

EUROHOLD BULGARIA AD

PROSPECTUS

for initial public offering of securities
(issue of shares from capital increase)

Part II

REGISTRATION DOCUMENT

Subject of the offering	79 010 240 new shares
Type of the shares	registered, dematerialized, non-preferred voting shares, with voting rights
Issue value of 1 share	BGN 2,50
Nominal value of 1 share	BGN 1,00
Total issue value of the offered new shares	total for the issue BGN 197 525 600
Total nominal value of the offered new shares	total for the issue BGN 79 010 240

ISIN BG1100114062

12 April 2021

This Registration Document is part of a Prospectus for public offering of an issue of shares from capital increase of Eurohold Bulgaria AD. The Prospectus consists of three parts: Prospectus Summary - Part I, Registration Document - Part II and Securities Note - Part III. The Prospectus contains all the information about the Issuer and the securities necessary for the investors to make an investment decision.

The Registration Document contains all the information about the Issuer of the securities for accurate assessment of its economic and financial condition, assets and liabilities, financial results and development prospects, including the main risks related to the Issuer and its economic group.

The Securities Note contains all the information on the issue of new shares from capital increase, including the main risks associated with the offered securities.

The Summary contains the key information that investors need to understand the characteristics of the Issuer, the risks associated with the Issuer and the securities offered.

It is in the interest of investors to familiarize themselves with this Registration Document - Part II, as well as with the Security Note - Part III of the Prospectus before making an investment decision.

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE FINANCIAL SUPERVISION COMMISSION, AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017 / 1129, WITH RESOLUTION No. 278-E / 29.04.2021

THE FINANCIAL SUPERVISION COMMISSION ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY REGULATION (EU) 2017/1129.

SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS PROSPECTUS.

THE INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES.

THE FINANCIAL SUPERVISION COMMISSION IS NOT RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THE PROSPECTUS.

This Registration Document has been prepared in accordance with the requirements of Annex 1 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU)

2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004,

as part of the Prospectus, prepared in accordance with:

Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and

Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301

Public Offering of Securities Act.

PERSONS RESPONSIBLE

Eurohold Bulgaria AD, as the Issuer of the shares issue, assumes the responsibility for the completeness, accuracy and compliance with the legal requirements of the information contained in the Prospectus.

The members of the Management Board of Eurohold Bulgaria AD and its Procurators are jointly and severally liable for damages caused by incorrect, misleading or incomplete data in the Prospectus.

The compilers of the audited annual and unaudited interim consolidated financial statements of the Company, included in the Prospectus, are jointly and severally liable with the persons under the previous sentence for damages caused by incorrect, misleading or incomplete data in the consolidated financial statements of Eurohold Bulgaria, while the auditors – for damages caused by the audited consolidated financial statements, included in the Prospectus.

ESSENTIAL INFORMATION

This Prospectus is prepared to provide information to potential investors based on which they can assess their possible investment in the offered shares. In this regard, the information contained in the Prospectus about the Issuer and the offered shares is selected and summarized. This Prospectus does not contain any commitments or waiver of rights and does not create rights to any other person except for the potential investors in the shares.

Eurohold Bulgaria AD hereby informs potential investors that investing in the offered securities is related to taking certain risks and which may lead to loss of invested capital. All risks are described in detail in this Prospectus for initial public offering of securities. The risk factors specific to the Issuer's activity are discussed in detail in Section III "Risk factors" of the Registration Document, the main risks specific to the offered shares are contained in Section II "Risk Factors" of the Securities Note. Investors must perform an informed assessment of all risks specified in the Registration Document and the Securities Note and make investment decisions, considering all facts.

Investors shall take into consideration that they should rely only on the information contained in this Prospectus. Except as provided for by the mandatory legal provisions, the Issuer has not authorized any person to provide various information or make any statements in relation to the Company and the offered shares, other than those contained in this Prospectus, and if any, this information or statements shall not be accepted as given with the authorization of the Issuer.

