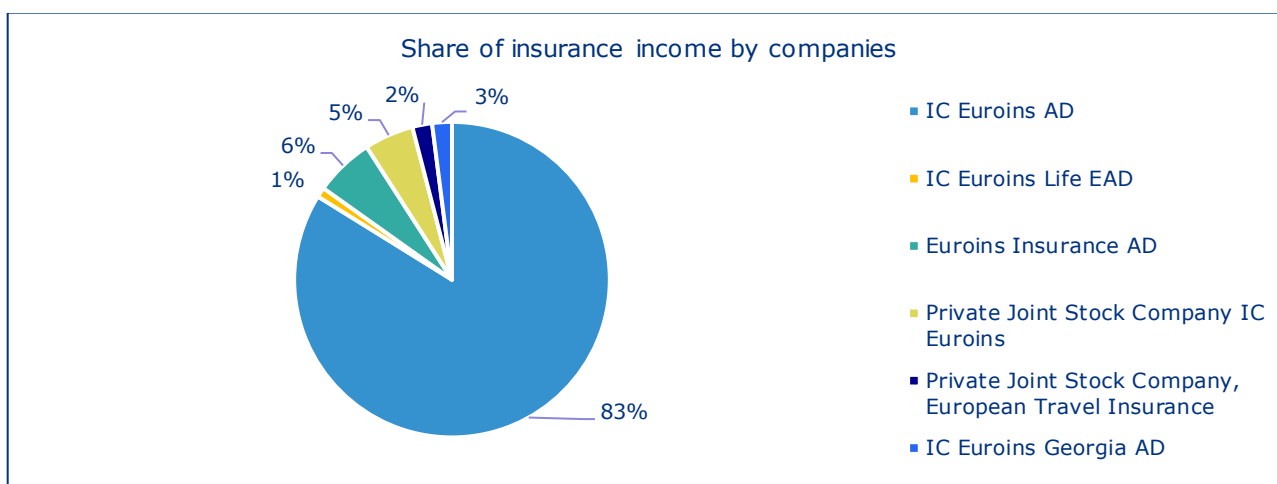
- » Premium income - 505 mln. BGN (comparative preservation of volumes compared to 2023: BGN 471 thousand)
- » Result before taxes – loss 9.2 million BGN

For 2024, Euroins Insurance Group (EIG, the Group) realized consolidated insurance revenues of BGN 505 million compared to BGN 471 million for the third quarter of 2023.

EIG reported a consolidated profit after tax of BGN 8.9 million for the fourth quarter of 2024, compared to BGN 23.1 million for the same quarter of 2023. Part of the profit for the fourth quarter of 2023 is formed from discontinued operations and is a one-time effect.

Insurance income by companies:

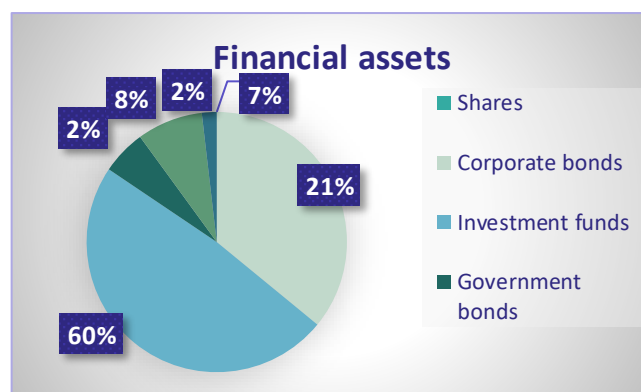
| Company | Insurance income January – December 2024 (BGN thousand) |
|---|--|
| IC Euroins AD, Bulgaria | 417 225 |
| IC Euroins Life EAD, Bulgaria | 7 953 |
| Euroins Insurance AD, North Macedonia | 28 543 |
| Private Joint Stock Company IC Euroins, Ukraine | 27 348 |
| Private Joint Stock Company, European Travel Insurance, Ukraine (ETI) | 10 272 |
| IC Euroins Georgia AD | 13 411 |
| Total Insurance income | 504 751 |



Financial assets

The Group's financial assets support the risk appetite and the timing structure of insurance contract liabilities. The principal investments are in investment funds and bonds which provide sufficient liquidity and provide cover for the Group's expected claims development and outflows (taking into account the relatively short-term insurance contracts associated with the Group's motor business).

| Financial assets | Value 31.12.2024 (BGN thousand) | share % |
|------------------|---------------------------------------|-------------|
| Shares | 28 405 | 7% |
| Corporate bonds | 86 869 | 21% |
| Investment funds | 242 380 | 60% |
| Government bonds | 7 316 | 2% |
| Deposits | 33 431 | 8% |
| Other | 6 837 | 2% |
| Total | 405 239 | 100% |



Significant events for the insurance group

For the period January - December 2024

- > **There have been no significant events in the Euroins Insurance Group that are relevant to:**
 - » organisational changes in the EIG Group structure;
 - » pending legal, administrative or arbitration proceedings concerning liabilities or claims amounting to at least 10 per cent of the equity of the EIG Group;

On 22 May 2024, Eurohold Bulgaria AD (Eurohold) and Euroins Insurance Group AD (EIG) officially filed an international arbitration case against the Government of Romania at the International Center for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than 500 million euros. As of the date of preparation of the interim condensed consolidated report on operations, a procedural exchange of papers between the parties takes place.

> Loans, providing guarantees or assuming liabilities

For 2024, two new subordinated debt contracts (subordinated debt instruments) were negotiated and concluded within the insurance group for a total amount of BGN 20 million, each amounting to BGN 10 million, bearing an annual interest rate of 5% and a repayment term of not earlier than 5 years.

At the end of 2024, subordinated debt instruments in the form of a loan received in the amount of BGN 30 million were repaid in the EIG group.

> Increase / Decrease of capital

IC Euroins

In December 2024, Euroins Insurance Group AD decided to increase the capital of Euroins Insurance Company AD by a total of BGN 115 million under the following parameters:

- On December 20, 2024, an increase in the capital of Euroins Insurance Company AD was entered in the Commercial Register with the issuance of 12,500,000 new shares with a nominal value of BGN 1 each and an issue value of BGN 4. The amount raised is BGN 50,000,000.
- On February 21, 2025, a subsequent increase in the capital of Euroins Insurance Company AD was entered in the Commercial Register with the issuance of 16,250,000 new shares with a nominal value of BGN 1 each and an issue value of BGN 4. The amount raised is BGN 65,000,000.

The capital increase will further improve solvency and support the company's ongoing business transformation. The proceeds will be used to finance the development and organic growth of Euroins Insurance in its key markets in Central and South-Eastern Europe (CSEEE), including Poland and Greece, where the company is reporting solid growth.

Euroins Insurance Group

On 11.11.2024, the General Meeting of Shareholders of Euroins Insurance Group AD decided to simultaneously reduce and increase the capital of Euroins Insurance Group AD (EIG AD), pursuant to Art. 203 in connection with Art. 252, para. 1, item 5 of the Commercial Act. According to the decision:

- The capital of EIG AD was reduced from BGN 576,242,734 to BGN 119,932,734 through the cancellation of 442,212,912 ordinary, registered, outstanding shares and 76,981,791 preferred, registered, outstanding shares with a par value of BGN 1 each.
- At the same time, the capital was increased from BGN 119,932,734 to BGN 149,932,734 through the issuance of 30,000,000 shares, of which Eurohold Bulgaria AD subscribed and paid in December all 30,000,000 shares at an issue price of BGN 5.83 each or a total value of BGN 174,900 thousand.

The capital of Euroins Insurance Group AD as of the date of this report amounts to BGN 149,932,734, distributed into 149,932,734 ordinary, registered, outstanding shares with a par value of BGN 1 each, with the change being entered in the Commercial Register on 16.01.2025. The percentage of participation of Eurohold Bulgaria AD increases from 90.01% to 92.08%.

Results by companies

| <i>amount in BGN thousand</i> | IC Euroins AD* | IC Euroins Life EAD | Euroins Insurance AD | PJSC IC Euroins | PJSC European Travel Insurance | IC Euroins Georgia AD |
|---|-----------------|---------------------|------------------------|-----------------|--------------------------------|-----------------------|
| | <i>Bulgaria</i> | <i>Bulgaria</i> | <i>North Macedonia</i> | <i>Ukraine</i> | <i>Ukraine</i> | <i>Georgia</i> |
| Insurance revenues | 417 225 | 7 953 | 28 543 | 27 348 | 10 372 | 13 411 |
| Equity | 146 792 | 12 367 | 16 671 | 7 568 | 11 013 | 7 568 |
| Liabilities, incl. Subordinated liabilities | 448 183 | 8 997 | 33 499 | 49 087 | 4 102 | 49 087 |
| Assets | 594 975 | 21 364 | 50 169 | 56 656 | 15 115 | 56 656 |
| Share capital | 62 221 | 8 442 | 7 573 | 3 470 | 1 712 | 3 470 |

*The insurance revenues of IC Euroins AD, Bulgaria also include volumes generated in Greece (branch), Poland, Spain, Italy, Germany, the Netherlands and the UK, where the company operates under the right of freedom of establishment and freedom to provide services.

IC Euroins AD, Bulgaria

The main insurance revenues for the Group are generated by Euroins. In 2024, Euroins Insurance Company, Bulgaria reported total revenues from insurance services of BGN 417 million, increasing volumes by 7% compared to the same period in 2023.

A decline in sales was reported in the UK, where the Group's temporary insurance licence to enter the market has expired and the Group is exploring the possibility of establishing a division and applying for a permanent insurance licence. This decline has been offset by an increase in sales mainly Poland and Spain.

IC Euroins Life EAD, Bulgaria

Euroins Life's insurance revenues for 2024 amount to BGN 7.9 million and report a decrease of 15% (2023: BGN 9.3 million).

Euroins Insurance AD, North Macedonia

In 2024, insurance revenues at Euroins North Macedonia will decrease slightly by 9% to BGN 28.5 million (2023: BGN 24 million). The company's main lines of business are Third Party Liability and Agricultural Insurance.

Private Joint Stock Company IC Euroins, Ukraine

In 2024, the Company reported insurance income of BGN 27.3 million, a slight increase compared to the previous period. The majority of the premium income generated in 2024 was formed based on sales in the Western part of Ukraine, which is relatively much less affected by the military operations. The main business lines in which the company specializes are motor insurance.

Private Joint Stock Company, European Travel Insurance, Ukraine (ETI)

In 2024, the Company reported insurance income of BGN 10.7 million, reporting a growth of 4% (2023: BGN 7.5 million).

The main activity in the company's portfolio is Travel Assistance insurance.

IC Euroins Georgia AD

The total amount of insurance income in 2024 is 13.4 million BGN, reporting a growth of 5% (2023: 12.8 million BGN). Euroins Georgia Insurance Company specializes in Accident and Health insurance.

Other operating group companies

The other operating group companies, including ECLAIM Claims Services Sole Proprietorship P.K. (Greece), Shardeni 2017 (Georgia) and FENIX EM G.I. SERVICES S.R.L. (Romania) do not report significant results outside of intra-group transactions.

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

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

The Electrohold Energy Group is one of the largest independent private energy groups in Bulgaria and includes eight operating companies operating in the fields of distribution, supply, electricity trading, intercompany management and information technology services, and three specially created companies to consolidate Eurohold's energy investments.

Main indicators:

- » Revenues from operational activity – BGN 1.57 billion (31.12.2023: BGN 1.72 billion)
- » EBITDA – BGN 213.1 million (31.12.2023: BGN 268.2 million)
- » Net profit – BGN 32 million (31.12.2023: BGN 102 million)

Results of the operating companies in the EEEEC Group

» Revenues

| <i>Revenues from energy activity</i> | <i>31.12.2024</i> | <i>31.12.2023</i> |
|---|---------------------|---------------------|
| | <i>BGN thousand</i> | <i>BGN thousand</i> |
| Customers on the open market | 1 133 176 | 1 240 880 |
| Household consumers | 933 996 | 841 909 |
| Business users | 126 513 | 163 334 |
| Revenues from customer connection fees | 28 902 | 26 962 |
| Revenues from services for the survey, repair and maintenance of the electricity distribution network, and commercial metering facilities | 6 281 | 8 602 |
| Revenues from information, communication, technology (ICT) and other services | 2 874 | 1 641 |
| Revenue from the Electricity System Security Fund | 1 668 | 824 |
| Other revenue | 54 286 | 36 055 |
| Total revenue from energy activities | 2 287 696 | 2 320 207 |

» Expenses

| <i>Operating (energy) expenses</i> | <i>31.12.2024</i> | <i>31.12.2023</i> |
|--|---------------------|---------------------|
| | <i>BGN thousand</i> | <i>BGN thousand</i> |
| Expenses for purchased electricity | (1 663 726) | (1 604 644) |
| Technology expenses for electricity transmission | (120 645) | (151 851) |
| Balancing energy | (34 415) | (32 215) |
| Transmission and access service expenses | (5 358) | (2 310) |
| Other expenses | (211) | (473) |
| Total energy activity expenses | (1 824 355) | (1 791 493) |

» **Financial income/expenses**

| | 31.12.2024 | 31.12.2023 |
|---|-------------------------|-------------------------|
| » <i>Financial income/expenses</i> | <i>BGN thousand</i> | <i>BGN thousand</i> |
| Financial income | 12 459 | 6 457 |
| Interest income | 3 703 | 3 084 |
| Other financial income | 8 756 | 3 373 |
| Financial expenses | (110 653) | (98 378) |
| Interest expenses | (98 401) | (84 629) |
| Interest expense - cash flow hedge | (1 468) | - |
| Interest expense on right of use assets | (724) | (479) |
| Other financial expenses | (12 996) | (13 270) |

» **Assets and Liabilities**

| | 31.12.2024 | 31.12.2023 |
|--|-------------------------|-------------------------|
| <i>Significant Assets and Liabilities</i> | <i>BGN thousand</i> | <i>BGN thousand</i> |
| Assets | | |
| Property, plant and equipment <i>including right-of-use assets</i> | 939 333 | 850 623 |
| Intangible assets | 84 455 | 90 622 |
| Inventories | 36 038 | 23 790 |
| Trade and other receivables | 369 142 | 276 448 |
| Advances and prepayments, other receivables | 164 854 | 104 505 |
| Cash and cash equivalents | 168 054 | 203 687 |
| Liabilities | | |
| Non-current liabilities for loans received from banking and non-banking institutions | 1 027 095 | 780 886 |
| Current liabilities for loans received from banking and non-banking institutions | 72 243 | 200 837 |
| Current trade and other liabilities | 292 167 | 231 248 |

Significant events for the energy group

For the period January to December 2024:

- > **Have been no significant events in the EEEC Group that are relevant to**
 - » organisational changes in the EEEC Group structure;
 - » pending legal, administrative or arbitration proceedings concerning liabilities or claims amounting to at least 10 per cent of the EEEC group's equity;
- > **Loans, provision of guarantees or assumption of liabilities**

Debt refinancing

- » Eastern European Electric Company BV and Eastern European Electric Company II BV successfully closed a financing deal for a new 5-year syndicated secured loan in the amount of EUR 460 million and additional debt financing for another EUR 65 million with a repayment term of 5 years and 3 the month. The funds raised from the new financing were used to refinance the existing syndicated loan in the amount of EUR 360 million at the EEEC B.V. level. and liabilities in the amount of EUR 125 million at the EEEC II B.V level, as well as for capital expenditure within the energy subsidiaries in preparation for the liberalization of the electricity market.

The new financing achieves better terms, including savings on interest costs, until maturity in 2029. It also provides for a smoother debt repayment schedule on relaxed terms, aligned with the energy group's operations and taking into account its strong performance, achieved in the last few years after its acquisition by the Eurohold group. There is also no need for guarantees from the parent company - Eurohold.

In connection with the conclusion on 03.06.2024 of a new syndicated loan in the energy group and in order to minimize the risk of a rise in EURIBOR, a hedging contract was signed, with interest rates hedged through interest rate swaps on part of the principal.

- > **Increase in premium reserve from equity**
 - » According to the Agreement of 18.03.2024, an additional capital contribution of EUR 940 thousand was made to the subsidiary Eastern European Electric Company II B.V. The amount was paid to EEEC II B.V. in two tranches - EUR 600 thousand on March 14, 2024 and EUR 340 thousand on March 15, 2024.

EURO-FINANCE AD - INVESTMENT INTERMEDIARY AND ASSET MANAGEMENT (financial-investment activity)

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

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

The company is among the most active participants in the Bulgarian capital market (1st place in terms of turnover on the Bulgarian Stock Exchange markets for 2024) and has the highest equity of all investment intermediaries, according to data from the Financial Services Commission.

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

In the 2024, "Euro-Finance" AD offer its services through one tied agent, entered in the Register of the Financial Supervision Commission as such, as follows:

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

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

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

The tied agent provides the above-mentioned services to the clients or potential clients of Euro-Finance AD only with respect to the units of AMUNDI collective investment schemes.

Main indicators:

The Company generated net income from core operations for 2024 in the amount of BGN 4.7 million, generated from:

- » Interest income - BGN 610 thousand;
- » Other operating income - BGN 4.1 thousand;

Expenses for the period related to the ongoing servicing of the Company amount to BGN 3 million.

Results of activity:

| Indicator | 31.12.2024 | 31.12.2023 |
|--------------------------------------|--------------|--------------|
| | BGN thousand | BGN thousand |
| Net profit from financial operations | 4 740 | 3 318 |
| Net profit before tax | 1 685 | 669 |
| Total Assets | 29 900 | 29 314 |
| Equity | 23 650 | 22 711 |
| Total liabilities | 6 250 | 6 603 |

For 2024, Euro-Finance AD reported a profit before taxes of BGN 1,695 thousand (2023: BGN 636 thousand). The change is mainly due to the increase in income from fees and commissions on transactions with financial instruments in the country, as well as income from operations with financial instruments.

The following table presents the main net income of the company related to the activity as an investment intermediary for the period of 2024:

Main net income of the company related to the activity as an investment intermediary

| <i>Indicator</i> | <i>31.12.2024</i> | <i>31.12.2024</i> |
|---|---------------------|---------------------|
| | <i>BGN thousand</i> | <i>BGN thousand</i> |
| Interest and similar income | 610 | 421 |
| Income from transactions in financial assets and instruments | 2 623 | 2 244 |
| Fees and commissions from transactions in financial instruments | 873 | 183 |
| Total: | 4 106 | 2 848 |

Net interest income increased by 45% compared to the same period in the previous year. Income from fees and commissions increased by 17%. The result from operations with financial assets from the portfolio of Euro-Finance AD for 2024 increased by 377%.

Significant events for Euro-Finance AD

For the period January - December 2024

- > **Have been no significant events in the EEE Group that are relevant to**
 - » organisational changes in the company;
 - » pending judicial, administrative or arbitration proceedings concerning liabilities or claims amounting to at least 10 per cent of the campaign's equity;
 - » intra-company loans, guarantees or commitments.

EUROHOLD BULGARIA AD - INDIVIDUAL BASIS

The results of the individual activity of Eurohold Bulgaria AD for 2024 are available on the company's website www.eurohold.bg, in the "Financial Information" section.

DESCRIPTION OF THE MAIN RISKS

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

This list of risks is not intended to be exhaustive. The order in which the risks are presented is not indicative of their likelihood of occurrence, nor of their potential impact on the Company's business, prospects, results of operations and financial condition.

Additional risks and uncertainties that are not currently known or that are currently considered immaterial could individually or cumulatively have a material adverse effect. In the event that any of the risks described in this section occur even in part or in combination with other risk factors or circumstances, it could have a material adverse effect on the Company.

The Group's future operational results may differ materially from past results as a consequence of the occurrence of the risks described herein. Although the Group monitors the impact of risks on the performance of its businesses, some of these risks are beyond our control. Given the dynamic macroeconomic environment at this time, it is possible that other risks and/or uncertainties may occur that are not currently known or that we are unable to assess or that are considered immaterial at this time and which risks could have a material adverse effect on the Group's business.

Each 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 principal risks and uncertainties are those that may have the greatest impact on our Group's key priorities.

Climate risks

Eurohold Bulgaria AD falls within the scope of Directive (EU) 2022/2464 of 14 December 2022 on corporate sustainability reporting (CSRD). CSRD reporting will take place for the first time in 2025 as part of the annual consolidated management report for the 2024 reporting year.

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**

To the extent that the activities of Eurohold Bulgaria AD are related to the management of assets of other companies, the same cannot be attributed to a separate sector of the national economy and is exposed to the industry risks of the subsidiaries. Eurohold Bulgaria's group companies operate in the following sectors: 'insurance', 'energy', and 'investment brokerage and asset management'.

The Company's financial results are directly linked to the financial performance and development trends of its business units. 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 risk associated with the operations of Eurohold Bulgaria AD is the possibility of a reduction in the earnings of the companies in which it participates and on the receipt of dividends. In this regard, this may have an impact on the company's revenue growth as well as on the change in its profitability.

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

Eurohold continuously controls and monitors the development strategy of its economic group. All identified risks and potential risks that may affect the activities of the subsidiaries are monitored.

Eurohold Bulgaria acts flexibly in identifying risks related to subsidiaries that may have a negative effect on the Group as a whole, including divestments where necessary.

Specific risks associated with the activities of subsidiaries

➤ Insurance business

The inherent risk categories of the EIG, as an insurance holding company, are identified and classified in accordance with the identified risk categories. For risk accounting and reporting, the Group applies a standard formula by identifying and distinguishing the following risk categories at a consolidated level:

» Sector risk

Sector risk arises from the situation and trends in the insurance sector. The main risks affecting the sector are:

- change in demand for insurance services and products;
- existence of strong competition and market fragmentation;
- lack of opportunities to expand the market in proportion to the increase in GDP;
- innovation risk - low incidence of new product creation by established players and entry of new technologies disruptively affecting the market;
- regulatory change risks - the core business of the EIG group companies is based on the current Solvency II-based regulatory framework in EU member and candidate countries, as well as established international insurance risk management practices.

Group companies seek to limit the impact of sector non-systematic risks on their business by maintaining a broad range of insurance and products in a broadly diversified portfolio and offering new products in line with changes in market demand. The aim is to enrich the range of insurance products offered, while at the same time having a flexible pricing policy tailored to the risk profile of the client. The Group also seeks innovative solutions in the field of new technologies, both in the area of sales and introduction of new products and in the area of claims handling.

» Company risk

Enterprise risk combines business risk and financial risk. Business risk relates to the specific activities of the Group. This risk is defined as the uncertainty associated with earning revenues inherent in the industry in which the Group operates. The nature of the general insurance business is based on pricing and managing risk in its various manifestations through the management of a portfolio of insurance products.

The Group's business risk is characterised by:

- the inability to estimate the timing and magnitude of damage caused by events such as natural disasters, major accidents and acts of terrorism;
- the existence of liquidity risk;
- the existence of operational risks.

» Business risk associated with the occurrence of large claims

Due to the representative nature of the product structure in the insurance portfolio of the EIG subsidiaries compared to that of the insurance sector in the respective countries, there are no specific business risks that are unique to the companies compared to the rest of the sector.

Natural disasters

These events can cause damage of a significant nature to insured property of individuals and companies as well as to motor vehicles.

With regard to the amount of damage that would be caused by natural catastrophes to motor vehicles insured with companies in the EIG group, it is considered to be minimal in view of two factors:

- The companies have a large portfolio of vehicles insured against natural catastrophes across several countries, which has the effect of spreading the risk of such catastrophes over a large population and therefore minimising the impact of disasters given that they affect a very limited territory;
- Insured cars are readily mobile and therefore the risk of damage from natural disasters is partially reduced given that some natural disasters are predictable and their territorial spread is relatively slow and limited.

The amount of damage to insured immovable property that companies could sustain from natural catastrophes is limited by the reinsurance programme maintained by the EIG. In order to monitor the exposure of the Companies' portfolio to the risk of natural catastrophic events, an assessment of the Companies' accumulated risk of such events is prepared on a quarterly basis by CRESTA zone.

Major accidents

The large industrial risks that can contribute to such events are extremely limited in the companies' portfolio, and their impact is severely limited by the fact that these accidents are fully covered by the companies' purchased reinsurance protection.

Terrorist acts

To date, there have been no acts of terrorism in Bulgaria, North Macedonia and Romania that could potentially threaten risks covered by general insurance companies. Under the general terms and conditions of Euroins, terrorism is an excluded risk under international clause G51.

➤ Energy business

» Environmental and climate risk

Risk of negative impact on the environment

The Electrohold Group complies with the applicable domestic and international legislation in the field of sustainable development, ecology and environmental protection, in solidarity with the fundamental objectives and principles of environmental law. Specific actions are taken and policies are followed regarding sustainable development. Management is currently monitoring the emergence of risks and negative effects of climate change on the operations of the Electrohold Group, as well as its impact on climate change.

Risk related to the transition to a low carbon economy. For the most part, the risks associated with this stem from:

- Change in policies and regulations as a result of the implementation of European climate regulations by the relevant regulatory authorities in the Republic of Bulgaria.
- Change in the legislative framework in line with European climate documents and established policies;
- Change in technology regarding the distribution network needed to move towards a carbon neutral society.

The Group has obligations under EU energy efficiency policy and the current Energy Efficiency Obligations Scheme in the country and is committed to implementing measures to reduce energy consumption to end customers.

Climate change risk

Management monitors on an ongoing basis the emergence of climate change risks and negative impacts on the Group's operations, as well as its impact on climate change.

For the most part, climate change risks arise from:

- Change in policies and regulations as a result of the implementation of European climate regulations by the relevant regulatory authorities in the Republic of
- Change in regulations in line with European climate-related documents and approved policies;
- Change in distribution network technologies required to move towards a carbon neutral society;

- Negative climate-related effects on suppliers or customers that affect the company.

Regulatory risk

Regulatory risk relates to the impact that the existing regulatory framework or changes to the regulatory framework have on the Company's operations, as well as potential fines and penalties resulting from breaches of this framework.

The energy business is a highly regulated business, with the financial performance of companies operating in the energy sector directly dependent on a number of regulations and decisions of the government regulatory body (the EWRC). Companies are exposed to the risk that the regulator may not take into account all costs associated with their normal activities when setting electricity prices.

- Risks associated with the unpredictability of regulatory changes and the possible negative impact of these changes on the Company's operations;
- Risk of revocation of licenses;
- Risk of fines imposed by the CPC and the EWRC;
- Risk of the Company not being able to cover all of its operating costs under the End Supplier Licence, and the risk of no regulatory changes allowing for their reduction;
- Risks associated with the behaviour of key market participants and their impact on the electricity market;
- Risks associated with an increase in financial requirements on companies such as mandatory guarantees and deposits by key market participants;
- Risks related to the way the free electricity market is organised, modelled, structured and visioned;
- Risks related to the introduction of additional legal direct and indirect obligations on generators, traders, customers and grid companies in the free electricity market, including the increase and/or introduction of new charges, taxes, contributions, energy efficiency obligations.

The dynamics of regulatory changes related to the European Union's strategy for liberalisation and development of energy markets is also directly dependent on the political situation. Frequent changes in the political environment are a prerequisite for a more volatile and less predictable regulatory environment.

Market risk

Risk related to electricity consumption and the cost of purchasing energy for process costs in an organised exchange market due to economic, political, technological and climate change reasons, as well as the risk of liberalisation of the electricity market. These are risks that arise from causes external to the Company and the Company's ability to effectively influence the factors determining this risk is very limited. Market risks can be characterised as:

- Competition and switching risks in a free market;
- Risks associated with changes in wholesale electricity prices and their impact on the Company's energy position and expected trading margin;
- Risks resulting from the pronounced volatility and unpredictability of the wholesale market and the fundamentals influencing it (natural gas prices, fuels, CO2 emissions, renewables, EU policy, market mergers, climate change, etc.);
- Risks related to liquidity and adequate supply of long-term energy products in the wholesale market, matching the consumption profile of end customers;
- Risks due to seasonality, weather changes, generator maintenance programs, transmission capacity, generator outages, and other unforeseen events that may impact the wholesale electricity market;
- Risks associated with mispredictions, and/or abrupt changes in the wholesale market and the Company's inability to adapt its end-use customer portfolio to the changes;
- Risks related to market infrastructure, data exchange systems, security and information protection;
- Risks related to trading participant behaviour, experience and code of ethics;
- Risks arising from leaving positions of other participants in the Company's balancing group unfilled;
- Risks of non-renewal of contracts with end customers due to internal and external factors;
- Risk of changes in the regulatory framework, respectively inability to fully or partially pass on purchase costs to end customers' selling prices.

Other risks specific to the operations and industry of energy companies are:

- Risk that operations may be adversely affected by a reduction in electricity consumption due to economic, political or technological reasons;
- The business is exposed to the risk of climate change;
- The business is exposed to the risk of an increase in the cost of electricity as a result of an increase in the price of primary energy resources and stricter CO2 emission standards;
- Liberalisation of the electricity market in Bulgaria and increased competition;
- Risks associated with electricity supply disruptions;
- Litigation or other out-of-court proceedings or actions could have an adverse effect on our business, financial condition or results of operations;
- Risk of selecting an inappropriate market strategy;
- Risk of inability to retain and hire quality personnel;
- Strikes or other industrial action, and negotiations with trade unions could disrupt operations or increase its operating costs;
- Risks associated with the Company's obligation under the Energy Efficiency Act;
- Risk of inability or limitations in securing committed resources, including significant increases in the cost of financing and changes in interest rates.

➤ Investment intermediary and asset management

The Group's investment intermediation and asset management activities are represented by the investment intermediary Euro-Finance AD. The risk in the financial intermediation and asset management sector is related to the high volatility of debt and equity markets, changes in financial sentiment and the investment culture of the population.

» Market and credit risk

Euro-Finance AD's financial performance is subject to market risk and credit risk, respectively, given that a large portion of Euro-Finance AD's assets are invested in publicly traded fixed income securities denominated in several currencies, the market value of which changes daily. "Euro-Finance plc is clearly a very well capitalised company, given the regulatory requirements in force, but sudden and significant disruptions in the financial markets, as well as in the credit profile of the specific issuers of securities in whose instruments Euro-Finance plc has invested its capital, could have a material adverse effect on Euro-Finance plc's prospects, results and/or financial condition.

» Settlement and clearing risk

As a leading and active local financial broker with an extensive local business in financial asset management and brokerage services, serving both institutional and individual investors, "Euro-Finance" AD settles and clears numerous transactions with many counterparties on a daily basis. The risk of communications error in the settlement process, although currently fully minimized, exists and could limit the Company's ability to effectively serve its clients, which could have a material adverse effect on Euro-Finance plc's prospects, results and/or financial condition.

» Risk of change in the regulatory framework

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

» Risks in information transmission and processing

"Euro-Finance" AD conducts all stock exchange transactions, asset management, currency trading and settlement activities only electronically and is therefore exposed to the risk of loss in the transmission of information or theft of personal and confidential information. Failure to provide continuity and the necessary level of protection to the flow of information could expose the Company's internal securities trading system, its databases and daily

transactions to risks, which in turn could damage the Company's image in the eyes of its customers and counterparties. Any loss of full control over information flow could have a material adverse effect on Euro-Finance plc's prospects, results and/or financial condition.

⇒ Risks related to Eurohold's development strategy

Eurohold's future earnings and economic value depend on the strategy chosen by the senior management team of the company and its subsidiaries. Choosing an inappropriate strategy could lead to significant losses.

Eurohold Bulgaria AD seeks to manage the risk of strategic errors in its group by continuously monitoring the various stages in the implementation of its market strategy, and the results thereof. This is essential in order to be able to react promptly if a change is needed at a certain stage in the strategic development plan. Untimely or inappropriate changes in strategy could also have a material adverse effect on the Company's business, operating results and financial condition.

⇒ Risks related to the management of Eurohold. Operational risk

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

The likelihood of such events is assumed to be relatively low.

Eurohold continuously analyses and monitors the management of subsidiaries.

The Company, including the Group, pays particular attention to security and personal responsibility, especially with regard to access to information (including classified information and personal data information), information system and cyber security.

⇒ Risks associated with financing the activity

Eurohold Group's ability to grow and implement its development strategies depends to a large extent on its ability to raise capital. The volatility of the financial markets, as well as any apparent lack of trust between financial institutions, could make it significantly more difficult to raise long-term capital on reasonable terms.

The management of Eurohold Bulgaria AD supports the efforts of the Group's subsidiaries to attract banking resources for investment and to secure working capital. The volumes of these funds raised are maintained at certain levels and are authorised after demonstrating the economic efficiency for each company.

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

⇒ Risk of concentration

There is concentration risk, which is the possibility that a company may incur a loss due to a concentration of financial resources in a business sector or related parties. This risk is the possibility that the invested funds may not be fully recovered due to a recession in the investee business. The Company's management actively monitors this risk and seeks solutions, measures and actions to diversify the businesses in which it operates.

With the acquisition of the Energy Group in 2021, Eurohold diversifies the concentration risk in the largest insurance business to date.

⇒ Risk of lack of liquidity

Liquidity risk relates to the possibility that Eurohold Bulgaria AD or a subsidiary may not repay its liabilities in the agreed amount and/or when they fall due.

Eurohold Group companies seek to minimise this risk through optimal cash flow management within the Group. The Group applies an approach to ensure that the necessary liquidity resources are available to meet liabilities as they arise under normal or exceptional conditions, without incurring unacceptable losses or damaging the reputation of the individual companies and the economic group as a whole.

Subsidiaries undertake financial planning which seeks to meet the repayment of expenses and current liabilities, including the servicing of financial obligations. This financial planning minimises or completely excludes the potential effect of contingencies.

In the process of liquidity risk management, the group companies carry out intra-group financing with free cash resources.

⇒ **Credit risk**

Credit risk is the risk that a counterparty will not pay its obligation to a Group company. It relates to the possibility of a deterioration in the collectability of receivables which could lead to cash flow disruption and difficulty in making payments on borrowed/borrowed funds.

The Group is exposed to this risk in connection with various financial instruments such as the granting of loans, the incurrence of customer receivables, the deposit of funds and others. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period.

⇒ **Risk related to staff**

The Eurohold Group's business is significantly dependent on the contribution of a number of individuals, members of the management and supervisory bodies, senior and middle management of the parent company and subsidiaries. There can be no assurance that these key employees will continue to work for Eurohold in the future. Eurohold's success will also be relative to its ability to retain and motivate these individuals. The Company's inability to maintain sufficiently experienced and qualified personnel for managerial, operational and technical positions could have an adverse effect on the Group's business as a whole, its operating results and its financial condition.

The Eurohold Group accepts this risk as material and implements policies to enhance employee motivation by providing a good environment for professional development, a competitive level of remuneration and a good working culture.

⇒ **Risk of possible transactions between group companies with terms that differ from market terms**

Relationships with related parties arise under agreements for temporary financial assistance to subsidiaries and in connection with transactions relating to the ordinary business activities of subsidiaries.

The risk of possible transactions between Group companies on terms that differ from market terms is the risk of achieving a low return on the intra-group financing provided. Another risk that may be incurred is that sufficient revenue, and hence a good profit for the relevant company, may not be realised in intra-group commercial transactions. At a consolidated level, this may have a negative impact on the profitability of the entire group.

Within Eurohold, transactions between the parent company and the subsidiaries and between the subsidiaries themselves, arising from the nature of their core business, take place on an ongoing basis. All transactions with related parties are carried out on terms that do not differ from normal market prices and in compliance with IAS 24 'Related Party Disclosures'.

B. SYSTEMATIC RISKS

⇒ Macroeconomic risk

Macroeconomic risk is the risk of shocks that may affect economic growth, population income, supply and demand, profit making by economic agents, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changes in legislation and regulatory requirements, national government priorities, etc. Trends in the macroeconomic environment affect market performance and the bottom line of all sectors in the economy.

The risk of the impact of the international environment on firms cannot be diversified and affects all economic actors, but on the other hand it can become a driver for the development and implementation of innovation and digitalisation that can dramatically change and increase business performance on a global scale.

Examples of macro-economic shocks include: the global economic crisis; the impact of the Covid-19 global pandemic in early 2020, including measures taken by the governments of affected countries; the slowdown in economic growth; the risk of systematic global financial fluctuations; recurrent fiscal imbalances; high levels of inflation; changes in exchange rates to certain currencies; volatility in energy prices; economic and political uncertainty in some regions of the world; reduced

Bulgaria has an open economy and its development depends directly on international market conditions. The development of Bulgaria's economy faces the risk of external influences and depends directly on international market conditions.

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

The occurrence in Bulgaria and in the countries of our operations, of adverse macroeconomic conditions including increases in unemployment and inflation, and fiscal instability could have a material adverse effect on the Company's/Group's business, financial condition and/or results of operations or expected growth of the Group.

The Eurohold Group has operations in a number of European countries in addition to Bulgaria and accordingly its overall financial position and the results of its operations are affected by the economic, legal and political conditions in these countries. Any deterioration in macroeconomic conditions in such countries or in the wider CEE/SEE region could adversely affect certain products and services offered by the Group and result in lower revenues than originally planned. In addition, general changes in government policy and regulatory systems in any such jurisdiction may result in increased operating costs and capital requirements for the Group. Any future periods of economic slowdown or slow economic growth in any of the markets in which the Group operates could have an adverse effect on the Group's business, financial condition, cash flows, results of operations or prospects.

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

Macroeconomic risks at the date of preparation of this Report

Military actions on the territory of Ukraine and the Middle East

The military conflicts in Ukraine and the Middle East raise at the global level possible manifestations of risks related to the reduction of economic activity and financial markets, supply chain problems, price increases and inflation, etc.

The effects and economic implications of the hostilities between Russia and Ukraine and those in the Middle East cannot be fully assessed, but indicate a very serious impact on the world economy. Weaker global economic activity or a further slowdown in the pace of world trade could also depress growth in the euro area.

Eurohold's management is monitoring with concern the development of the military conflict between Russia and Ukraine and is assessing its impact on the Group's business with a view to taking measures, decisions and specific actions to mitigate the impact on the Group. "Eurohold Bulgaria AD, through its subsidiary Euroins Insurance Group, owns investments in two insurance companies in Ukraine and.

Macroeconomic forecast

According to the latest ECB Economic Bulletin, Issue 8/2024, the December 2024 forecast projects a slower economic recovery than the September 2024 forecast for the euro area. While growth accelerated in the third quarter of the year, survey indicators suggest a slowdown in the fourth quarter. The economy is expected to grow by 0.7% in 2024, 1.1% in 2025, 1.4% in 2026 and 1.3% in 2027. The projected recovery is mainly based on rising real incomes, which will allow households to increase their consumption and businesses to increase investment. According to Eurostat's flash estimate, annual inflation is expected to increase to 2.3% in November, compared to 2.0% in October. This increase is expected and primarily reflects the rising base effect related to energy dynamics. Food inflation decreases to 2.8%, while services inflation decreases to 3.9%. Goods price inflation increases to 0.7%.

Source: www.ecb.europa.eu

In the November 2024 BNB Macroeconomic Forecast, Bulgaria's real GDP growth is expected to reach 2.2%. The main positive contributions to this growth will come from private consumption and inventory changes, while the contributions of public investment and net exports are expected to be negative. The projected increase in consumer spending in 2024 is mainly due to the increase in employment and real wages, as well as higher social transfers to households. Real GDP growth is expected to gradually accelerate to 2.7% in 2025, and 3.4% in 2026, with this dynamics being determined mainly by the projected profile of total investment in the economy and the projected more significant acceleration in the growth of exports of goods and services in 2026. At the same time, private consumption will continue to have the largest contribution to real GDP growth in 2025 and 2026.