The information provided in the Prospectus, as well as any other information regarding the initial public offering of the new shares, should not be considered as legal, financial, business or tax advice. The information provided in the Prospectus does not constitute basis for any assessment of the Issuer and should not be considered as a recommendation by the Issuer to any investor for the purchase of the new shares offered by the Issuer. Each investor must make its own independent assessment of the Issuer's financial condition, as well as seek and consult its own legal, financial or tax advisor, as well as a broker, lawyer, accountant or other consultants it deems appropriate as to understand the nature of the Issuer's activity and the nature of the shares before deciding to invest in the shares, subject of this public offering of securities.

The content of the website of Eurohold Bulgaria AD does not form part to this Prospectus, unless this information is incorporated by reference in the Prospectus.

In case, in this Prospectus, information is incorporated by reference, the respective documents containing such information shall be read together with the Prospectus.

The period of validity of this Prospectus shall begin upon its approval by the Financial Supervision Commission, as indicated on the first page of this document, and shall be valid for 12 months after its approval.

Investors should be aware that the information in the Prospectus is relevant as of the date indicated on the first page of this document. This is the only information for the accuracy and completeness of which the Issuer assumes responsibility. After the date of the approval of this Prospectus, changes in the state of affairs of the Company may occur. Potential investors are hereby warned that the future results from the activity of the Issuer may differ significantly from past results due to the occurrence of various circumstances or risks.

The distribution of this Prospectus does not constitute a proposal for offering and subscription of shares by persons in another jurisdiction, where the making of such an offer or invitation to such persons may be restricted by law. The public offering of shares will take place only within the territory of the Republic of Bulgaria. The offered shares are issued in accordance with the Bulgarian legislation.

Following the successful completion of the capital increase, the Issuer will list the shares of the current issue for trading on the Bulgarian Stock Exchange AD and the Warsaw Stock Exchange.

FINANCIAL INFORMATION

Unless otherwise provided for herein, the financial information presented in this Prospectus for the covered historical financial period is presented on a consolidated basis.

Some of the financial data of the period covered by the historical financial information, contained in this Prospectus have not been extracted from the consolidated financial statements of the Issuer. These data are presented as of the date of the Prospectus and are extracted from the accounting registers of the Issuer and its subsidiaries. The members of the Management Board of Eurohold Bulgaria AD and its Procurators declare that to the best of their knowledge, the financial information relevant as of the date of this Prospectus is true and complete and does not contain omissions likely to affect its import.

BUSINESS INFORMATION

Unless otherwise provided for herein, the information presented in this Prospectus on the Issuer's activity, markets and trends is considered on the basis of the Issuer's economic group (Eurohold Group).

THE INVESTORS INTERESTED IN THE OFFERED SECURITIES OF THE ISSUER MAY GET ACQUAINTED WITH THE ORIGINAL HARD COPY OF THIS DOCUMENT TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS, AS WELL AS TO RECEIVE ADDITIONAL INFORMATION THERETO AT THE CORRESPONDENCE ADDRESS OF THE ISSUER AND AT THE ADDRESS OF THE AUTHORIZED INVESTMENT INTERMEDIARY PROVIDED BELOW:

AT REQUEST, THE INVESTORS MAY OBTAIN A FREE COPY OF THE PROSPECTUS IN HARD COPY OR ON A DURABLE MEDIUM.

ISSUER**EUROHOLD BULGARIA AD**

Address: Sofia, 1592, 43, Christopher Columbus Blvd.

Tel: (+359 2) 9651 653; (+359 2) 9651 651

Fax: (+359 2) 9651 652

Contact person:

Milena Stoyanova, E-mail: investors@eurohold.bg;

Galya Georgieva, E-mail: g_georgieva@eurohold.bg;

Working hours: 9.30 – 17.00

Website: www.eurohold.bg

THE INVESTMENT INTERMEDIARY AUTHORISED TO MANAGE AND SERVICE THE CAPITAL INCREASE OF EUROHOLD BULGARIA AD IS EURO-FINANCE AD.

INVESTMENT INTERMEDIARY**EURO-FINANCE AD**

Address: Sofia, 1592, 43, Christopher Columbus Blvd.