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 events

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

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

⇒ Political risk

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

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

Among the political risks are the successful continuation of Bulgaria's integration into the European Union (EU). After our country's accession to the EU in early 2007, economic reforms were imposed in the name of our country's integration into the European Union. In the future, economic growth will depend on the political will to continue economic reforms, with the aim of introducing the best market practices of the EU 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 will generate social and political tension, lead to a significant and abrupt change in political and economic conditions, which may have a significant adverse effect on business. At present, the political situation in Bulgaria is not particularly stable. This instability manifested itself in April 2021, when the country was faced with the inability to form a regular and stable government. This also contributed to the lag in Bulgaria's preparations for joining the eurozone. Although a regular government has been formed since January 2025, uncertainty continues to be assessed as a major negative factor affecting economic activity and the business environment in Bulgaria.

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

Given the uncertainty of the outcome of the dynamic political and economic situation, users of this Report should consider the presence of political risk in accordance with their own understanding and expectations.

⇒ Country credit risk

Credit risk represents the probability of deterioration of a country's international credit ratings. Low credit ratings of a 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 the credit risk of a country. The latest assigned credit ratings of Bulgaria are as follows:

| Date | Agency | Long-term Foreign/local currency | Short-term Foreign/local currency | Perspective |
|------------|---------|----------------------------------|-----------------------------------|-------------|
| 25.01.2025 | Moody's | Baa1 | Baa1 | Stable |
| 19.10.2024 | Fitch | BBB / BBB | F-2 /- | Positive |

Source: www.minfin.bg

The implementation 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 Eurohold economic group, expressed in the Group's financing opportunities. In the event of a decrease in Bulgaria's credit rating, as a result of unstable governance in the country, it could have a negative impact on the Group and on the cost of financing, unless its loan agreements are not 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.

⇒ Inflation and consumer price index for December 2024 (according to NSI data)

| Consumer Price Index (CPI) | | |
|---|---|-------|
| Monthly inflation | December 2024 / November 2024 | +0.4% |
| Annual inflation | December 2024 / December 2023 | +2.2% |
| Inflation from early 2024 | December 2024 / December 2023 | +2.2% |
| Average annual inflation | January 2024 - December 2024 / January 2023 - December 2024 | +2.4% |
| Harmonized Index of Consumer Prices (HICP) | | |
| Monthly inflation | December 2024 / November 2024 | +0.3% |
| Annual inflation | December 2024 / December 2023 | +2.1% |
| Inflation from early 2024 | December 2024 / December 2023 | +2.1% |
| Average annual inflation | January 2024 - December 2024 / January 2023 - December 2024 | +2.6% |
| Price index for the small basket (ICPM) | | |
| Monthly inflation | December 2024 / November 2024 | +0.1% |
| Inflation from early 2024 | December 2024 / December 2023 | +2.3% |

Source: www.nsi.bg

⇒ The BNB's macroeconomic forecast

According to the BNB's December 2024 Macroeconomic Forecast, annual inflation, as measured by the Harmonized Index of Consumer Prices (HICP), is expected to accelerate to 3.5% at the end of 2025 (compared to 2.1% at the end of 2024), and average annual inflation to reach 3.3% (2.6% in 2024). According to the forecast, annual inflation at the end of 2026 will slow down to 2.1%, which will be mainly due to the food and goods and services groups with administratively determined prices, while inflation in services is expected to remain at a level close to that of 2024.

Source: www.bnb.bg

In general, inflation may affect the Group's expenses, as part of the companies' liabilities are interest-bearing. Their servicing is related to current interest rates, which also reflect inflation levels in the country. Therefore, maintaining low inflation levels in the country is considered a significant factor for the activities of the Eurohold group.

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

However, the current geopolitical situation in Europe creates the prerequisites for the inflation prospects in the eurozone to become very uncertain and depend to a decisive extent 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 take into account both the current levels of inflation risk and the future possibilities for its manifestation.

⇒ **Currency risk**

This risk is related to the possibility of depreciation of the local currency. For Bulgaria specifically, this is a risk of premature rejection of the conditions of the Currency Board at a fixed exchange rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva. It was 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 Currency Mechanism II (CM II) is accompanied by a firm commitment of the Bulgarian authorities to conduct prudent economic policies with the aim of preserving economic and financial stability and achieving a high degree of sustainable economic convergence.

Any significant depreciation of the BGN may have a significant adverse effect on business entities in the country, including the Group. Risk also exists when the income and expenses of a business entity are formed in different currencies. The exposure of business entities operating on the territory of Bulgaria to the US dollar, which is the main currency of a significant part of the world markets of raw materials and products, is particularly pronounced.

Significant changes in the various exchange rates of subsidiaries outside Bulgaria, namely in North Macedonia, Ukraine, Georgia and Romania, respectively - Macedonian denar (MKD), Ukrainian hryvnia (UAH), Georgian lari (GEL) and Romanian leu (RON), whose exchange rate is determined almost freely in the local currency market

would have a corresponding reflection in the group results of Eurohold. 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 by the possibility that the net income of the companies will decrease as a result of an increase in the interest rates at which the Issuer finances its activity. This risk can be managed through the balanced use of different sources of financial resources.

The increase in interest rates, other things being equal, would affect the cost of the financial resource used by the Company in implementing various business projects. Also, it can affect the size of the company's expenses, since not a small part of the company's liabilities are interest-bearing and their servicing is related to current interest rates

⇒ Risk of high levels of unemployment

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

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

⇒ Data on unemployment in Bulgaria (according to the latest data of NSI)

| | Amendment Q4 2024/ Q4 2023 | total | men | women |
|--|----------------------------------|------------------------|-----------------------|-----------------------|
| Unemployment rate in the third quarter of 2024 | -0.4% | 3.6% | - | - |
| Unemployed persons | | 116.7 BGN thousand. | 70.6 BGN thousand. | 46.0 BGN thousand. |
| The long-term unemployment rate | | 1.9% | - | - |
| The employment rate for the population aged 15 - 64 years | +0.2% | 70.7% | - | - |
| The economic activity rate for the population aged 15 - 64 years | -0.2% | 73.6% | - | - |

Source: www.nsi.bg

⇒ Regulatory risk

Regulatory risk is related to the impact of the existing regulatory framework or its change on the Group's activities. This regulatory framework includes the legislation in Bulgaria, the EU and the countries where the Eurohold group companies operate.

The regulatory risk will be affected by changes in the regulations regulating the activities of public companies in Bulgaria and the EU, which will impose additional requirements and restrictions on public companies. It may also concern sectoral legislation relating to subsidiaries.

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 applying the legislation, as well as in divergence in the legislation and regulations in Bulgaria and in the countries in which the Group operates, may have an adverse effect on the activity as a whole, the operational results, and her financial status.

Regulatory risk may also be related to potential fines and sanctions resulting from violations of the regulatory framework, as well as affect the Company's reputation, which in turn may affect the share price.

Financial risk

Financial risk is the additional uncertainty to the investor about receiving income when 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, then payments for these funds represent a fixed obligation.

⇒ **Risk of increased competition**

All sectors in which Eurohold Group subsidiaries operate are characterized by a highly competitive environment. The future success of the group will depend on the ability of Eurohold and its subsidiaries to remain competitive compared to other companies operating in the given market segment.

C. RISK MANAGEMENT AND MINIMISATION MECHANISMS

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

- » market share, pricing policy, market research and market development and market share studies;
- » active investment management across sectors and industries;
- » a comprehensive policy for the management of the assets and liabilities of the Company and the Group to optimise the structure, quality and return on assets;
- » optimising the structure of funds raised to ensure liquidity and reduce finance costs across the Group;
- » effective cash flow management at group level;
- » optimising administration, management and external service costs;
- » human resource management.

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

The occurrence of unforeseen events, misjudgement of current trends, and a host of other micro- and macroeconomic factors may affect the judgment of the Company's management team.

INFORMATION ON LARGE RELATED PARTY DEALS DURING THE NINE MONTHS OF 2024

All significant transactions concluded by Eurohold Bulgaria AD and its subsidiaries are disclosed in the "Significant Events" section of this consolidated Activity Report, as well as in the Appendices to the Interim condensed consolidated financial statements for 2024.

Sofia,
February 25, 2025

Assen Minchev,
Executive Director

Milena Guancheva,
Prosecutor

2

Interim condensed consolidated financial statements

as of December 31, 2024

Interim condensed consolidated statement of profit or loss and other comprehensive income

| <i>In thousand BGN</i> | Note | 2024 | 2023 |
|--|------|----------------|-----------------|
| Continuing operations | | | |
| Revenue from energy business | 3 | 2 287 578 | 2 320 144 |
| Expenses for energy business | 4 | (1 824 355) | (1 791 493) |
| Gross profit from energy business | | 463 223 | 528 651 |
| Insurance revenue | 5 | 496 070 | 466 142 |
| Insurance expenses | 6 | (497 406) | (454 242) |
| Net result from reinsurance contracts held | 7 | (29 529) | (73 235) |
| Net finance and investment income/(expenses) from insurance | 8 | 21 080 | (12 771) |
| Gross profit/(loss) from insurance business | | (9 785) | (74 106) |
| Commission income from asset management and brokerage | | 2 299 | 1 573 |
| Expenses for asset management and brokerage | | (393) | (198) |
| Gross profit from asset management and brokerage | | 1 906 | 1 375 |
| Gross profit | | 455 344 | 455 920 |
| Dividend income | 9 | 118 | 123 |
| Other operating income | 10 | 149 933 | 37 658 |
| Profit/(loss) from transactions with financial instruments | 11 | 11 682 | 752 |
| Administrative expenses | 12 | (252 256) | (255 178) |
| (Accrued)/Reversed impairment loss on financial assets, net | 13 | (2 127) | 579 |
| Other operating expenses | 14 | (54 563) | (30 715) |
| EBITDA | | 308 131 | 209 139 |
| Depreciation and amortisation expenses | 15 | (117 147) | (111 850) |
| EBIT | | 190 984 | 97 289 |
| Finance income | 16 | 4 747 | 3 702 |
| Finance costs | 17 | (141 167) | (126 154) |
| Net profit/(loss) on foreign exchange differences | 18 | 918 | (32) |
| Share of profit of an associate | | 4 098 | - |
| EBT | | 59 580 | (25 195) |
| Income tax expenses | 19 | (21 182) | (20 633) |
| Net profit/(loss) for the year from continuing operations | | 38 398 | (45 828) |
| Discontinued operations | | | |
| Net profit for the year from discontinued operations | 39 | 545 | 125 757 |
| Net profit for the year | | 38 943 | 79 929 |
| Net profit attributable to: | | | |
| Owners of the parent | | 37 138 | 77 242 |
| Non-controlling interest | | 1 805 | 2 687 |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Date: 25.2.2025

Interim condensed consolidated statement of profit or loss and other comprehensive income (continued)

| <i>In thousand BGN</i> | <i>Note</i> | 2024 | 2023 |
|---|-------------|-----------------|---------------|
| Net profit for the year | | 38 943 | 79 929 |
| Other comprehensive income | | | |
| <i>Items that will be reclassified to profit or loss:</i> | | | |
| Exchange differences on translating foreign operations | | (289) | - |
| Cash flow hedging | | (18 025) | - |
| <i>Items that will be not reclassified to profit or loss:</i> | | | |
| Change in fair value of non-financial assets | | 351 | 1 373 |
| Net loss from remeasurements of defined benefit plans | | (778) | - |
| Other comprehensive income for the year, net of taxes | | (18 741) | 1 373 |
| Total comprehensive income for the year, net of taxes | | 20 202 | 81 302 |
| Other comprehensive income for the year attributable to: | | | |
| Owners of the parent | | 18 391 | 78 054 |
| Non-controlling interest | | 1 811 | 3 248 |
| | | 20 202 | 81 302 |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.2.2025

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of financial position

| <i>In thousand BGN</i> | <i>Notes</i> | 31.12.2024 | 31.12.2023 |
|---|--------------|------------------|------------------|
| ASSETS | | | |
| Cash and cash equivalents | 20 | 193 287 | 226 779 |
| Fixed-term deposits at banks | 21 | 32 701 | 30 505 |
| Reinsurance contract assets held | 22 | 188 240 | 200 970 |
| Reinsurance contract assets issued | 22 | 1 246 | 9 273 |
| Insurance contract assets | 22 | 329 | 248 |
| Trade and other receivables | 23 | 637 063 | 461 404 |
| Financial assets | 27 | 495 803 | 419 676 |
| Inventories | 26 | 36 147 | 23 975 |
| Property, plant and equipment | 24 | 956 253 | 869 827 |
| Intangible assets | 25 | 89 067 | 93 916 |
| Investments accounted for using the equity method | 29 | 12 577 | 12 657 |
| Goodwill | 30 | 116 883 | 116 883 |
| Deferred tax assets | 28 | 6 708 | 8 908 |
| TOTAL ASSETS | | 2 766 304 | 2 475 021 |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.2.2025

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of financial position
(continued)

| <i>In thousand BGN</i> | <i>Note</i> | 31.12.2024 | 31.12.2023 |
|--|-------------|------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 37 | 260 500 | 260 500 |
| Treasury shares | 37 | (77) | (77) |
| Share premium reserve | 37 | 274 271 | 144 030 |
| General reserves | | 7 641 | 7 641 |
| Cash flow hedge reserve | | (18 025) | - |
| Revaluation and other reserves | | (13 757) | 846 |
| Accumulated loss | | (308 866) | (384 999) |
| Profit for the year | | 37 138 | 77 242 |
| Equity attributable to owners of the parent | | 238 825 | 105 183 |
| Non-controlling interest | | 39 144 | 19 907 |
| Total equity | | 277 969 | 125 090 |
| Subordinated loans | 31 | 25 408 | 55 265 |
| LIABILITIES | | | |
| Bank and non-bank loans | 32 | 1 122 439 | 1 034 043 |
| Obligations on bond issues | 33 | 238 567 | 217 588 |
| Trade and other payables | 34 | 571 003 | 571 433 |
| Derivative financial instruments | 35 | 18 025 | - |
| Insurance contracts liabilities issued | 36 | 470 675 | 438 113 |
| Reinsurance contracts liabilities held | 36 | 25 520 | 15 408 |
| Deferred tax liabilities | 28 | 16 698 | 18 081 |
| Total liabilities | | 2 462 927 | 2 294 666 |
| Total liabilities and subordinated loans | | 2 488 335 | 2 349 931 |
| TOTAL EQUITY AND LIABILITIES | | 2 766 304 | 2 475 021 |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Date: 25.2.2025

Interim condensed consolidated statement of cash flows

| <i>In thousand BGN</i> | <i>Note</i> | 2024 | 2023 |
|---|-------------|------------------|------------------|
| Operating activities | | | |
| Profit for the year before tax from continuing operations: | | 59 580 | (25 195) |
| Profit for the year before tax from discontinued operations: | | 545 | 125 757 |
| Adjustments for: | | | |
| Depreciation and amortisation | 15 | 117 147 | 111 961 |
| Foreign exchange (loss)/gain | | (918) | 477 |
| Dividend income | | (118) | (123) |
| (Increases)/decreases in insurance and reinsurance assets and liabilities | | 61 967 | 107 387 |
| (Profit)/loss from investment sales | | (16 816) | 4 109 |
| Net investment income (interest income and expense) | | 116 073 | 112 410 |
| (Profit)/loss from investments accounted for using the equity method and other non-cash adjustments | | 32 776 | 11 978 |
| Operating profit before change in working capital | | 370 236 | 448 761 |
| Change in trade and other receivables | | (175 659) | (60 519) |
| Change in inventories | | (12 172) | (9 105) |
| Change in trade and other payables and other adjustments | | (29 857) | 50 399 |
| Cash generated from operating activities | | 152 548 | 429 536 |
| Interest received | | 4 205 | 4 471 |
| Income tax paid | | (20 629) | (23 394) |
| Net cash flows from operating activities | | 136 124 | 410 613 |
| Investing activities | | | |
| Payments for property, plant and equipment | | (125 813) | (102 909) |
| Proceeds from sale of property, plant and equipment | | 5 209 | 186 |
| Loans granted | | (185 719) | (154 101) |
| Repayment of loans granted, including net lease investment | | 124 371 | 144 228 |
| Interest received on loans granted | | 8 243 | 10 927 |
| Payment for purchased of financial assets | | (188 313) | (364 171) |
| Proceeds from sale of financial assets | | 204 040 | 183 558 |
| Loss of control over subsidiaries | | (63) | (796) |
| Effect of exchange rate changes | | (32) | (45) |
| Other proceeds from investing activities, net | | (8 724) | 70 389 |
| Net cash flows from investing activities | | (166 801) | (212 734) |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Date: 25.2.2025

Interim condensed consolidated statement of cash flows (continued)

| <i>In thousand BGN</i> | <i>Note</i> | 2024 | 2023 |
|---|-------------|-----------------|------------------|
| Financing activities | | | |
| Proceeds from the issuance of warrants | | 130 241 | - |
| Proceeds from loans | | 415 787 | 36 321 |
| Repayment of loans | | (401 026) | (118 674) |
| Lease payments | | (12 628) | (10 394) |
| Paid interest, fees, and commissions on loans with investment purpose | | (137 940) | (87 575) |
| Other payments/(proceeds) from financing activities, net | | 2 751 | (4 790) |
| Net cash flows from financing activities | | (2 815) | (185 112) |
| Net increase in cash and cash equivalents | | (33 492) | 12 767 |
| Cash and cash equivalents at the beginning of the year | <i>20</i> | 226 779 | 214 012 |
| Cash and cash equivalents at the end of the year | <i>20</i> | 193 287 | 226 779 |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Date: 25.2.2025

Interim condensed consolidated statement of changes in equity

| <i>In thousand BGN</i> | Share capital | Share premium | General reserves | Cash flow hedge reserve | Revaluation and other reserves | Retained earnings/(losses) | Equity attributable to equity holders of the parent | Non-controlling interest | Total equity |
|--|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------|---|--------------------------|-----------------|
| At 1 January 2023 | 260 423 | 144 030 | 7 641 | - | (309) | (377 422) | 34 363 | 17 226 | 51 589 |
| Profit for the year | - | - | - | - | - | 77 242 | 77 242 | 2 687 | 79 929 |
| Other comprehensive income | - | - | - | - | 812 | - | 812 | 561 | 1 373 |
| Total comprehensive income | - | - | - | - | 812 | 77 242 | 78 054 | 3 248 | 81 302 |
| Other changes | - | - | - | - | 343 | (7 577) | (7 234) | (567) | (7 801) |
| At 31 December 2023 | 260 423 | 144 030 | 7 641 | - | 846 | (307 757) | 105 183 | 19 907 | 125 090 |
| At 1 January 2024 | 260 423 | 144 030 | 7 641 | - | 846 | (307 757) | 105 183 | 19 907 | 125 090 |
| Change in non-controlling interest due to transactions without a change in control | - | - | - | - | (17 322) | - | (17 322) | 17 322 | - |
| Issuance of warrants | - | 130 241 | - | - | - | - | 130 241 | - | 130 241 |
| Transactions with owners | - | 130 241 | - | - | (17 322) | - | 112 919 | 17 322 | 130 241 |
| Profit for the year | - | - | - | - | - | 37 138 | 37 138 | 1 805 | 38 943 |
| Other comprehensive income | - | - | - | (18 025) | (722) | - | (18 747) | 6 | (18 741) |
| Total comprehensive income | - | - | - | (18 025) | (722) | 37 138 | 18 391 | 1 811 | 20 202 |
| Other changes | - | - | - | - | 3 441 | (1 109) | 2 332 | 104 | 2 436 |
| At 31 December 2024 | 260 423 | 274 271 | 7 641 | (18 025) | (13 757) | (271 728) | 238 825 | 39 144 | 277 969 |

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Date: 25.2.2025

Interim condensed consolidated statement of profit or loss by segments

| | | 2024 | 2024 | 2024 | 2024 | 2024 | 2024 |
|--|------|----------------|-----------------|--------------------|--------------------------------|----------------|-----------------|
| | Note | Consolidated | Energy business | Insurance business | Asset management and brokerage | Parent company | Eliminations |
| In thousand BGN | | | | | | | |
| Continuing operations | | | | | | | |
| Revenue from energy business | 3 | 2 287 578 | 2 287 696 | - | - | - | (118) |
| Expenses for energy business | 4 | (1 824 355) | (1 824 355) | - | - | - | - |
| Gross profit from energy business | | 463 223 | 463 341 | - | - | - | (118) |
| Insurance revenue | 5 | 496 070 | - | 504 751 | - | - | (8 681) |
| Insurance expenses | 6 | (497 406) | - | (497 406) | - | - | - |
| Net result from reinsurance contracts held | 7 | (29 529) | - | (29 529) | - | - | - |
| Net finance and investment income/(expenses) from insurance | 8 | 21 080 | - | 22 399 | - | - | (1 319) |
| Gross profit from insurance business | | (9 785) | - | 215 | - | - | (10 000) |
| Commission income from asset management and brokerage | | 2 299 | - | - | 3 016 | - | (717) |
| Expenses for asset management and brokerage | | (393) | - | - | (393) | - | - |
| Gross profit from asset management and brokerage | | 1 906 | - | - | 2 623 | - | (717) |
| Gross profit | | 455 344 | 463 341 | 215 | 2 623 | - | (10 835) |
| Dividend income | 9 | 118 | 26 111 | - | 118 | 623 | (26 734) |
| Other operating income | 10 | 149 933 | 40 144 | 41 667 | 328 | 67 794 | - |
| Profit/(loss) from transactions with financial instruments | 11 | 11 682 | 8 108 | - | 873 | 2 652 | 49 |
| Administrative expenses | 12 | (252 256) | (241 109) | (11 072) | (2 687) | (5 766) | 8 378 |
| (Accrued)/Reversed impairment loss on financial assets, net | 13 | (2 127) | (2 625) | - | (28) | 375 | 151 |
| Other operating expenses | 14 | (54 563) | (3 128) | (8 935) | - | (42 500) | - |
| EBITDA | | 308 131 | 290 842 | 21 875 | 1 227 | 23 178 | (28 991) |
| Depreciation and amortisation expenses | 15 | (117 147) | (111 586) | (5 054) | (306) | (201) | - |
| EBIT | | 190 984 | 179 256 | 16 821 | 921 | 22 977 | (28 991) |
| Finance income | 16 | 4 747 | 32 592 | - | 815 | 883 | (29 543) |
| Finance costs | 17 | (141 167) | (110 005) | (12 459) | (206) | (23 540) | 5 043 |
| Net loss on foreign exchange differences | 18 | 918 | - | 745 | 217 | (44) | - |
| Share of profit of an associate | | 4 098 | - | 4 098 | - | - | - |
| EBT | | 59 580 | 101 843 | 9 205 | 1 747 | 276 | (53 491) |
| Income tax expenses | 19 | (21 182) | (20 165) | (832) | (185) | - | - |
| Net profit/(loss) for the year from continuing operations | | 38 398 | 81 678 | 8 373 | 1 562 | 276 | (53 491) |
| Discontinued operations | | | | | | | |
| Net profit for the year from discontinued operations | 39 | 545 | - | 545 | - | - | - |
| Net profit/(loss), attributable to: | | 38 943 | 81 678 | 8 918 | 1 562 | 276 | (53 491) |
| Owners of the parent | | 37 138 | 81 678 | 7 995 | 1 562 | 276 | (54 373) |
| Non-controlling interest | | 1 805 | - | 923 | - | - | 882 |

Consolidated assets and liabilities by business segments as at 31.12.2024

| | | | | | | |
|---|------------------|-----------|---------|--------|---------|-------------|
| Total assets | 2 766 304 | 2 120 888 | 891 824 | 29 900 | 824 070 | (1 100 378) |
| Total liabilities and subordinated loans | 2 488 355 | 1 592 152 | 555 210 | 6 250 | 474 846 | (140 103) |

Interim condensed consolidated statement of profit or loss by segments

| | | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 |
|--|------|-----------------|-----------------|--------------------|--------------------------------|-----------------|----------------|
| | Note | Consolidated | Energy business | Insurance business | Asset management and brokerage | Parent company | Eliminations |
| In thousand BGN | | | | | | | |
| Continuing operations | | | | | | | |
| Revenue from energy business | 3 | 2 320 144 | 2 320 207 | - | - | - | (63) |
| Expenses for energy business | 4 | (1 791 493) | (1 791 493) | - | - | - | - |
| Gross profit from energy business | | 528 651 | 528 714 | - | - | - | (63) |
| Insurance revenue | 5 | 466 142 | - | 470 774 | - | - | (4 632) |
| Insurance expenses | 6 | (454 242) | - | (454 242) | - | - | - |
| Net result from reinsurance contracts held | 7 | (73 235) | - | (73 235) | - | - | - |
| Net finance and investment income/(expenses) from insurance | 8 | (12 771) | - | (12 292) | - | - | (479) |
| Gross profit from insurance business | | (74 106) | - | (68 995) | - | - | (5 111) |
| Commission income from asset management and brokerage | | 1 573 | - | - | 2 442 | - | (869) |
| Expenses for asset management and brokerage | | (198) | - | - | (198) | - | - |
| Gross profit from asset management and brokerage | | 1 375 | - | - | 2 244 | - | (869) |
| Gross profit | | 455 920 | 528 714 | (68 995) | 2 244 | - | (6 043) |
| Dividend income | 9 | 123 | - | - | 123 | 1 306 | (1 306) |
| Other operating income | 10 | 37 658 | 35 002 | - | 82 | 2 730 | (156) |
| Profit/(loss) from transactions with financial instruments | 11 | 752 | (615) | - | 183 | 749 | 435 |
| Administrative expenses | 12 | (255 178) | (245 738) | (7 542) | (2 364) | (7 107) | 7 573 |
| (Accrued)/Reversed impairment loss on financial assets, net | 13 | 579 | (1 459) | - | 50 | 1 988 | - |
| Other operating expenses | 14 | (30 715) | (21 777) | (8 938) | - | - | - |
| EBITDA | | 209 139 | 294 127 | (85 475) | 318 | (334) | 503 |
| Depreciation and amortisation expenses | 15 | (111 850) | (105 756) | (5 601) | (286) | (207) | - |
| EBIT | | 97 289 | 188 371 | (91 076) | 32 | (541) | 503 |
| Finance income | 16 | 3 702 | 3 084 | - | 619 | 705 | (706) |
| Finance costs | 17 | (126 154) | (94 390) | (9 800) | (198) | (24 054) | 2 288 |
| Net loss on foreign exchange differences | 18 | (32) | - | (242) | 215 | (5) | - |
| Share of profit of an associate | | - | - | - | - | - | - |
| EBT | | (25 195) | 97 065 | (101 118) | 668 | (23 895) | 2 085 |
| Income tax expenses | 19 | (20 633) | (18 956) | (1 626) | (51) | - | - |
| Net profit/(loss) for the year from continuing operations | | (45 828) | 78 109 | (102 744) | 617 | (23 895) | 2 085 |
| Discontinued operations | | | | | | | |
| Net profit for the year from discontinued operations | 39 | 125 757 | - | 125 459 | - | - | 298 |
| Net profit/(loss), attributable to: | | 79 929 | 78 109 | 22 715 | 617 | (23 895) | 2 383 |
| Owners of the parent | | 77 242 | 78 109 | 22 276 | 617 | (23 895) | 135 |
| Non-controlling interest | | 2 687 | - | 439 | - | - | 2 248 |

Consolidated assets and liabilities by business segments as at 31.12.2023

| | | | | | | |
|---|------------------|-----------|---------|--------|---------|-------------|
| Total assets | 2 475 021 | 2 207 076 | 789 961 | 29 314 | 631 830 | (1 183 160) |
| Total liabilities and subordinated loans | 2 349 931 | 1 346 244 | 638 154 | 6 603 | 413 123 | (54 193) |

3

Notes to the interim condensed consolidated financial statements

as at December 31, 2024

Notes to the Interim condensed consolidated financial statements

1. GENERAL INFORMATION ABOUT THE GROUP

1.1 Scope of Activity

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

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

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

Eurohold Bulgaria AD operates in Bulgaria, Netherlands, Romania, North Macedonia, Ukraine, Georgia and Greece. The company is the owner of a large number of subsidiary companies in the insurance, energy and asset management and brokerage.

The Parent company was registered in the Sofia City Court under corporate file 14436/2006 and was formed through the merger of Eurohold AD registered under corporate file № 13770/1996 as per the registry of Sofia City Court, and Starcom Holding AD, registered under corporate file № 6333/1995 as per the registry of Sofia City Court. During 2024 the name of the Parent company has not been changed.

The governing bodies of the company are the General meeting of shareholders, the Supervisory Board /two-tier system/ and the Management Board comprising the following members as at 31.12.2024:

Supervisory Board:

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

Management Board:

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

As of 31.12.2024 Eurohold Bulgaria AD is represented and managed by Kiril Ivanov Boshov and Asen Minchev Minchev, Executive Directors, and Milena Milchova Guentcheva - Procurator, only jointly by the two executive directors or by one executive director and the procurator.

The Audit Committee supports the work of the Management board and plays the role of those charged with governance who monitor and supervise the Parent company's internal control, risk management and financial reporting system.

As of 31.12.2024, the Audit Committee of the Parent company comprises the following members:

Ivan Georgiev Mankov, Bulgaria– Chairman;
Dimitar Stoyanov Dimitrov, Bulgaria – Member;
Rositsa Mihaylova Pencheva, Bulgaria – Member.

1.2. Structure of the economic group

Eurohold Bulgaria AD is controlled by Starcom Holding AD, the ultimate parent company and a public company. The shares of Eurohold Bulgaria AD are traded on the Bulgarian and Warsaw Stock Exchanges. The investment portfolio of Eurohold Bulgaria AD comprises of 3 economic sectors: energy, insurance and asset management and brokerage.

Subsidiaries:

| Energy segment | | |
|---|--|--|
| Company | % of participation in the share capital | % of participation in the share capital |
| | 31.12.2024 | 31.12.2023 |
| ELECTROHOLD GREEN EOOD, Bulgaria* | 100.00% | 100.00% |
| Eastern European Electric Company II B.V., Netherlands | 100.00% | 100.00% |
| <i>Indirect participation through Eastern European Electric Company II B.V.:</i> | | |
| Eastern European Electric Company III B.V., Netherlands, owned by Eastern European Electric Company II B.V., The Netherlands | 100.00% | 100.00% |
| Eastern European Electric Company B.V. (EEEC B.V.), Netherlands, owned by Eastern European Electric Company III B.V. III, The Netherlands | 100.00% | 100.00% |
| Electrodistribution Grid West EAD and/or Electroražpredelitelni mreži Zapad EAD, Bulgaria, owned by EEEC B.V., Netherlands | 100.00% | 100.00% |
| Electrohold ICT EAD, Bulgaria through Electrodistribution Grid West EAD | 100.00% | 100.00% |
| Electrohold Sales EAD, owned by EEEC B.V., Netherlands | 100.00% | 100.00% |
| Electrohold Bulgaria EOOD, Bulgaria owned by EEEC B.V., Netherlands | 100.00% | 100.00% |
| Electrohold EPC EOOD, Bulgaria through Electrohold Bulgaria EOOD | 100.00% | 100.00% |
| Electrohold Trade EAD, Bulgaria owned by EEEC B.V., Netherlands | 100.00% | 100.00% |
| Free Energy Project Oreshets EOOD, Bulgaria, owned by EEEC B.V., Netherlands | 100.00% | 100.00% |
| Bara Group EOOD, Bulgaria, owned by EEEC B.V., Netherlands | 100.00% | 100.00% |

* direct participation

| Insurance segment | | |
|--|--|--|
| Company | % of participation in the share capital | % of participation in the share capital |
| | 31.12.2024 | 31.12.2023 |
| Euroins Insurance Group AD (EIG AD) * | 90.10% | 90.10% |
| Indirect participation through EIG AD: | | |
| Insurance Company Euroins AD, Bulgaria | 99.15% | 98.63% |
| Euroins Romania Asigurare-Reasigurare S.A., Romania – <i>loss of control on 31.12.2022</i> | 98.57% | 98.57% |
| Euroins Osiguruvanje AD, North Macedonia | 93.36% | 93.36% |
| Insurance Company Euroins Life EAD, Bulgaria | 100.00% | 100.00% |
| Euroins Ukraine PrAT, Ukraine | 92.73% | 92.73% |
| ECLAIM - Sole Proprietorship for Claims Settlement Services PC, Greece – lost of control on 12.9.2024 <i>Note 39. Disposals and discontinued operations.</i> | - | 100.00% |
| Insurance Company Euroins Georgia AD, Georgia | 50.04% | 50.04% |
| Shardeni 2017 Ltd., Georgia – <i>renting and operating own real estate</i> | 100.00% | 100.00% |
| PHOENIX MGA SERVICES S.R.L., Romania – established on 12.06.2023 – <i>consulting services for insurance</i> | 100.00% | 100.00% |
| European Travel Insurance PrAT, Ukraine | 99.99% | 99.99% |

| | | |
|---|--------|--------|
| Insurance Company Phoenix Re AD, Bulgaria (former name IC EIG Re AD, entry of name change - 30.10.2024) – associate from 29.12.2023. Notes 29. Investments accounted for using the equity method and 39. Disposals and discontinued operations. | 30.07% | 40.06% |
| * direct participation | | |

Asset management and brokerage segment

| Company | % of participation in the share capital 31.12.2024 | % of participation in the share capital 31.12.2023 |
|-----------------------------------|---|---|
| Euro-finance AD, Bulgaria* | 99.99% | 99.99% |
| * direct participation | | |

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation and statement of compliance with IFRS

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

In preparing these interim consolidated financial statements, the same accounting policies, accounting techniques and calculation methods and basic assumptions have been applied as in the latest audited consolidated annual financial statements for 2023.

The interim condensed consolidated financial statements for the year ending 31 December 2024 should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2023, prepared in accordance with all International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS adopted by the EU). For the purposes of paragraph 1 (8) of the Supplementary Provisions of the Accounting Act applicable in Bulgaria, the term "IFRS adopted by the EU" means International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and the Council.

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

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

2.2 New standards, interpretations and amendments effective from 1 January 2024

There are no accounting pronouncements that have become effective from January 1, 2024, which have a significant impact on the Group's interim condensed consolidated financial statements.

Other Standards and amendments that are effective for the first time in 2024 and could be applicable to the Group are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

2.3 Consolidation

The Group's consolidated financial statements include those of the parent company and all of its subsidiaries as of 31 December 2024. Subsidiaries are all entities that are under the control of the parent company. Control exists when the parent is exposed to, or has rights to, variable returns from its interest in the investee and has the ability to influence those returns through its power over the investee.

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

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

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

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

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

2.4 Functional and reporting currency

Transactions in foreign currency are reported in the functional currency of the respective company by the Group at the official exchange rate as of the date of the transaction (announced fixing of the Bulgarian National Bank). Foreign exchange gains and losses arising from the settlement of these transactions and the revaluation of foreign currency positions at the end of the reporting period are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the transactions (not revalued). Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate at the date that the fair value was determined.

The functional currency of the individual companies of the Group has not changed during the reporting period.

In the consolidated financial statements, all assets and liabilities are translated into Bulgarian leva (BGN) at the closing rate as of the date of the consolidated financial statements. Income and expenses are translated into the presentation currency of the Group at the average exchange rate for the reporting period. Foreign exchange differences lead to an increase or decrease in other comprehensive income and are recognized in the allowance for translation into equity. In case of disposal of a net investment in a foreign operation, the accumulated foreign exchange differences from restatements recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on the sale. Goodwill and adjustments related to the determination of fair values at the acquisition date are treated as assets and liabilities of the foreign enterprise and are translated into BGN at the closing rate.

2.5 Segment reporting

An operating segment is a component of the Group that engages in revenue-generating activities and costs, including income and expense, that relate to transactions with each other of the Group's other components.

For management purposes, the Group is organized into business units based on the products and services they provide and includes the following reportable segments:

Energy:

- Sales of electricity;
- Electricity transmission;
- Electricity generation;
- Information, communication, technological and other services.

Insurance:

- Insurance Services

Financial services:

- Asset management and brokerage

2.6 Significant management judgements in applying accounting policies

Management's significant judgements in the implementation of the Group's accounting policies, which have the most material impact on the consolidated financial statements, are described below.

2.6.1 Deferred tax assets

The assessment of the probability of future taxable income for the use of deferred tax assets is based on the last approved estimate, adjusted for significant non-taxable income and expense, and specific restrictions on the transfer of unused tax losses or loans. If a reliable estimate of taxable income implies the probable use of a deferred tax asset, particularly in cases where the asset can be used without a time limit, the deferred tax asset is recognized as a whole. Recognition of deferred tax assets that are subject to certain legal or economic constraints or uncertainties is judged by the management on a case-by-case basis based on the specific facts and circumstances.

Due to the size of the business activities of the Starcom Holding AD Group, to which Eurohold Group (the Group) belongs, the companies within the Group are subject to additional national corporate tax under the Corporate Income Tax Act, effective from 1 January 2024. The Group has applied the exception for the recognition of deferred tax assets and liabilities related to second-pillar income taxes (paragraph 4A of IAS 12) and for the disclosure of information about them in the annual financial statements.

2.6.2 Revenue from contracts with customers

In recognizing revenue under contracts with customers, the management makes various judgments, estimates and assumptions that affect the reported revenue, expense, assets and liabilities under contracts.

The key judgments and assumptions that have a material impact on the amount and timing of revenue recognition from contracts with customers related to electricity trading are disclosed in details in the accounting policy are as follows:

- Determination of the moment in time of fulfillment of performance obligations in the sale of electricity, services provided in the field of electricity trade and in contracts for the construction of energy facilities - the Company has made an analysis and determined that control is transferred during of time.
- Method for approximate evaluation of the variable remuneration - penalties for non-fulfillment of the obligations of any of the parties, including for quality performance by the Company.
- Assessment of a significant component of financing in case of deferred payment over one year in contracts for the construction of energy facilities.
- Considerations related to the principal versus agent relationship regarding the collection of access and transmission charges to the electricity distribution network and the "Obligations to the public" component - net presentation.

2.6.3 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at the end of each reporting period. Management determines the useful life of the assets, which represents the expected period of use of the assets by the Group. The carrying values of the assets as of 31 December 2024 and 31 December 2023 are analyzed in *Notes 24. Property, plant and equipment and 25. Intangible assets*. The actual useful life may differ from the estimate due to technical and moral obsolescence, primarily of software products and computer equipment.

2.6.4 Uninvoiced energy

Revenue from the sale of electricity is recognized in the statement of profit or loss and other comprehensive income on a monthly basis for the period to which the consumption relates. Invoicing is based on a 1-month rolling billing of electrical energy and therefore makes an estimate of the unreported energy consumed at the end of the month. The difference in estimates for the periods is recognized as income or expense in the statement of profit or loss and other comprehensive income. This estimate is based on historical consumption information and trends. Due to the nature of the factors and assumptions involved in the methodology, estimates may differ from actual results. The amount of unbilled energy is adjusted upwards or downwards depending on seasonal fluctuations. Charged uninvoiced energy is recognized as assets under contracts with customers and presented in the statement of financial position as receivables from customers and suppliers. Assets recognized under contracts with customers are reclassified as a trade receivable when the right to remuneration becomes unconditional. The right to remuneration is considered unconditional if the only condition for payment of remuneration to become due is the expiry of a certain period of time.

As at 31.12.2024 the uninvoiced energy amounts to BGN 81 362 thousand (31.12.2023: BGN 77 188 thousand), net from credit impairment losses (*Note 23. Trade and other receivables*).

2.6.5 Process for determining the main assumptions related to the assessment of liabilities under insurance and reinsurance contracts

The assumption determination process is designed to calculate neutral estimates of the most likely or expected outcome of insurance events. The sources of information used for the assumptions are internally prepared using in-depth analyses that are conducted annually. Assumptions are reviewed for consistency with observed market prices or other published information. For assumptions, information for current trends is mostly used, and in cases where there is insufficient information to make a reliable assessment of claims progress, more cautious assumptions are made.