Tel: (+359 2) 980 5657

Fax: (+359 2) 981 1496

Contact person: Pavel Nikolov

from 9.30 – 17.00

Website: www.eurofinance.bg

E-mail: office@eurofinance.bg

THE REGISTRATION DOCUMENT, TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS WILL BE PUBLISHED AND AVAILABLE ON THE WEBSITE OF:

Financial Supervision Commission (www.fsc.bg) following the approval of the Prospectus by Financial Supervision Commission;

Bulgarian Stock Exchange AD (www.bse-sofia.bg) following admission to stock exchange trading of the securities of the Company (subject to the offering with this Prospectus);

Issuer Eurohold Bulgaria AD (www.eurohold.bg) following approval of the Prospectus by the Financial Supervision Commission;

The authorized investment intermediary – manager of the issue Euro-Finance AD (www.eurofinance.bg) following approval of the Prospectus by the Financial Supervision Commission.

Abbreviations are being used in this Prospectus. All abbreviations are defined at their first use.

Other commonly used abbreviations, as well as the meaning of some terms are listed in the following table:

FULL NAME	ABBREVIATION, MEANING
Eurohold Bulgaria AD	Eurohold; the Issuer; the Company
All subsidiaries of the Issuer, as referred to under item "Economic Group" of this document	The Group; Eurohold Group; Companies of the Issuer's Group
Investment intermediary/firm	II/IF
Financial Supervision Commission	FSC
Bulgarian Stock Exchange AD	BSE
National Statistical Institute	NSI
Bulgarian National Bank	BNB
Ministry of Finance	MF
FITCH RATINGS	FITCH
Bulgarian Credit Rating Agency	BCRA
Public Offering of Securities Act	POSA
Commerce Act	CA
Commercial Register and the register of the NPLE at the Registry Agency	Commercial Register at the Registry Agency; Commercial Register; CR
Institute of Certified Public Accountants	ICPA
European Union	EU
International Accounting Standards, adopted by the EU	IAS
International Financial Reporting Standards, adopted by the EU	IFRS
Management Board	MB
Supervisory Board	SB
General Meeting of Shareholders	GMS
General Meeting of Bondholders	GMB
Personal Income Taxes Act	PITA
Corporate Income Tax Act	CITA
Double Taxation Treaties	DTTs
Tax and Social Security Procedure Code	TSSPC
Special Pledges Act	SPA

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I. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1. PERSONS RESPONSIBLE

Persons responsible for the information or any parts of it, given in the registration document:

The Registration Document, as part of the Prospectus for public offering of securities of Eurohold Bulgaria AD ("Eurohold", the "Issuer", the "Company") was prepared by Asen Minchev - Executive Director, and Galya Georgieva - Financial Director of Eurohold Bulgaria AD. Asen Minchev and Galya Georgieva, as compilers of this document, declare that to the best of our knowledge, and after all due diligence and reasonable efforts have been made to ensure that the information contained in this Prospectus is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import.

The information contained in the Prospectus is provided to the compiler by the Issuer or is collected from public sources.

Responsible for the information in the entire Prospectus is the Issuer Eurohold Bulgaria AD, UIC 175187337 with registered office in Sofia, postal code 1592, Iskar District, 43, Christopher Columbus Blvd. as a person offering the issue of shares to the public.

The members of the Management Board of the Issuer – Kiril Ivanov Boshov, Asen Minchev Minchev, Velislav Milkov Christov, Assen Emanouilov Assenov and Razvan Stefan Lefter, as well as the Procurators- Hristo Lubomirov Stoev and Milena Miltchova Guentcheva are jointly and severally liable for damages caused by incorrect, misleading or incomplete data in the Prospectus.

Ivan Dimitrov Hristov – Chief Group Controller of the Issuer and compilers of the audited annual consolidated financial statements of the Company for the year 2017, 2018 and 2019, as well as of the unaudited interim consolidated financial statements as of 31.12.2020, in his capacity of a person under Art. 18, para. 1 in conj. with Art. 17, para. 1 of the Accounting Act in the Issuer, is jointly and severally liable with the responsible persons under the previous sentence for damages caused by incorrect, misleading or incomplete data in the consolidated financial statements of the Issuer, information from which is included in the Prospectus.