Each claim is reviewed against the circumstances of the claims, information available from liquidation professionals and historical evidence of the amount of such damages. Damage estimates are reviewed regularly and updated as new information becomes available. Liabilities for incurred claims (LIC) are accrued based on current information available. The difficulties in determining differ between different lines of business depending on the insurance contracts, the complexity of the benefits, the volume and the significance of the benefits.

The primary method or combination of methods used varies by the year of occurrence of the insurance claim, the class of business and the observed historical development of the loss.

The assumptions made regarding the loss quotas in the future are based on historical loss information and the expected future development of the portfolio for the various types of insurance. There are reasons not to use historical information, which in turn affects the modification of methods. Such reasons could be:

- Changes in business processes that have an impact on the progress and recording of incurred and paid indemnities;
- Economic, legal, political and social trends (resulting in different than expected levels of inflation);
- Changes in the structure of the business;
- Random fluctuations, incl. the impact of material losses.

The amount of incurred but not reported (IBNR) claims is initially calculated on a gross basis and then a separate calculation is made to assess the reinsurers' share. The Group covers insurance risks through an excess loss insurance program for a small number of material losses to be covered by the reinsurer. The method used by the Group is based on historical data, gross expected amount of incurred but unclaimed claims and data on the reinsurance program to determine the amount of receivables from reinsurers.

2.6.6 Loss of control over subsidiaries

Loss of control over "Insurance Company Phoenix Re" AD and transformation of the subsidiary into an investment in associate entity

„Insurance Company Phoenix Re" AD has been reported as an associate entity of the Group since, by the end of 2023, there has been an effective transfer of control over a part of its shares, specifically 59.94%. At the end of 2024, control over an additional 9.99% of the participation was transferred, as a result of which as of 31.12.2024, the Group owns a 30.07% stake in the company.

2.7 Uncertainty of account estimates

In preparation of consolidated financial statements, management makes a number of assumptions, estimates and assumptions regarding 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 will be completely consistent with previously estimated results.

Information about the material assumptions, estimates and assumptions that have the most significant impact on the recognition and measurement of assets, liabilities, income and expenses is presented below.

Impairment of inventories

At the end of the reporting period, management reviews the available inventories – materials and goods to determine whether their net realizable value has fallen below their carrying amount. In this review as at 31 December 2024, the Group did not recognise impairment of inventories. (as of 31 December 2023 – no impairment) *Note 26. Inventory.*

Impairment of property, plant and equipment

In accordance with IAS 36, at the end of the reporting period, an estimate is made as to whether there is any indication that the value of an asset in property, plant and equipment is impaired. In the case of such indications, the recoverable amount of the asset is calculated and the impairment loss is determined. As of 31 December 2024 and 31 December 2023, no impairment of property, plant and equipment was recorded. *Note 24. Property, plant and equipment and 25. Intangible assets.*

Actuarial assessments

In determining the present value of long-term employee retirement liabilities, calculations of certified actuaries based on mortality assumptions, staff turnover rates, future salary levels, and discount factors have been used, which assumptions have been judged by management to be reasonable and relevant for the Group.

Impairment of goodwill

The Group performs an impairment test of goodwill at least once a year. The recoverable amounts of the units that generate cash are determined based on the value in use or the fair value, net of the cost of the sale. In 2024 and 2023, the Group has not reported a goodwill impairment loss.

Impairment of cash and cash equivalents, loans and receivables

o Cash and cash equivalents

The Group categorizes the banks in which it holds cash on the basis of their rating agencies (Moody's, Fitch, S & P, BCRA) and, depending on it, apply a different percentage for the expected credit losses for 12 months.

o Loans receivables

The Group has loan receivables that are categorized depending on whether the borrower has a rating, and whether or not the receivables from such loans are overdue.

o Litigation and claims

The Group's court and assignment receivables are categorized in Group 3, respectively as such, they are individually reviewed by the management and each such receivable is assigned an individual impairment.

Defined benefit obligations

Management evaluates once a year in cooperation with an independent actuary the obligation to pay defined benefits. The actual value of the obligation may differ from the preliminary estimate due to its uncertainty. The estimate of the defined benefit obligation is based on statistical indicators of inflation, health care costs and mortality. Another influencing factor is the Group's anticipated future salary increases. The discount factors are determined at the end of each year relative to the interest rates of high-quality corporate bonds that are denominated in the currency in which the defined benefits will be paid and that have a maturity corresponding approximately to the maturity of the relevant pension obligations. Estimation uncertainty exists with respect to actuarial assumptions, which can vary and have a significant effect on the value of defined benefit obligations and related costs.

Fair value of financial instruments

Management uses techniques to measure the fair value of financial instruments in the absence of quoted prices in an active market. Details of the assumptions used are presented in the notes on financial assets and liabilities. In applying valuation techniques, management uses the market data and assumptions that market participants would use when evaluating a financial instrument. When no applicable market data is available, management uses its best estimate 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.

Estimates of future cash flows in relation to insurance and reinsurance contracts

In estimating future cash flows, the Group incorporates, in an unbiased manner, all reasonable and factually supported information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical claims data, other expectations, updated to reflect current expectations of future events.

Cash flows for the acquisition of insurance and other costs that are incurred in the performance of contracts include both direct costs and allocations of fixed and variable overheads.

The Group allocates cash flows from insurance acquisitions to groups of contracts based on total premiums for each group, claims processing costs based on claims paid and administrative expenses based on total premiums for each group using a combination of different techniques.

The Group recognizes the liability for incurred claims on a group of contracts to the extent of the cash flows from servicing the insurance contracts related to incurred claims. Future cash flows are discounted.

Discount rates

The company uses risk-free yield curves of the countries in which it operates, analogous to the Solvency II guidelines, and uses the curves published by EIOPA without additional adjustments (including for liquidity).

Adjustments for non-financial risk

Adjustments for non-financial risk are determined to reflect the compensation the Group would require for assuming non-financial risk and its degree of risk aversion.

The adjustments for non-financial risk is determined by the cost of capital method for non-financial risks, according to the Solvency II model.

2.8 Derivative Financial Instruments and Hedge Accounting

The Group has designated certain interest rate swaps contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate interest rate risk arising from certain legally binding loan agreement.

The Group applies the new hedge accounting requirements in IFRS 9 prospectively.

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. They are carried as financial assets when the fair value is positive, and as financial liabilities when the fair value is negative. Derivative instruments are classified and presented according to their residual maturity (up to / over 12 months) within current or non-current financial assets and liabilities.

The fair value is determined based on observable market data (Level 2) for the respective type of trade derivative instruments – the source of information is the counterparty bank that uses its own information sources for market price levels and appropriate valuation methods and techniques to determine and offer to the Group reasonable amounts of fair value.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Gains or losses from revaluation of derivatives (non-classified for reporting by the special procedure of IFRS 9 for (cash flow) hedge accounting is currently recognised in the consolidated statement of comprehensive income (within profit or loss for the year) as "finance income", respectively "finance costs".

2.9 Global Minimum Tax - Pillar Two rules

The requirements of the Second Pillar of taxation have been transposed into Bulgarian legislation and came into effect on 1 January 2024. During the period, the Group made an approximate assessment of the applicable tax legislation to determine the potential exposure to tax liabilities under the Second Pillar.

The Group is subject to an Additional National Tax under Article 260ya25 of the Corporate Income Tax Act. The tax payable is related to the Group's activities in Bulgaria, where the statutory corporate tax rate is 10%. During the period, the Group recognized a current tax expense of BGN 4 918 thousand related to the payable tax (2023: zero).

The assessment is based on the currently available information regarding the activities of the companies within the "Starcom Holding" AD group and the applicable effective tax rates. Since the effective tax rate of the companies in Bulgaria is below 15% and they do not fall under the scope of the transitional reliefs, they have accrued additional tax under the Second Pillar.

The Group continues to monitor the development of the Second Pillar legislation in the different countries where it operates, in order to assess its potential future impact on its consolidated operating results, financial position, and cash flows. See Notes 19. *Tax Expenses* and 2.6.1 *Deferred Tax Assets*.

3. Revenue from energy business

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|---|------------------------|------------------------|
| Open market customers | 1 133 176 | 1 240 880 |
| Household consumers | 933 996 | 841 909 |
| Business consumers | 126 397 | 163 274 |
| Access fees | 28 902 | 26 962 |
| Revenue from services for research, repair and maintenance of electricity distribution network, and commercial metering devices | 6 281 | 8 602 |
| Revenue from information, communication, technological services | 2 874 | 1 641 |
| Revenue from the Power System Security Fund | 1 668 | 824 |
| Other revenue | 54 284 | 36 052 |
| | 2 287 578 | 2 320 144 |

4. Expenses for energy business

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--|------------------------|------------------------|
| Costs for purchased electricity | (1 663 726) | (1 604 644) |
| Technological costs for electricity transmission | (120 645) | (151 851) |
| Balancing energy | (34 415) | (32 215) |
| Costs for transmission and access services | (5 358) | (2 310) |
| Other expenses | (211) | (473) |
| | (1 824 355) | (1 791 493) |

5. Revenue from insurance business

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--------------------|------------------------|------------------------|
| Non-life insurance | 488 117 | 456 827 |
| Life insurance | 7 953 | 9 315 |
| | 496 070 | 466 142 |

6. Expenses for insurance business

| | 2024 BGN'000 | 2023 BGN'000 |
|--|------------------|------------------|
| Incurring claims and other directly attributable expenses | (318 964) | (273 409) |
| Changes related to past service | - | 2 267 |
| Total incurred claims and insurance service expenses | (318 964) | (271 142) |
| Insurance acquisition cash flows | (147 280) | (155 465) |
| Administrative expenses | (31 162) | (30 756) |
| Losses on onerous contracts and allocation of the loss component of the liability for remaining coverage | - | 4 173 |
| Changes related to past services | - | (1 052) |
| Total insurance service expenses | (178 442) | (183 100) |
| | (497 406) | (454 242) |

7. Net result from reinsurance contracts held

| | 2024 BGN'000 | 2023 BGN'000 |
|---|-----------------|-----------------|
| Assigned cash flows for the acquisition of insurance and incurred damages, and changes in the liability for claims filed, recovered from reinsurers | 78 320 | 51 675 |
| Insurance revenue ceded to reinsurers | (107 849) | (124 910) |
| | (29 529) | (73 235) |

8. Net finance and investment income/(expenses) from insurance

| | 2024 BGN'000 | 2023 BGN'000 |
|---|-----------------|-----------------|
| Gain from impairment of financial assets | 11 758 | 3 604 |
| Interest income using the effective interest method | 5 896 | 6 093 |
| Other investment income | 5 262 | 505 |
| Finance income/(expenses) from insurance | 164 | (15 129) |
| Loss from impairment of financial assets | (1 666) | (6 184) |
| Other investment expenses | (6) | (1 660) |
| | 21 080 | (12 771) |

9. Dividend income

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Asset management and brokerage | 118 | 123 |
| | 118 | 123 |

10. Other operating income

| | 2024 BGN'000 | 2023 BGN'000 |
|----------------------------------|-----------------|-----------------|
| Energy business | 40 144 | 35 002 |
| Insurance business | 41 667 | - |
| Asset management and brokerage | 328 | 82 |
| Parent company incl. | 67 794 | 2 574 |
| - Revenue from the sale of goods | 57 717 | - |
| | 149 933 | 37 658 |

11. Profit/(Loss) from operations with financial instruments

| | 2024 BGN'000 | 2023 BGN'000 |
|---|-----------------|-----------------|
| Profit from operations with financial instruments | 24 950 | 15 228 |
| Loss from operations with financial instruments | (13 268) | (14 476) |
| | 11 682 | 752 |

11.1 Profit from operations with financial instruments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Energy business | 8 756 | 3 373 |
| Asset management and brokerage | 11 099 | 10 661 |
| Parent company | 5 095 | 1 194 |
| | 24 950 | 15 228 |

11.2 Loss from operations with financial instruments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Energy business | (648) | (3 988) |
| Asset management and brokerage | (10 226) | (10 478) |
| Parent company | (2 394) | (10) |
| | (13 268) | (14 476) |

12. Administrative expenses

| | 2024 BGN'000 | 2023 BGN'000 |
|--|------------------|------------------|
| Expenses for materials <i>(Note 12.1)</i> | (15 620) | (16 062) |
| Hired services expenses <i>(Note 12.2)</i> | (71 372) | (64 729) |
| Employee benefits expenses <i>(Note 12.3)</i> | (157 426) | (160 537) |
| Other administrative expenses <i>(Note 12.4)</i> | (7 838) | (13 850) |
| | (252 256) | (255 178) |

12.1 Expenses for materials by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Energy business | (15 447) | (15 932) |
| Insurance business | (92) | (56) |
| Asset management and brokerage | (64) | (52) |
| Parent company | (17) | (22) |
| | (15 620) | (16 062) |

12.2 Hired services expenses by segments

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--------------------------------|------------------------|------------------------|
| Energy business | (60 526) | (54 597) |
| Insurance business | (5 852) | (4 636) |
| Asset management and brokerage | (917) | (708) |
| Parent company | (4 077) | (4 788) |
| | (71 372) | (64 729) |

12.3 Employee benefits expenses by segments

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--------------------------------|------------------------|------------------------|
| Energy business | (150 894) | (155 856) |
| Insurance business | (4 059) | (2 312) |
| Asset management and brokerage | (1 365) | (1 353) |
| Parent company | (1 108) | (1 016) |
| | (157 426) | (160 537) |

12.4 Other administrative expenses by segments

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--------------------------------|------------------------|------------------------|
| Energy business | (6 754) | (13 043) |
| Insurance business | (446) | (120) |
| Asset management and brokerage | (329) | (240) |
| Parent company | (309) | (447) |
| | (7 838) | (13 850) |

13. Accrued/(Reversed) impairment loss on financial assets, net

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--|------------------------|------------------------|
| Accrued impairment loss on financial assets | (2 644) | (2 404) |
| Reversed impairment loss on financial assets | 517 | 2 983 |
| | (2 127) | 579 |

13.1 Accrued impairment loss on financial assets by segments

| | 2024 <i>BGN'000</i> | 2023 <i>BGN'000</i> |
|--------------------------------|------------------------|------------------------|
| Energy business | (2 474) | (1 459) |
| Asset management and brokerage | (78) | (36) |
| Parent company | (92) | (909) |
| | (2 644) | (2 404) |

13.2 Recovered impairment loss on financial assets by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Asset management and brokerage | 50 | 86 |
| Parent company | 467 | 2 897 |
| | 517 | 2 983 |

14. Other operating expenses

| | 2024 BGN'000 | 2023 BGN'000 |
|-----------------------------|-----------------|-----------------|
| Energy business | (3 128) | (21 777) |
| Insurance business | (8 935) | (8 938) |
| Parent company incl. | (42 500) | - |
| - <i>Cost of goods sold</i> | (42 500) | - |
| | (54 563) | (30 715) |

15. Depreciation expenses by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------------|------------------|------------------|
| Energy business incl. | (111 586) | (105 756) |
| <i>Right of use assets</i> | (6 843) | (6 067) |
| Insurance business incl. | (5 054) | (5 601) |
| <i>Right of use assets</i> | (3 247) | (3 396) |
| Asset management and brokerage incl. | (306) | (286) |
| <i>Right of use assets</i> | (241) | (218) |
| Parent company incl. | (201) | (207) |
| <i>Right of use assets</i> | (176) | (176) |
| | (117 147) | (111 850) |

16. Finance income

| | 2024 BGN'000 | 2023 BGN'000 |
|-----------------|-----------------|-----------------|
| Interest income | 4 747 | 3 702 |
| | 4 747 | 3 702 |

16.1 Interest income by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Energy business | 3 703 | 3 084 |
| Asset management and brokerage | 813 | 618 |
| Parent company | 231 | - |
| | 4 747 | 3 702 |

17. Finance costs

| | 2024 BGN'000 | 2023 BGN'000 |
|--|------------------|------------------|
| Interest expenses on loans, net of | (119 903) | (115 006) |
| - <i>Interest income from cash flow hedging*</i> | 1 468 | - |
| Interest expenses – Right of use assets | (917) | (1 106) |
| Other finance costs | (20 347) | (10 042) |
| | (141 167) | (126 154) |

In compliance with IFRS 9 Financial instruments, the Group reports its bank loans at amortised costs net of directly attributable transaction costs. As at the date of full prepayment of Senior Facilities Agreement dated 21.07.2021 in energy business, the Group has recognised in full the deferred costs which have not been amortized as at the date of prepayment. This is the main reason for increasing the interest expenses on loans.

* Regarding the syndicated loan signed on June 3, 2024, in the energy business, the Group entered into agreements to minimize the risk of an increase in EURIBOR, with interest rates hedged through interest rate swaps on a portion of the principal. The interest expenses for the reporting period were effectively reduced. The Group presents the income from hedging as a reduction of interest expenses. See also *Notes 33. Bank Loans and 35. Derivative Financial Instruments*.

17.1 Interest expenses on loans by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|---|------------------|------------------|
| Energy business, net of | (96 933) | (84 629) |
| - <i>Interest income from cash flow hedging</i> | 1 468 | - |
| Insurance business | (5 104) | (8 001) |
| Asset management and brokerage | (167) | (155) |
| Parent company | (17 699) | (22 221) |
| | (119 903) | (115 006) |

17.2 Interest expenses – Right of use assets by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Energy business | (724) | (479) |
| Insurance business | (115) | (538) |
| Asset management and brokerage | (39) | (43) |
| Parent company | (39) | (46) |
| | (917) | (1 106) |

17.3 Other finance costs by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------|-----------------|-----------------|
| Energy business | (12 214) | (9 184) |
| Insurance business | (6 437) | (237) |
| Parent company | (1 696) | (621) |
| | (20 347) | (10 042) |

The main reason for the increase in other financial expenses in the energy business is the various fees associated with the early repayment and refinancing of the loans.

18. Net profit/(loss) on foreign exchange differences

| | 2024 BGN'000 | 2023 BGN'000 |
|---------------------------------------|-----------------|-----------------|
| Profit on foreign exchange difference | 6 256 | 7 337 |
| Loss on foreign exchange difference | (5 338) | (7 369) |
| | 918 | (32) |

18.1 Profit on foreign exchange difference by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Insurance business | 891 | 822 |
| Asset management and brokerage | 5 361 | 6 496 |
| Parent company | 4 | 19 |
| | 6 256 | 7 337 |

18.2 Loss on foreign exchange difference by segments

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------|-----------------|-----------------|
| Insurance business | (146) | (1 064) |
| Asset management and brokerage | (5 144) | (6 281) |
| Parent company | (48) | (24) |
| | (5 338) | (7 369) |

19. Income tax expenses

| | 2024 BGN'000 | 2023 BGN'000 |
|-----------------------------|-----------------|-----------------|
| Current tax expense | (15 378) | (24 012) |
| Global minimum tax expense* | (4 918) | - |
| Deferred tax income | (886) | 3 379 |
| <i>*See Note 2.9.</i> | (21 182) | (20 633) |

19.1 Income tax expenses by segments, net

| | 2024 BGN'000 | 2023 BGN'000 |
|--------------------------------------|-----------------|-----------------|
| Energy business incl. | (20 165) | (18 956) |
| <i>Global minimum tax</i> | (4 866) | - |
| Insurance business | (832) | (1 625) |
| Asset management and brokerage incl. | (185) | (52) |
| <i>Global minimum tax</i> | (52) | - |
| | (21 182) | (20 633) |

20. Cash and cash equivalents

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|-----------------------------|------------------------------|------------------------------|
| Cash in hand | 660 | 1 121 |
| Cash at bank | 192 759 | 223 983 |
| Restricted cash | 74 | 343 |
| Cash equivalents | 653 | 1 742 |
| <i>Expected credit loss</i> | <i>(859)</i> | <i>(410)</i> |
| | 193 287 | 226 779 |

20.1 Cash and cash equivalents by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------------------|------------------------------|------------------------------|
| Energy business | 168 090 | 203 707 |
| Insurance business | 20 853 | 18 567 |
| Asset management and brokerage | 4 231 | 4 412 |
| Parent company | 113 | 93 |
| | 193 287 | 226 779 |

21. Fixed-term deposits at banks by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|-----------------------------|------------------------------|------------------------------|
| Insurance business | 32 765 | 30 787 |
| <i>Expected credit loss</i> | <i>(64)</i> | <i>(282)</i> |
| | 32 701 | 30 505 |

22. Insurance contract assets, reinsurance contract assets held and issued

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--|------------------------------|------------------------------|
| Assets for remaining coverage for reinsurance contracts held | 38 367 | 37 456 |
| Assets for reported claims for reinsurance contracts held | 138 491 | 162 579 |
| Other reinsurance contract assets held | 11 382 | 935 |
| Total reinsurance contract assets held | 188 240 | 200 970 |
| Other reinsurance contract assets issued | 1 246 | 9 273 |
| Insurance contract assets | 329 | 248 |
| | 189 815 | 210 491 |

23. Trade and other receivables

| | 31.12.2024 | 31.12.2023 |
|--|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Non-current trade receivables (<i>Note 23.1</i>) | 41 355 | 6 992 |
| Current trade receivables (<i>Note 23.2</i>) | 449 621 | 382 459 |
| Other receivables (<i>Note 23.3</i>) | 146 087 | 71 953 |
| | 637 063 | 461 404 |

23.1 Non-current trade receivables by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Insurance business | 7 466 | 6 964 |
| Asset management and brokerage | 22 | 28 |
| Parent company | 33 867 | - |
| | 41 355 | 6 992 |

23.2 Current trade receivables

| | 31.12.2024 | 31.12.2023 |
|--|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Trade receivables incl. (<i>Note 23.2.1</i>) | 361 074 | 343 802 |
| <i>Impairment</i> (<i>Note 23.2.1</i>) | (70 775) | (68 810) |
| Advances paid (<i>Note 23.2.2</i>) | 159 322 | 107 467 |
| | 449 621 | 382 459 |

23.2.1 Trade receivables by segment

| | 31.12.2024 | 31.12.2023 |
|--------------------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 344 798 | 330 930 |
| <i>Impairment</i> | (70 256) | (68 294) |
| Insurance business | 15 668 | 11 398 |
| Asset management and brokerage | 1 | - |
| Parent company | 607 | 1 474 |
| <i>Impairment</i> | (519) | (516) |
| | 290 299 | 274 992 |

23.2.2 Advances paid by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 158 768 | 98 839 |
| Insurance business | 554 | 8 628 |
| | 159 322 | 107 467 |

23.3 Other receivables

| | 31.12.2024 | 31.12.2023 |
|---|-----------------|-----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 103 492 | 47 330 |
| <i>Impairment</i> | <i>(11 995)</i> | <i>(12 178)</i> |
| Insurance business | 48 191 | 23 415 |
| <i>Impairment</i> | <i>(5 059)</i> | <i>(4 672)</i> |
| Asset management and brokerage | - | 147 |
| Parent company | 230 | 5 |
| <i>Impairment</i> | <i>-</i> | <i>-</i> |
| Prepaid expenses (<i>Note 23.3.1.</i>) | 7 392 | 6 169 |
| Court and awarded receivables (<i>Note 23.3.2.</i>) | 42 007 | 41 932 |
| <i>Impairment</i> | <i>(39 267)</i> | <i>(38 156)</i> |
| Tax receivables (<i>Note 23.3.3.</i>) | 1 096 | 7 961 |
| | 146 087 | 71 953 |

23.3.1 Prepaid expenses by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 6 107 | 5 701 |
| Insurance business | 1 176 | 355 |
| Parent company | 109 | 113 |
| | 7 392 | 6 169 |

23.3.2 Court and awarded receivables by segments

| | 31.12.2024 | 31.12.2023 |
|-------------------|-----------------|-----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 42 007 | 41 932 |
| <i>Impairment</i> | <i>(39 267)</i> | <i>(38 156)</i> |
| | 2 740 | 3 776 |

23.3.3 Tax receivables by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 1 017 | 7 929 |
| Insurance business | 70 | 32 |
| Parent company | 9 | - |
| | 1 096 | 7 961 |

24. Property, plant and equipment

| | 31.12.2024 | 31.12.2023 |
|---|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Land and buildings | 105 256 | 107 621 |
| Land and buildings – rights of use | 56 367 | 20 312 |
| Machinery and equipment | 722 669 | 695 824 |
| Machinery and equipment – rights of use | 5 880 | 26 |
| Vehicles | 6 025 | 7 563 |
| Vehicles – rights of use | 3 028 | 2 924 |
| Furniture and fittings and other assets | 2 933 | 2 111 |
| Assets under construction | 54 095 | 33 446 |
| | 956 253 | 869 827 |

In 2024 and 2023, the Group has not recognized any impairment losses on property, plant, and equipment. This is because, based on the impairment review conducted, the Group's management did not find any indicators suggesting that the carrying amount of these assets exceeds their recoverable amount.

24.1 Land and buildings by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 101 698 | 104 080 |
| Insurance business | 3 558 | 3 541 |
| | 105 256 | 107 621 |

24.2 Land and buildings by segments – Rights of use

| | 31.12.2024 | 31.12.2023 |
|--------------------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 46 507 | 7 677 |
| Insurance business | 8 438 | 10 891 |
| Asset management and brokerage | 647 | 793 |
| Parent company | 775 | 951 |
| | 56 367 | 20 312 |

24.3 Machinery and equipment by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 721 141 | 694 257 |
| Insurance business | 1 528 | 1 567 |
| | 722 669 | 695 824 |

24.4 Machinery and equipment by segments – Rights

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------|------------------------------|------------------------------|
| Energy business | 5 170 | 26 |
| Insurance business | 710 | - |
| | 5 880 | 26 |

24.5 Vehicles by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------|------------------------------|------------------------------|
| Energy business | 5 570 | 7 195 |
| Insurance business | 391 | 287 |
| Parent company | 64 | 81 |
| | 6 025 | 7 563 |

24.6 Vehicles by segments – rights of use

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------|------------------------------|------------------------------|
| Energy business | 2 355 | 2 120 |
| Insurance business | 543 | 671 |
| Parent company | 130 | 133 |
| | 3 028 | 2 924 |

24.7 Furniture and fittings and other assets by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------------------|------------------------------|------------------------------|
| Energy business | 2 813 | 1 837 |
| Insurance business | 92 | 239 |
| Asset management and brokerage | 19 | 19 |
| Parent company | 9 | 16 |
| | 2 933 | 2 111 |

24.8 Assets under construction by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------|------------------------------|------------------------------|
| Energy business | 54 079 | 33 431 |
| Insurance business | 16 | 15 |
| | 54 095 | 33 446 |

25. Intangible assets

| | 31.12.2024 | 31.12.2023 |
|-----------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Property rights | 40 140 | 43 785 |
| Software | 14 111 | 11 162 |
| Other | 34 816 | 38 969 |
| | 89 067 | 93 916 |

The group conducts an impairment review of intangible assets annually. In the most recent review as of 31 December 2023, no indicators were found suggesting that the carrying amount of intangible assets exceeds their recoverable amount, and therefore, no impairment loss has been recognized in the consolidated financial statements.

25.1 Intangible assets by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 84 455 | 90 622 |
| Insurance business | 4 399 | 3 169 |
| Asset management and brokerage | 213 | 125 |
| | 89 067 | 93 916 |

26. Inventories by segments

| | 31.12.2024 | 31.12.2023 |
|--------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Energy business | 36 038 | 23 790 |
| Insurance business | 109 | 185 |
| | 36 147 | 23 975 |

At the end of the year, management reviews the available inventory—materials and goods—to determine if there are any items for which the net realizable value is lower than their carrying amount. During 2024, no impairment expenses for inventory have been recognized.

27. Financial assets by segments

| | 31.12.2024 | 31.12.2023 |
|---|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Government bonds measured at FVTPL, incl.: | 10 905 | 26 002 |
| <i>Insurance business</i> | 9 935 | 25 046 |
| <i>Asset management and brokerage</i> | 970 | 956 |
| Total government bonds: | 10 905 | 26 002 |
| Corporate bonds measured at FVTPL, incl.: | 77 668 | 108 207 |
| <i>Energy business</i> | - | 36 464 |
| <i>Insurance business</i> | 72 932 | 70 389 |
| <i>Asset management and brokerage</i> | 1 888 | 1 347 |
| <i>Parent company</i> | 2 848 | 7 |
| Total corporate bonds: | 77 668 | 108 207 |

| | | |
|--|----------------|----------------|
| Capital investments measured at FVTPL, incl.: | 299 711 | 230 584 |
| <i>Energy business</i> | 13 532 | 8 114 |
| <i>Insurance business</i> | 277 225 | 215 271 |
| <i>Asset management and brokerage</i> | 8 944 | 7 199 |
| <i>Parent company</i> | 19 | 9 |
| <i>Impairment</i> | (9) | (9) |
| Total capital investments: | 299 711 | 230 584 |
| Other financial assets measured at amortised cost, incl.: | 107 519 | 54 883 |
| <i>Energy business</i> | 81 731 | 44 671 |
| <i>Insurance business</i> | 17 601 | 1 639 |
| <i>Impairment</i> | - | (115) |
| <i>Asset management and brokerage</i> | 8 278 | 8 798 |
| <i>Impairment</i> | (91) | (110) |
| Total other financial assets: | 107 519 | 54 883 |
| | 495 803 | 419 676 |

28. Deferred tax assets and liabilities

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|---------------------------------|-----------------------|-----------------------|
| Energy business | 5 666 | 8 078 |
| Insurance business | 1 035 | 824 |
| Asset management and brokerage | 7 | 6 |
| Deferred tax assets | 6 708 | 8 908 |
| Energy business | 16 698 | 18 081 |
| Deferred tax liabilities | 16 698 | 18 81 |

29. Investments accounted for using the equity method

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|---------------------------------------|-----------------------|-----------------------|
| Insurance business – IC Phoenix Re AD | 12 577 | 12 657 |
| | 12 577 | 12 657 |

29.1 Loss of control over IC Phoenix Re AD (previous name "IC EIG Re" AD) in 2023 and its reclassification as an associate company.

The investment in the insurance business represents an associated participation in "IC Phoenix Re" AD, located in Sofia, Bulgaria, with a registered capital of BGN 12 500 thousand. The company is licensed to conduct general insurance activities, as per Decision No. 100/20.11.2000 of the National Insurance Board, and is a member of both the Association of Bulgarian Insurers and the National Bureau of Bulgarian Automobile Insurers.

At the end of 2023, the Group transferred its control(59.94%), as defined by IFRS 10 'Consolidated Financial Statements', over "IC Phoenix Re" AD to third parties and reclassified its investment in the company from subsidiary to associate. (*Note 39.2. Disposals and discontinued operations* in 2023).

The financial effect from the deal in 2023 is presented below:

| | <i>BGN'000</i> |
|--|----------------|
| 1. Fair value of consideration | 25 099 |
| 2. Cost of retained interest (40,06%) | 18 938 |
| 3. Equity method 31.12.2023 (net assets) | (31 595) |
| 4. Group financial result (1-2) | 6 161 |

At the end of 2024, control over another 9.99% of the participation was transferred, as a result of which as of 31.12.2024, the Group owns a 30.07% share in "IC Phoenix Re" AD.

The financial effect from the deal in 2024 is presented below:

| | <i>BGN'000</i> |
|---|----------------|
| 1. Fair value of consideration | 4 183 |
| 2. Cost of retained interest (30.07%) | 3 333 |
| 3. Equity method in the latest financial statements as of the date of sale /net assets/ | (33 359) |
| 4. Group financial result (1-2) | 850 |

Summary of the statement of financial position

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------------|------------------------------|------------------------------|
| Total assets | 264 780 | 307 541 |
| Total liabilities | 222 955 | 275 946 |
| Net assets | 41 825 | 31 595 |

Equition of book value

Net assets at January 01

| | 31.12.2024 | 31.12.2023 |
|---|---------------|---------------|
| Movement during the period | 10 230 | 31 595 |
| Net assets | 41 825 | 31 595 |
| Share % | 30.07% | 40.06% |
| Share BGN thousands acc.to Equity method | 12 577 | 12 657 |

30. Goodwill

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|----------------------------|------------------------------|------------------------------|
| Euroins Insurance Group AD | 111 763 | 111 763 |
| Euro-Finance AD | 2 620 | 2 620 |
| Electrohold Trade EAD | 2 500 | 2 500 |
| | 116 883 | 116 883 |

The Group's management conducts an impairment test of goodwill related to the aforementioned subsidiaries, for which external appraisers are hired. The evaluations are based on internationally recognized valuation standards. The test assumes that each individual company constitutes a "cash-generating unit" (CGU). The forecasts for cash flows (before taxes) are based on financial budgets, as well as other medium-term and long-term plans and intentions for the development and restructuring of activities within the Group. The recoverable value of each cash-generating unit is determined based on "value in use." The key assumptions used in the calculations are specifically determined for each company holding goodwill, treated as a separate cash-generating unit, and are aligned with its business activity, business environment, and risks.

The result of the latest such test as of 31 December 2023 indicates that the recoverable value exceeds the carrying amount of the goodwill, and there are no indications of impairment.

31. Subordinated debt instruments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|---|------------------------------|------------------------------|
| Subordinated debt instruments – loan received | 25 408 | 55 265 |
| <i>Insurance business</i> | 25 000 | 54 879 |
| <i>Parent company</i> | 408 | 386 |
| | 25 408 | 55 265 |

31.1 Insurance business

Subordinated debts of the insurance business as of 31 December 2024 include:

- Subordinated debt to Starcom Finance EAD in the amount of BGN 25 000 thousand (31.12.2023: - BGN 25 000). In June 2022, an agreement was signed to receive a cash loan in the form of a subordinated term debt in the amount of BGN 25 million from Starcom Finance AD, a wholly owned subsidiary a company of Starcom Holding AD, with an annual interest rate of 6%, maturity date 28 June 2032.

In 2024 were **repaid** as follows:

- Subordinated debt to Starcom Holding AD in the amount of BGN 14 879 thousand (31.12.2023 - BGN 14 879 thousand). The debt to Starcom Holding AD has a limit of EUR 12.6 million, an interest rate of 6% and a repayment term no earlier than 5 years from the date of crediting of the last tranche under the granted loan.
- Subordinated debt to Starcom Holding AD, concluded on 18 February 18 2023 in the amount of BGN 15 million, annual interest rate 5% and repayment term no earlier than 5 years from the granting of the loan under the contract. The loan is unsecured. (31.12.2023 – EUR 15 mln)

31.2 Parent company

The subordinated debt of the parent company with a balance sheet value of BGN 402 thousand. (31.12.2023 - BGN 386 thousand) has no fixed maturity and the lender Starcom Holding AD cannot demand its repayment, regardless of whether there is a case of default under the agreement. Eurohold Bulgaria AD has the right (but is not obliged) to pay amounts from the loan principal corresponding to each consecutively received tranche after the expiration of 5 (five) years from the date of receipt of the respective tranche. Early repayment of the principal of the subordinated debt is not allowed, except in cases of liquidation or bankruptcy, after payment of the amounts due to all privileged creditors, as well as to all other unsecured creditors. The interest due is in the amount of 5% (five percent) on an annual basis on the attracted sums of money for the period of their actual use.

32. Bank and non-bank loans by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------|------------------------------|------------------------------|
| Energy business | 1 099 561 | 982 054 |
| Insurance business | - | 252 |
| Parent company | 22 878 | 51 737 |
| | 1 122 439 | 1 034 043 |

32.1 Bank and non-bank loans by segments – non current

| | 31.12.2023 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|---|------------------------------|------------------------------|
| Energy business, incl. | 1 027 095 | 780 886 |
| <i>Bank loans</i> | 1 027 095 | 546 181 |
| <i>Loans from non-bank financial institutions</i> | - | 234 705 |
| Parent company, incl.: | 6 319 | 21 271 |
| <i>Bank loans</i> | 6 319 | 21 271 |
| | 1 033 414 | 802 157 |

32.2 Bank and non-bank loans by segments – current

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|---|------------------------------|------------------------------|
| Energy business, incl. | 72 466 | 201 168 |
| <i>Bank loans</i> | 72 466 | 201 168 |
| <i>Loans from non-bank financial institutions</i> | - | - |
| Insurance business, incl. | - | 252 |
| <i>Bank loans</i> | - | 252 |
| Parent company, incl.: | 16 559 | 30 466 |
| <i>Bank loans</i> | 16 559 | 30 466 |
| | 89 025 | 231 886 |

32.3 Information on liabilities to banking and non-banking financial institutions

| BGN'000 | Limit | Original currency | Interest rate | Maturity | 31.12.2024 Book value BGN'000 | 31.12.2024 Principal In thousand In original currency | 31.12.2023 Book value BGN'000 | 31.12.2023 Principal In thousand In original currency |
|---------------------------|---------|----------------------|---|------------|-------------------------------------|---|-------------------------------------|---|
| Insurance business | | | | | | | | |
| Bank creditor 1 | 400 | GEL | 13% | 01.2025 | - | 205 | 252 | 382 |
| Energy business | | | | | | | | |
| Syndicated loan 1 | 360 000 | EUR | 6m EURIBOR+ 3.00 % | 21.06.2026 | - | - | 703 326 | 360 000 |
| Syndicated loan 2 | 460 000 | EUR | 6m EURIBOR + 3% min. (Notes 17, 35) | 11.6.2029 | 891 109 | 460 000 | - | - |
| Creditor 1 | 113 990 | EUR | 13% | 26.01.2027 | - | - | 234 671 | 117 043 |
| Bank creditor 5 | 65 000 | EUR | 11% with the option to capitalize interest | 11.9.2029 | 160 928 | 83 000 | - | - |
| Bank creditor 2 | 116 000 | EUR | 6m EURIBOR + 1. 80% | 30.04.2027 | 28 334 | 14 373 | 33 403 | 16 909 |
| Bank creditor 3 | 4 380 | BGN | 2.20% + Average Deposit Index | 31.10.2024 | - | - | 10 627 | 10 620 |
| Bank creditor 3 | 43 031 | BGN | 2.20% + Average Deposit Index | 31.10.2024 | - | - | 27 | - |
| Bank creditor 3 | 43 031 | BGN | 2.20% + Average Deposit Index | 31.5.2027 | 19 190 | 19 190 | - | - |
| Parent-company | | | | | | | | |
| Bank creditor 4 | 10 000 | EUR | 6.0%+ 3m EURIBOR | 18.03.2025 | 8 800 | 3 850 | 8 058 | 3 850 |
| Bank creditor 4 | 7 000 | EUR | 5.0 %+ 3m EURIBOR | 28.01.2029 | 14 078 | 6 192 | 13 011 | 6 192 |
| Bank creditor 5 | 40 000 | EUR | 8.75+ 3m EURIBOR | 11.06.2025 | - | - | 30 668 | 15 085 |
| TOTAL: | | | | | 1 122 439 | | 1 034 043 | |

33. Obligations on bond issues

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|------------------------|------------------------------|------------------------------|
| Parent company, incl.: | 238 567 | 217 588 |
| <i>Non-current</i> | 236 998 | 216 264 |
| <i>Current</i> | 1 569 | 1 324 |
| | 238 567 | 217 588 |

33.1 Information on bond issues

| | Coupon | Original currency | Maturity | 31.12.2024 Book value* <i>BGN'000</i> | 31.12.2024 Nominal in'000 <i>original curr.</i> | 31.12.2023 Book value* <i>BGN'000</i> | 31.12.2023 Nominal in'000 <i>original curr.</i> |
|---|--------|----------------------|----------|---|---|---|--|
| Parent company | | | | | | | |
| EMTN Programme with ISIN XS1731768302 | 6.50% | EUR | 6.2026 | 106 425 | 70 000 | 85 902 | 70 000 |
| EMTN Programme with ISIN: XS1542984288 | 8.00% | EUR | 12.2026 | 19 567 | 10 000 | 19 567 | 10 000 |
| Corporate bonds with ISIN:BG2100013205 | 3.25% | EUR | 11.2027 | 56 902 | 30 000 | 56 895 | 30 000 |
| Corporate bonds with ISIN:BG2100002224 | 3.25% | EUR | 3.2029 | 55 673 | 40 000 | 55 224 | 40 000 |
| TOTAL: | | | | 238 567 | 150 000 | 217 588 | 150 000 |

* Presented net of own bonds held in the Group.