Audit Firm HLB Bulgaria OOD, entered in the Commercial Register and the register of the NPLE at the Registry Agency with UIC 121871342 and with registered office and address of management Sofia, 1309, 149-151 Konstantin Velichkov Blvd., floor 1, office 2, a registered audit firm, represented by its Managers Veronika Borisova Revalska and Dimitrios Triantafilos Papazis, which has audited the annual consolidated financial statements for 2017, 2018 and 2019, is jointly and severally liable with the responsible persons referred above for damages caused by the audited consolidated financial statements of the Issuer, information from which is included in the Prospectus.

1.2. DECLARATIONS OF RESPONSIBILITY

Declaration under Art. 89d, para. 6 in conj. with Art. 89d, para. 3 of the Public Offering of Securities Act (POSA) by the persons responsible for the information given in the Registration Document

By signing on the last page hereto all of the above referred persons responsible for the content of the Prospectus, pursuant to Art. 89d, para. 6 in conj. with Art. 89d, para. 3 of POSA, declare that to the best of their knowledge, and after all due diligence and reasonable efforts have been made to ensure that, the information contained in the Prospectus, respectively in any parts of it, for which they are responsible, is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import, namely:

- the members of the Management Board and the Procurators are responsible for all the information contained in the Prospectus;

- the persons under Art. 18, para. 1 in conj. with Art. 17, para. 1 of the Accounting Act are responsible for the information, included in the Prospectus from the compiled by them financial statements;

- the registered auditor is responsible for the information from the audited financial statements, included in the Prospectus,

The declarations under Art. 89d, para. 6, in conj. with art. 89d, para 3 of POSA made by the above-mentioned responsible persons are presented as separate appendices to the Prospectus and represent an integral part thereto.

Declaration under Art. 89d, para. 2 of the Public Offering of Securities Act (POSA) by the legal representatives of the Issuer

Pursuant to Art. 89d, para. 2 of POSA, the representatives of the Issuer declare that to the best of their knowledge, and after all due diligence and reasonable efforts have been made to ensure that, the information contained in the Securities Note is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import, and that the Securities Note is in compliance with the requirements of Regulation (EU) 2017/1129, the Public Offering of Securities Act, Chapter Six of POSA and their implementing acts.

The declarations under Art. 89d, para. 2 of POSA made by the above-mentioned responsible persons are presented as separate appendices to the Prospectus and represent an integral part thereto.

Note:

The investment intermediary that assisted the Issuer in the preparation of the Prospectus is EURO-FINANCE AD, with UIC 831136740 and registered office and address of management: Sofia, 43 Christopher Columbus Blvd., 5th floor. is EURO-FINANCE AD is the investment intermediary that which will service the capital increase of Eurohold Bulgaria AD under the conditions of public offering. The assistance provided by EURO-FINANCE AD to the Issuer in preparation of the Prospectus consists in providing clarifications to Eurohold Bulgaria AD regarding the structure and the required content of the Prospectus in accordance with the applicable European and Bulgarian legislation, as well as regarding the procedure for public offering of the issue of shares from the capital increase. EURO-FINANCE AD is not responsible for the information in this Prospectus, for its completeness and for compliance with the facts.

1.3. INFORMATION ON STATEMENTS OR REPORTS ATTRIBUTED TO A PERSON AS AN EXPERT

When preparing this Prospectus, its content does not include declarations or reports prepared by a person in his capacity as an expert. Eurohold Bulgaria AD has not assigned to third parties the preparation of expert reports in connection with this Prospectus.

1.4. THIRD PARTY INFORMATION:

In certain parts of the Prospectus, the Issuer has included reports and statements sourced from third parties, with their explicit indication, the most frequently used of which are the following:

- Ministry of Finance - www.minfin.bg;
- National Statistical Institute - www.nsi.bg;
- FITCH – (Credit Rating Agency) - www.fitchratings.com;
- BCRA – (Credit Rating Agency) - www.bcra-bg.com;
- Commercial Register - www.portal.registryagency.bg;
- Bulgarian National Bank - www.bnb.bg

Throughout this Prospectus, where information has been sourced from a third party, the source(s) of the information is identified and the information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1.5. APPROVAL BY THE COMPETENT AUTHORITY:

The Financial Supervision Commission, as competent authority under Regulation (EU) 2017/1129 has approved this Securities Note by Resolution No. 278-E / 29.04.2021.