Parent company

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

Emission with ISIN XS1731768302 from the EMTN program, has a maturity date of June 7, 2026, a fixed interest rate of 6.5% per annum, and annual interest payments. At the end of 2022, the Parent Group received consent to extend the maturity date of these European Medium Term Notes (EMTN) by 42 months. The bonds are listed on the Irish Stock Exchange.

Emission with ISIN XS1542984288 from the EMTN program has a maturity date of December 29, 2026, a fixed interest rate of 8.0% per annum, and annual interest payments with a delay.

The bond 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 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. The interest payments are every six months, starting from the date of registration of the issue (26 November 2020), at a fixed nominal interest rate - 3.25% on an annual basis. The debenture loan is secured by an insurance contract "Debenture loan" concluded between the issuer Eurohold Bulgaria AD, as an insurer and ZD Euroins AD as an insurer. The trustee of the bondholders in the issue is Ever Financial House AD.

The bond with ISIN:BG2100002224 in the value of EUR 40 000 000 was registered by the Central Depository AD on 8.3.2022. The issue is the third in a row of ordinary registered non-current interest-bearing secured non-convertible freely transferable bonds under the conditions of primary private (non-public) placement within the meaning of Art. 205 para. 2 of the CA. The nominal and issue value of each bond is 1,000 (one thousand) EUR. The maturity date of the issue is 8 March 2029, with the principal being repaid once upon maturity. Interest payments are made every six months from the date of issue registration (8 March 2022) at a fixed nominal interest rate of 3.25% per annum. The bond loan is secured by an insurance contract "Bond Loan" concluded between the issuer Eurohold Bulgaria AD as insurer and ZD Euroins AD as insurer. Trustee of the bondholders under the issue is "TBI Bank" EAD.

34. Trade and other liabilities

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--|-----------------------|-----------------------|
| Non-current trade and other liabilities (<i>Note 34.1</i>) | 102 484 | 132 928 |
| Current trade liabilities (<i>Note 34.2</i>) | 243 805 | 192 461 |
| Current other liabilities (<i>Note 34.3</i>) | 165 537 | 221 010 |
| Lease liabilities (<i>Note 34.4</i>) | 59 177 | 25 034 |
| | 571 003 | 571 433 |

34.1 Non-current trade and other liabilities

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--|-----------------------|-----------------------|
| Non-current trade and other liabilities (<i>Note 34.1.1</i>) | 60 805 | 92 722 |
| Employee retirement benefit obligations (<i>Note 34.1.2</i>) | 22 718 | 20 802 |
| Deferred income (<i>Note 34.1.3</i>) | 18 961 | 19 404 |
| | 102 484 | 132 928 |

34.1.1 Non-current trade and other liabilities by segments

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--------------------|-----------------------|-----------------------|
| Energy business | 304 | 89 |
| Insurance business | 632 | 33 925 |
| Parent company | 59 869 | 58 708 |
| | 60 805 | 92 722 |

34.1.2 Employee retirement benefit obligations by segments

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|-----------------|-----------------------|-----------------------|
| Energy business | 22 718 | 20 802 |
| | 22 718 | 20 802 |

34.1.3 Deferred income by segments – non-current

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|-----------------|-----------------------|-----------------------|
| Energy business | 18 961 | 19 404 |
| | 18 961 | 19 404 |

34.2 Current trade liabilities by segments

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--------------------------------|-----------------------|-----------------------|
| Energy business | 241 756 | 180 981 |
| Insurance business | 231 | 63 |
| Asset management and brokerage | 47 | 50 |
| Parent company | 1 771 | 11 367 |
| | 243 805 | 192 461 |

34.3 Current other liabilities

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|---|-----------------------|-----------------------|
| Provisions (Note 34.3.1) | 26 937 | 43 637 |
| Tax liabilities (Note 34.3.2) | 18 062 | 16 555 |
| Payables to employees (Note 34.3.3) | 35 555 | 41 343 |
| Deferred income (Note 34.3.4) | 19 293 | 7 875 |
| Social-security liabilities (Note 34.2.5) | 7 137 | 7 639 |
| Other current liabilities (Note 34.3.6) | 58 553 | 103 961 |
| | 165 537 | 221 010 |

34.3.1 Provisions by segment

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--------------------|-----------------------|-----------------------|
| Energy business | 25 652 | 41 744 |
| Insurance business | 1 285 | 1 893 |
| | 26 937 | 43 637 |

34.3.2 Tax liabilities by segments

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--------------------------------------|-----------------------|-----------------------|
| Energy business incl. | 9 481 | 5 289 |
| <i>Global minimum tax*</i> | 4 886 | - |
| Insurance business | 7 787 | 9 533 |
| Asset management and brokerage incl. | 195 | 58 |
| <i>Global minimum tax*</i> | 52 | - |
| Parent company | 599 | 1 675 |
| <i>*See Notes 2.9 и 19.</i> | 18 062 | 16 555 |

34.3.3 Payables to employees by segment

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--------------------------------|-----------------------|-----------------------|
| Energy business | 33 391 | 36 277 |
| Insurance business | 2 041 | 4 926 |
| Asset management and brokerage | - | 9 |
| Parent company | 123 | 131 |
| | 35 555 | 41 343 |

34.3.4 Deferred current income by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|-----------------|------------------------------|------------------------------|
| Energy business | 19 293 | 7 875 |
| | 19 293 | 7 875 |

34.3.5 Social-security liabilities by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------|------------------------------|------------------------------|
| Energy business | 5 665 | 6 270 |
| Insurance business | 1 449 | 1 330 |
| Parent company | 23 | 39 |
| | 7 137 | 7 639 |

34.3.6 Other current liabilities by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------------------|------------------------------|------------------------------|
| Energy business | 23 733 | 14 081 |
| Insurance business | 15 875 | 45 096 |
| Asset management and brokerage | 743 | 244 |
| Parent company | 18 202 | 44 540 |
| | 58 553 | 103 961 |

The most material amounts of other current liabilities in the energy business represent cash guarantees from clients related to energy sale contracts and serve as security for their obligations to the Group. The most significant amounts in the insurance segment and the Parent Company are liabilities to related parties. (*Note 41*).

34.4 Lease liabilities – Rights of use by segments

| | 31.12.2024 <i>BGN'000</i> | 31.12.2023 <i>BGN'000</i> |
|--------------------------------------|------------------------------|------------------------------|
| Energy business incl. | 55 042 | 10 843 |
| <i>Non-current</i> | 47 342 | 5 722 |
| <i>Current</i> | 7 700 | 5 121 |
| Insurance business incl. | 2 379 | 11 994 |
| <i>Non-current</i> | 1 821 | 8 675 |
| <i>Current</i> | 558 | 3 319 |
| Asset management and brokerage incl. | 844 | 1 011 |
| <i>Non-current</i> | 675 | 836 |
| <i>Current</i> | 169 | 175 |
| Parent company incl. | 912 | 1 186 |
| <i>Non-current</i> | 712 | 917 |
| <i>Current</i> | 200 | 269 |
| | 59 177 | 25 034 |

35. Derivative financial instruments

| | 31.12.2024 | 31.12.2023 |
|---------------------|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Interest rate swaps | 18 025 | - |
| | 18 025 | - |

The Group (specifically Eastern European Electric Company B.V.) entered into hedging agreements to mitigate the risk of an increase in EURIBOR, which could lead to higher interest expenses on a syndicated loan dated June 3, 2024. The Group has agreed to pay a fixed interest rate and receive a variable interest rate for a part of the syndicated loan.

The interest rate swaps are designated as cash flow hedges that meet the eligibility criteria under IFRS 9 Financial Instruments. Their value in the statement of the financial position represents the fair value of the hedging. See also *Notes 2.8. Derivative Financial Instruments and Hedge Accounting, 17. Financie costs, and 33. Bank Loans.*

36. Insurance contracts liabilities

| | 31.12.2024 | 31.12.2023 |
|---|----------------|----------------|
| | <i>BGN'000</i> | <i>BGN'000</i> |
| Insurance contracts liabilities, incl: | 463 972 | 436 976 |
| <i>Liability for claims made</i> | 359 239 | 346 637 |
| <i>Liability for remaining coverage</i> | 104 733 | 90 339 |
| Other insurance contracts liabilities issued | 6 703 | 1 137 |
| Total insurance contracts liabilities issued | 470 675 | 438 113 |
| Reinsurance contracts liabilities held | 22 689 | 6 148 |
| Other reinsurance contracts liabilities | 2 831 | 9 260 |
| Total reinsurance contracts liabilities held | 25 520 | 15 408 |
| Total insurance contracts liabilities | 496 195 | 453 521 |

37. Share capital

37.1 Share capital

| | 31.12.2024 | 31.12.2023 |
|--|--------------------------|--------------------------|
| | <i>Numbers of shares</i> | <i>Numbers of shares</i> |
| Issued shares | 260 500 000 | 260 500 000 |
| Treasury shares | (77 277) | (77 277) |
| Number of shares with voting rights | 260 422 723 | 260 422 723 |

The registered share capital of Eurohold Bulgaria AD 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.

As of 31.12.2024, 77 227 numbers of voting shares of Eurohold Bulgaria AD are held by companies in the (as of 31.12.2023 – 77 227 voting shares).

The shareholder structure as of December 31, 2024, is as follows:

| Shareholders | % | Voting rights | Par value BGN |
|--|----------------|--------------------|--------------------|
| Starcom Holding AD | 52.13% | 135 808 507 | 135 808 507 |
| KJK Fund II SICAV-SIF - Balkan Discovery | 8.39% | 21 866 873 | 21 866 873 |
| Boston Management and Research, through the following funds managed by it, namely: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio. | 8.50% | 22 144 922 | 22 144 922 |
| SLS Holding AD | 7.51% | 19 551 875 | 19 551 875 |
| PENSION ASSURANCE COMPANY-FUTURE through the following funds managed by him: UPF-Future PPF-Future DPF-Future | 5.30% | 13 794 398 | 13 794 398 |
| Other legal entities | 16.73% | 43 578 585 | 43 578 585 |
| Other individuals | 1.44% | 3 754 840 | 3 754 840 |
| Total: | 100.00% | 260 500 000 | 260 500 000 |

37.2 Share premium and general reserves

| | 31.12.2024 | 31.12.2023 |
|------------------------|----------------|----------------|
| | BGN'000 | BGN'000 |
| Share premium reserve* | 274 271 | 144 030 |
| General reserves | 7 641 | 7 641 |
| | 281 912 | 151 671 |

* According to the Board of Directors' protocol dated March 29, 2024, a decision was made to convene an extraordinary general meeting of shareholders of Eurohold Bulgaria AD for the issuance of a warrant series of up to 260 500 000 (two hundred sixty million five hundred thousand) dematerialized, registered, freely transferable warrants under the conditions of a public offering in accordance with the Public Offering of Securities Act. The issue price of each warrant will be 0.50 BGN (fifty stotinki), granting the holders the right, within a 10-year period, to exercise their right to subscribe for the corresponding number of shares (of the same type and class as the existing shares of the company—dematerialized, registered, non-preferred, with the right to one (1) vote at the general meeting of shareholders of the company, the right to dividends, and the right to a liquidation share). The underlying asset of the warrants will be shares issued at a nominal value of 2.00 BGN (two) per share with a conversion ratio of 1 warrant to 1 share, which Eurohold Bulgaria AD will issue as part of a future capital increase, subject to the condition that the new shares will be subscribed by the warrant holders. Investors in Eurohold subscribed and paid a total of 260 481 631 warrants between November 25 and December 10, 2024, which started trading on the Bulgarian Stock Exchange from December 17, 2024, under the assigned ticker code EUBW.

38. Acquisitions

38.1 Acquisitions in 2024

No acquired companies in 2024.

38.2 Acquisitions in 2023 - Insurance business

In 2023 The Group acquired two companies through its subsidiary EIG AD:

- o Phoenix MGA Services S.R.L., Romania
- o Shardeni 2017 Ltd., Georgia

38.2.1 PHOENIX MGA SERVICES S.R.L. was established on 12.6.2023 with headquarter in Romania, Bucharest, sector 1, Aviation Popisteanu St. No. 54A, Expo Business Park, building 2, floor 3/301 with the main activity of business and management consulting. PHOENIX MGA SERVICES S.R.L. is wholly owned by EIG AD, Bulgaria, a subsidiary of Eurohold Bulgaria AD. The share capital is in the amount of RON 100 thousand or BGN 39 thousand.

38.2.2 In February 2023, a company in Georgia, **Shardeni 2017 Ltd.**, was acquired through a purchase and sale agreement. Its main activity is the leasing and operation of its own real estate properties. The company is headquartered in Tbilisi, Georgia, in the Krtsanisi district, at 17 Shardeni Street. The total acquisition price amounts to USD 650 000 and represents the purchase price, which was settled through a non-cash transaction.

39. Disposals and discontinued operations

39.1 Disposals and discontinued operations in 2024

39.1.1 ICLEAM Sole Proprietorship for Claims Settlement Services PK, Greece

On 12.9.2024 Euroins Insurance Group (EIG) sold 100% of the capital of its subsidiary company ICLEAM Sole Proprietorship for Claims Settlement Services PK, Greece. The effect of its sale is presented in the table below:

| | <i>BGN'000</i> |
|--|----------------|
| 1. Fair value of consideration received | 1 936 |
| 2. Net Assets on date of sale | (97) |
| 3. Group result (1-2) | 2 033 |
| 4. Loss for the period 01.01.2024 - 09.12.2024 | (169) |
| 5. <i>Insurance business level eliminations, net</i> | <i>(1 319)</i> |
| 3. Profit for the year from discontinued operations | 545 |

39.1.2 IC Phoenix RE AD

„Insurance Company Phoenix Re“ AD has been reported as an associate entity of the Group since, by the end of 2023, there has been an effective transfer of control over a part of its shares, specifically 59.94%. At the end of 2024, control over an additional 9.99% of the participation was transferred, as a result of which as of 31.12.2024, the Group owns a 30.07% stake in the company. *Note 29. Investments accounted for using the equity method.*

39.2 Disposals and discontinued operations in 2023 – Insurance business

At the end of 2023, the Group transfers its control, as defined by IFRS 10 'Consolidated Financial Statements, over “IC Phoenix Re” AD to third parties and reclassifies 59.94% of its interest in the company from a subsidiary to an associate. See also *Note 29. Investments accounted for using the equity method.*

The effect of the sale is presented below:

| | <i>BGN'000</i> |
|---|----------------|
| 1. Fair value of consideration received | 25 099 |
| 2. Cost of retained interest (40,06%) | 18 938 |
| 3. Net assets as at 31.12.2023 | (31 595) |
| 4. Group result (1-2) | 6 161 |

Profit/(loss) for the year from discontinued operations in 2023 and the prior period, related to IC Phoenix Re AD is:

| | 2023 BGN'000 |
|--|-----------------|
| Insurance revenue | 519 420 |
| Insurance service expenses | (431 316) |
| Insurance service result | 33 762 |
| Net investment income | 3 457 |
| Other operating income/(expenses), net | (18 522) |
| Profit before tax | 18 697 |
| Income tax expense | (1 386) |
| Profit for the year | 17 311 |
| <i>Eliminations at the insurance business level, net</i> | <i>101 987</i> |
| Result from the sale due to loss of control | 6 161 |
| Profit for the year | 125 459 |
| <i>Eliminations at the Eurohold Bulgaria AD level, net</i> | <i>298</i> |
| Profit for the year from discontinued operations | 125 757 |

39.3 Cash flows from discontinued operations

| | 01.01.2024- 31.12.2024 BGN'000 | 2023 BGN'000 |
|--|--------------------------------------|-----------------|
| Operating activity | (27) | 77 723 |
| Investment activity | - | (77 980) |
| Financial activity | - | (114) |
| TOTAL CASH FLOWS FROM DISCONTINUED OPERATIONS | (27) | (371) |

40. Contingent liabilities and commitments, provisions for court cases

40.1 Litigation

As of 31.12.2024 no significant lawsuits have been filed against Eurohold Bulgaria AD.

In May 2024, Eurohold Bulgaria AD and Euroins Insurance Group AD officially filed an international arbitration case against the Government of Romania at the International Center for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than EUR 500 million. As of the date of preparation of the interim condensed consolidated financial statements, a procedural exchange of documents is taking place between the parties.

The companies in the Energy segment are involved in a number of legal disputes and proceedings. They are not material for the Group, but the more significant of them as of 31.12.2024 are described below:

Electrodistribution Grid West EAD

Provisions for legal claims and proceedings by RES for access to the electricity distribution network

In 2012, numerous court proceedings were initiated on requests by producers of electricity from renewable energy sources, asking the court to cancel Decision No. 4-33/14.09.2012 and those for whom, although they appealed the decision, for them it has not entered into force.

In 2020, the claims of renewable energy producers against EGD West EAD, amounting to BGN 2 106 thousand, based on the court's annulment of any point of Decision 4-33, were written off after the expiry of the five-year limitation period. As at 31 December 2024, the amount of this provision amounts to BGN 115 thousand (31 December 2023: BGN 115 thousand).

Other provisions for court claims

The remaining amount of recognized provisions for legal claims and proceedings includes various cases in which the Company is involved as either a plaintiff or defendant, totaling 4 540 thousand BGN (2023: 6 471 thousand

BGN), each of which is of immaterial individual value. The Company does not disclose additional information based on paragraph 92 of IAS 37.

Provisions for sanctions

As of 31.12.2024, EDG West EAD has provisions for sanctions from state administration bodies in the amount of BGN 450 thousand (31.12.2023: BGN 1 566 thousand). In 2024, a provision of BGN 1 027 thousand was written off due to a concluded court case regarding an audit act of the National Revenue Agency. The company has taken into account the risk of an unfavorable outcome in connection with the imposed sanctions. No additional information is disclosed based on paragraph 92 of IAS 37. Provisions are as follows:

- *Provision in relation to penal administrative decisions of the regulatory body (EWRC)*

By order № 3-E-1129/11.08.2022 the Chairman of the Energy and Water Regulatory Commission was assigned an inspection of "Electricity Distribution Networks West" EAD for the implementation of the license requirements regarding the provision of electricity with indicators corresponding to the requirements of the standard. During the inspection, devices were installed to measure the quality of the supplied electricity for a period of seven days at 30 connection points located in different regions of the license territory. According to the delivered Statutory Protocol No. E-8 of 06.12.2022, in 10 connection points the supply voltage values do not comply with the applicable standard and based on this, the Company charged a provision in the amount of BGN 600 thousand, which was confirmed by the issuance of ten penalty decrees in April 2023, each of which in the amount of BGN 60 thousand. BGN, which is the minimum provided for this type of violation committed in a repeated regime. Of these, 8 have entered into force and been paid in 2024, the remaining 2 have been appealed.

The total amount of provisions for property sanctions imposed by the EWRC as of 31.12.2024 is BGN 450 thousand, the indicated amounts have been accrued and are in the process of being appealed.

- *Provision for tax payables related to NRA inspection*

In December 2019, an audit covering the periods 2014 and 2015 was commissioned, which ended with the issuance of a revision act, in which based on established court decisions and penalty decrees, unpaid insurance and tax on social expenses under CITA for all months of the two years in which there are accrued social costs for which reliefs and discounts were used under CITA are determined. The amount of the revision act has been paid in full. The revision act was appealed before the Administrative Court of Sofia-city and case No. 5874/2021 was formed. In 2024, with decision No. 9540 of 21.06.2024, the court annulled the audit report and the amounts paid on its basis were refunded, together with interest. The provision was written off.

Electrohold Sales EAD

As of 31.12.2024, Electrohold Sales EAD has a provision for legal claims in the amount of BGN 675 thousand (31.12.2023: BGN 7 421 thousand) based on the probable outcome of several legal disputes, which are at different stage, but are currently unresolved.

In 2024, a provision in the total amount of BGN 6 724 thousand was recovered in the case described below between Electrohold Sales EAD and Receiver CHB EOOD. (for 2023: accrued provision in the amount of BGN 698 thousand).

A claim filed by Receiver CHB EOOD

Electrohold Sales EAD and of Future Energy OOD were parties to the Framework Agreement on the supply of electricity, which was terminated on 02.12.2017, causing financial losses. Electrohold Sales set off a penalty of BGN 3.35 million against liabilities of BGN 6.7 million, as well as utilized a bank guarantee of 0.5 million BGN, provided under a special pledge under a loan agreement to "Future Energy" from "Carpleon", for which enforcement was entered on 04.12.2017. "Future Energy" was declared bankrupt and in 2019 one of the creditors of the bankruptcy estate - "Receiver CB" filed a claim against "Electrohold Sales", challenging the set-off, as well as the utilization of the bank guarantee. The first instance court partially rejected the claim, the appeal instance overturned the decision and sentenced "Electrohold Sales" to pay a total amount of 3.85 million BGN in the bankruptcy estate. After appeals, the Supreme Court overturned the decisions and rejected the claim of Receiver CHB, rendering a final decision in favor of Electrohold Sales.

Claim filed by Pirin BMK EOOD

On 26.06.2019, a claim was filed by Pirin BMK EOOD claimed an amount of BGN 100 thousand against Electrohold Sales as a partial claim for damages due to unrealized coal mining activities because of lack of electricity contract. The case was examined by the Sofia City Court (SCC), a response to the claim was filed with a counterclaim in the amount of BGN 236 thousand together with the legal interest. SCC rejects the claims of Pirin BMK and respects those of "Electrohold Sales". The Appellate Court - Sofia ("ACS") confirms the decision, and the Supreme Court of Cassation does not allow an appeal, which makes the decisions final.

Electrohold Bulgaria EOOD

The company is a defendant in five civil cases with a total amount of claims of BGN 271 thousand. The lawyers' prediction for the outcome of the cases is that the claims will be rejected in full, due to groundless and illegal claims. The company does not expect cash outflows from the outcome of the cases.

Electrohold Trade EAD

On 21.06.2018, an agreement was concluded between "Energy Financial Group" AD and "Electrohold Trade" for the assignment of receivables for 2.857 million BGN from "ViK Dobrich" AD. "Energy Financial Group" AD /EFG/ was declared bankrupt and the trustee of EFG filed claims to declare the assignment invalid and to order "Electrohold Trade" to pay the amount of 700 thousand BGN that it received in connection with this assignment. By a decision of the first instance, the claims were rejected, but by a decision of the Sofia Court of Appeal, the assignment agreement was declared invalid with respect to the creditors of EFG, and ordered "Electrohold Trade" to pay 700 thousand BGN to the bankruptcy estate. The decision was appealed to the Supreme Court of Cassation, but the Supreme Court does not allow a cassation appeal, which makes the decision effective.

40.2 Guarantees and guarantees provided

(1) The Group is a co-debtor/guarantor for loans received from banking/financial institutions as follows:

| Business | Maturity (EUR'000) (EUR'000) | | | | | | | |
|--|------------------------------------|------------------------------------|---------------|--------------|--------------|--------------|------------|---------------|
| | Amount in EUR'000 as of 31.12.2024 | Amount in BGN'000 as of 31.12.2024 | 2024 | 2025 | 2026 | 2027 | 2028 | After 2028 |
| Ultimate parent company | | | | | | | | |
| Bank loans for investment purposes | 3 125 | 6 112 | 3 125 | - | - | - | - | 3 125 |
| Leasing business | | | | | | | | |
| Working capital facilities - related parties 30.6.2022 | 14 977 | 29 292 | 7 120 | 4 271 | 2 070 | 1 162 | 354 | 14 977 |
| Automotive business | | | | | | | | |
| Working capital facilities - related parties 30.6.2022 | 3 818 | 7 467 | 1 950 | 557 | 467 | 375 | 469 | 3 818 |
| TOTAL: | 21 920 | 42 871 | 12 195 | 4 828 | 2 537 | 1 537 | 823 | 21 920 |

(2) Eurohold Bulgaria AD is a guarantor under issued bank guarantees, as follows:

| Business | Amount in EUR'000 as of 31.12.2024 | Amount in BGN'000 as of 31.12.2024 | Maturity (EUR'000) |
|--|------------------------------------|------------------------------------|--------------------|
| Automotive business (related parties 31.12.2022) | 2 028 | 3 966 | 02.2026 |
| Automotive business (related parties 31.12.2022) | 562 | 1 099 | 05.2025 |

(3) In connection with the participation of IC Euroins AD through its branch in the Hellenic Republic in the so-called friendly settlement agreement between the insurers that offer compulsory motor third party liability insurance on the territory of the Hellenic Republic, a bank guarantee has been established in favor of the Greek Association of Insurers. As at 31.12.2024 the bank guarantee is amounting to EUR 540 thousand (31.12.2023 - EUR 243 thousand) and the funds are blocked on a deposit account of the Branch.

(4) Insurers that offer compulsory motor third party liability insurance present a bank guarantee in accordance with the Statute of the National Bureau of Bulgarian Motor Insurers (NBBAZ). As of 31 December 2024, and 31 December 2023, Euroins Insurance AD, a subsidiary, provides a bank guarantee amounting to EUR 600 thousand in favor of the National Bank of Bulgaria. The funds securing the bank guarantee are blocked in the company's current account.

(5) The subsidiary ERM Zapad EAD established a bank guarantee in favor of the Sofia Municipality in the amount of BGN 121 thousand for the restoration of the sidewalks during investment activities as of 31.12.2024 (31.12.2023 - BGN 68 thousand).

(6) As of 31.12.2024, by order of Electrohold Bulgaria EOOD, two bank guarantees were issued with a total amount of BGN 90 thousand (as of 31.12.2023 - BGN 87 thousand). The Group acts as a guarantor, with funds restricted in favor of a commercial bank in the amount of BGN 19 558 thousand.

(7) As of 31.12.2024, Electrohold Trade EAD has established bank guarantees to:

- Bulgarian Independent Energy Exchange EAD in the amount of BGN 11 500 thousand under a concluded agreement for participation in the electricity exchange market.
- Electricity System Operator EAD in the amount of BGN 9 133 thousand, under a balancing agreement.
- Elektrorazpredelenie Sever AD in the amount of BGN 4 300 thousand, under an agreement for payment of network services for customers by an electricity trader.
- Elektrorazpredelenie Yug EAD in the amount of BGN 3 700 thousand, under an agreement for the provision of network services.
- Billa Bulgaria EOOD in the amount of BGN 587 thousand, under an agreement for the purchase and sale of electricity.
- GEN-I, d.o.o. in the amount of BGN 587 thousand BGN, according to an electricity supply contract.

The guarantees are secured under the Agreement for assuming credit commitments under an overdraft line concluded between Electrohold Trade EAD and Unicredit Bulbank AD dated 09.09.2024.

- (8) After the entry into force of the Agreement for assuming credit commitments under an overdraft credit line concluded between Electrohold Sales EAD and Unicredit Bulbank AD on 09.09.2024 for three bank guarantees in favor of Energy System Operator EAD, in accordance with a balancing agreement, the blocked funds have been released and the guarantees have been secured with a limit under the credit line. As of 31.12.2024, the total amount of the bank guarantees is BGN 6,223 thousand.

40.3 Guarantees and guarantees received

- (1) Guarantees in favor of the Group (in particular Eurohold Bulgaria AD) by Milena Milchova Gencheva, procurator of Eurohold Bulgaria AD - BGN 3 300, maturity date 03.2025. Automatic renewal until the procurator is released from liability.
- (2) The Group's suppliers (in particular ERM Zapad EAD) have provided bank deposits as collateral in its favor for the performance of the contracts concluded with them for the supply of materials and services. The amount of valid guarantees as of 31.12.2024 is BGN 3 165 thousand (2023: BGN 3 323 thousand).
- (3) According to the amendments in 2023 to the Renewable Energy Sources Act, producers from renewable energy sources are required to provide a guarantee during the connection procedure. The amount of valid guarantees established as of 31.12.2024 is BGN 2 867 thousand (31.12.2023 – BGN 375 thousand).
- (4) As at 31.12.2024 in favour of the Electrohold ICT EAD are established guarantees for performance of concluded contracts for the total amount of BGN 825 thousand (2023: BGN 929 thousand).
- (5) Customers of the Electrohold Trade EAD have established bank guarantees in favour of the Group in the amount of BGN 1 304 thousand (31.12.2023: BGN 1 305 thousand). The issued bank guarantees secure the payments under contracts for sale of electricity and balancing.
- (6) As of 31.12.2024, performance guarantees under contracts in the amount of BGN 1 952 thousand have been established in favor of the Group (in particular, Electrohold EPC EOOD) (31.12.2023 – BGN 2 320 thousand).

40.4 Pledge of shares

In connection with a loan to a company from Automotive Subholding, which as of 31.12.2024 is not a related party, Eurohold Bulgaria AD has an established pledge of shares in a subsidiary.

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

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

41. Related parties

The structure of the economic Group is disclosed in *Note 1.2. Structure of economic group.*

Related parties within the Group are as follows:

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

Subsidiaries of Starcom Holding AD:

- Starcom Finance EAD, Bulgaria
- Vedernik EAD, Bulgaria (for the period 17.08.2023 – 19.9.2024)
- Quintar Capital Limited, Hong Kong China
- Hanson Asset Management Ltd, UK
- Swiss Global Asset Management AG, Switzerland

Other investments:

- Solars Energy AD, Bulgaria – associate of Starcom Holding AD;
- Euroins Romania Asigurare-Reasigurare S.A., Romania – subsidiary of Euroins Insurance Group EAD with 98.57%. Loss of control as at 31.12.2022.
- IC Phoenix Re AD (*previous name IC EIG Re AD*) - associated participation as of 28 December 2023 of Euroins Insurance Group EAD, a subsidiary of Eurohold Bulgaria AD – 29. *Investments accounted for using the equity method and 39. Disposals and discontinued operations*

Balances with related parties

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|--|-----------------------|-----------------------|
| Balances with owner company | | |
| Loans provided under repo transactions of Starcom Holding AD | 18 851 | 4 538 |
| Loans granted to Starcom Holding AD | 35 017 | - |
| <i>Impairment</i> | (68) | - |
| Loans received from Starcom Holding AD | 13 196 | 41 068 |
| Subordinated debt – Starcom Holding AD | 408 | 30 265 |
| Other liabilities to Starcom Holding AD incl. | - | 2 673 |
| Dividend liabilities to Starcom Holding AD | 101 | 101 |
| Trade receivables from Starcom Holding AD | 126 | - |
| Balances with other related parties | | |
| Subordinated debt – Starcom Finance EAD | 25 000 | 25 000 |
| Loans received(short-term) – Starcom Finance EAD | - | - |
| Other liabilities to Starcom Finance EAD - interest on subordinated debt | 625 | 420 |
| <i>- interest on subordinated debts</i> | 625 | 420 |
| Right-of-use asset - office from Hanson Asset Management Ltd, UK | 432 | 757 |
| Lease liabilities - Hanson Asset Management Ltd UK | 452 | 775 |
| Other receivables from Euroins Romania Insurance - Reinsurance S.A.,Romania | 509 | 509 |
| <i>Impairment</i> | (509) | (509) |
| Liabilities under contract with Euroins Romania Insurance - Reinsurance S.A.,Romania for a loan of financial instruments with an annual interest rate of 7.0% and maturity on 05.12.2023, including: | - | 3 671 |
| <i>- interest</i> | - | 444 |
| Balances with associated companies | | |
| Contract assets under reinsurance contracts held – IC Phoenix Re AD | 1 246 | 11 688 |
| Other receivables – IC Phoenix Re AD | 995 | 117 |
| Other payables– IC Phoenix Re AD | 231 | - |
| Insurance and reinsurance contracts liabilities – IC Phoenix Re AD | 2 831 | 6 148 |

Transactions with related parties

| | 31.12.2024 BGN'000 | 31.12.2023 BGN'000 |
|---|-----------------------|-----------------------|
| Transactions with owners | | |
| Commission fee income from Starcom Holding AD | 529 | 336 |
| Revenue from services rendered to Starcom Holding AD | 469 | 81 |
| Interest income from Starcom Holding AD | 661 | 755 |
| Interest expenses on loans received from Starcom Holding AD | 4 463 | 6 027 |
| Other revenue from Starcom Holding AD | 62 | 19 |
| Transactions with other related parties | | |
| Revenue from services rendered to Vedernik EAD (related party until 19.09.2024) | 13 | - |
| Commission income from IC Phoenix Re AD (associated) | 231 | - |
| Commission income from Starcom Finance EAD | 68 | - |
| Commission income from Euroins Romania Insurance - Reinsurance S.A.,Romania | - | 80 |
| Other income from Euroins Romania Insurance - Reinsurance S.A.,Romania | - | 38 |
| Other income from Hanson Asset Management Ltd UK | 6 | 5 |
| Other income from Swiss Global Asset Management AG, Switzerland | 5 | 5 |
| Interest expense on leases (rights of use) from Hanson Asset Management Ltd UK | 7 | 7 |
| Depreciation expense on right-of-use assets from Hanson Asset Management Ltd UK | 297 | 297 |
| Interest expenses on loans received from Starcom Finance EAD | 1 661 | 1 500 |
| Interest expenses from Euroins Romania Insurance - Reinsurance S.A.,Romania | 227 | 9 |

42. Events after the reporting period

- (1) In November 2024, a decision was made to simultaneously decrease and increase the capital of the subsidiary Euroins Insurance Group AD (EIG AD) in accordance with Article 203 in connection with Article 252, paragraph 1, item 5 of the Commercial Act. According to the decision:
- The capital of EIG AD is to be reduced from BGN 576 242 734 to BGN 119 932 734 through the cancellation of 442 212 912 ordinary registered shares and 76 981 791 preferred registered shares, each with a nominal value of BGN 1.
 - Simultaneously, the subsidiary increases its capital from BGN 119 932 734 to BGN 149 932 734 by issuing 30 000 000 new shares, all of which were fully subscribed and paid for by Eurohold Bulgaria AD at an issue price of BGN 5.83 per share, totaling BGN 174 900 thousand.

On January 16, 2025, the simultaneous capital increase and decrease of Euroins Insurance Group AD was officially registered in the Commercial Register, bringing the company's capital to BGN 149 932 734, distributed in 149 932 734 ordinary registered shares with a nominal value of BGN 1 each (as of December 31, 2024, the capital was BGN 576 242 734). As a result, Eurohold Bulgaria AD's ownership stake increased from 90.10% (as of December 31, 2024) to 92.08%.

- (2) On February 21, 2025, the Commercial Register recorded a capital increase of "IC Euroins" AD with 16 250 000 new shares at a nominal value of 1 BGN and an issue price of 4 BGN. The shares were fully subscribed and paid for by the majority shareholder, "Euroins Insurance Group" AD, raising a total of 65 million BGN.

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

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Internal information
31 December 2024

INTERNAL INFORMATION

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

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

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

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

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

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Additional information
as at 31 December 2024

ADDITIONAL INFORMATION

to the interim condensed individual activity report
for the period 1 January - 31 December 2024

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

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

There have been no changes in the accounting policies of the Eurohold Bulgaria Group during the reporting period.

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

For the reporting period January 1 - 31 December 2024, the following changes occurred in the group of companies of Eurohold Bulgaria AD:

- ✓ On September 12, 2024, the transfer of ownership of all shares held by EIG in ICLAIM Sole Proprietorship for Claims Settlement Services P.K., Greece to a new owner following a sale and purchase agreement of the company was entered into in the Commercial Register of Greece. As of the date of entry, ICLAIM is not part of the EIG group.

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

No organizational changes were made within the Eurohold group during the reporting period, except for those specified in the previous item 2.

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

There are no published projections for 2024.

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

Information according to the book of shareholders of Eurohold Bulgaria AD as of 31.12.2024.

| | <i>Name</i> | <i>Shares</i> | <i>% of equity</i> |
|----|--|---------------|--------------------|
| 1. | Starcom Holding AD | 135 808 507 | 52.13% |
| 2. | KJK Fund II Sicav-Sif Balkan Discovery | 21 866 873 | 8.39% |
| 3. | Boston Management and Research, through the following funds managed by it: <ul style="list-style-type: none"> - Global Opportunities Portfolio, - Global Macro Portfolio, - Global Macro Absolute Return Advantage Portfolio, | 22 144 922 | 8.50% |

| | | | |
|----|--|------------|-------|
| | - Global Macro Capital Opportunities Portfolio. | | |
| 4. | SLS Holding AD | 19 551 875 | 7.51% |
| 5. | PIC Future, through the following funds managed by it: - UPF Future - PPF Future - DPF Future | 13 794 398 | 5.30% |

Information about warrant holders as of 31.12.2024:

| Warrant holders | number of warrants | % of all issued warrants* |
|--|--------------------|---------------------------|
| Total warrant holders legal entities, including: | 233 573 847 | 89.67% |
| Total shareholders over 5% (legal entities) | 205 919 486 | 79.05% |
| - Starcom Holding AD | 172953486 | 66.40% |
| - SLS Holding AD | 16 000 000 | 6.14% |
| - STARCOM FINANCE EAD | 16 966 000 | 6.51% |
| >Other legal entities | 27 654 361 | 10.62% |
| Total warrant holders natural persons | 26907784 | 10.33% |
| Total number of warrants with voting rights | 260 481 631 | 100% |

* As of 31.12.2024, there are no exercised warrants.

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

| | Name | Shares | % of equity |
|----|---------------------------|---------------|--------------------|
| 1. | Dimitar Stoyanov Dimitrov | 200 | - |
| 2. | Veleslav Hristov | 200 | - |

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

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

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

Related party transactions for the period are disclosed in the Notes to the interim condensed standalone and interim condensed consolidated financial statements as at 31.12.2024. The terms on which the transactions were carried out do not deviate from market terms for this type of transaction.

25.02.2025

Asen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guancheva,
Prosecutor of Eurohold Bulgaria AD

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Appendix 4
31 December 2024

APPENDIX 4

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

for the period 1 January – 31 December 2024.

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

No insolvency proceedings were commenced for the Issuer or any of its subsidiaries during the reporting period 1 January – 31 December 2024.

- 3. Conclusion or execution of material transactions**

All concluded transactions, including significant ones, are disclosed in the Notes to the interim condensed consolidated financial statements for 2024 and in the Interim Condensed Consolidated Activity Report as of December 31, 2024.

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

↪ There are none for the reporting period

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

All concluded transactions, including significant ones, are disclosed in the Notes to the interim condensed consolidated financial statements for 2024 and in the Interim Condensed Consolidated Activity Report as of December 31, 2024.

25.02.2025

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Declaration of responsible persons

DECLARATION

Article 100n, paragraph 4, item 4 of POSA

The undersigned,

1. Assen Minchev - Executive Director of Eurohold Bulgaria AD
2. Milena Guencheva – Prosecutor of Eurohold Bulgaria AD
3. Tsvetelina Cheresharova-Doycheva - Financial controller of Eurohold Bulgaria AD (complier of the financial statements)

WE DECLARE that to the best of our knowledge:

1. The set of interim condensed consolidated financial statements for 2024 and Notes to them, prepared in accordance with applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit or loss of Eurohold Bulgaria AD.;
2. The interim condensed consolidated management report as at 31.12.2024 contains a reliable overview of the development and performance of Eurohold Bulgaria AD, as well as a description of the main risks and uncertainties facing the company.

Declarators:

1. Assen Minchev
2. Milena Guencheva
3. Tsvetelina Cheresharova-Doycheva