The Financial Supervision Commission only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Registration Document.

II. STATUTORY AUDITORS

Information on the Issuer's auditors for the period covered by the historical financial information:

Auditor of Eurohold Bulgaria AD certified the annual consolidated financial statements for 2017, 2018 and 2019 is Audit Firm HLB Bulgaria OOD, entered in the Commercial Register at the Registry Agency with UIC 121871342 and with registered office and address of management Sofia, 1309, 149-151 Konstantin Velichkov Blvd., floor 1, office 2, represented by its Managers Veronika Borisova Revalska and Dimitrios Triantafilos Papazis.

The Audit Firm HLB Bulgaria OOD is registered in the register of the Institute of Certified Public Accountants (ICPA) in Bulgaria under reg. No 017 and is a member of HLB INTERNATIONAL.

The Managers Veronika Revalska and Dimitrios Papazis represent the audit firm separately.

Registered auditor responsible for the audit of the consolidated financial statements of the Issuer for 2017 and 2018 is Vaska Todorova Gelina, with current business address - Sofia 1309, 90 Aldomirovska Str., 2nd floor, apt. 6. included in the register of ICPA under reg. No 0667. Vaska Gelina is a member of the Fourth Sofia Regional Organization of ICPA.

Registered auditor responsible for the audit of the consolidated financial statements of the Issuer for 2017 and 2018 is Prof. Stoyan Dimitrov Stoyanov entered in the register of ICPA under reg. No 0043, with business address - Sofia 1700, Studentski Grad District, 1 Acad. Stefan Mladenov Str. Prof. Stoyan Dimitrov Stoyanov is a member of the First Sofia Regional Organization of ICPA.

As at the date of this Securities Note the registered auditor responsible for the audit of the consolidated financial statements of the Issuer for 2017 and 2018, namely: registered auditor Vaska Todorova Gelina, reg. No 0667, is no longer part of the team of Audit Firm HLB Bulgaria OOD, and in this regard responsible for the review of the audited historical consolidated financial information for 2017 and 2018, is registered auditor Prof. Stoyan Dimitrov Stoyanov entered in the register of ICPA under reg. No 0043, with business address - Sofia 1700, Studentski Grad District, 1 Acad. Stefan Mladenov Str.

Audit Firm HLB Bulgaria Ltd. is jointly and severally liable with the responsible persons referred above for damages caused by incorrect, misleading or incomplete data in the audited consolidated financial statements of the Issuer for 2017, 2018 and 2019, information from which is included in this Prospectus.

The Declaration by the Audit Firm HLB Bulgaria OOD pursuant to Art. 89d, para. 6 in conj. with Art. 89d, para. 3 of POSA, declaring that the data from the audited by the latter annual consolidated financial statements of the Issuer for the years 2017, 2018 and 2019, included in the Prospectus, is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import, is presented as separate appendix to the Registration Document and represents an integral part thereto.

The Declaration by Prof. Stoyan Dimitrov Stoyanov in his capacity of registered auditor responsible for the review of the audited historical consolidated financial information of Eurohold Bulgaria AD for the years 2017, 2018 and 2019, pursuant to Art. 89d, para. 6 in conj. with Art. 89d, para. 3 of POSA, declaring that the information from the annual audited consolidated financial statements of the Issuer for 2017 and 2018, audited by the responsible registered auditor Vaska Todorova Gelina, reg. No. 0667, and the information from annual audited consolidated financial statements of the Issuer for 2019, audited by the responsible registered auditor Prof. Stoyan Dimitrov Stoyanov, reg. No 0043, included in the Prospectus, is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import, is presented as separate appendix to the Registration Document and represents an integral part thereto.

For the period covered by the historical financial information, the auditor of the Issuer - audit firm HLB Bulgaria OOD has not relinquished, been removed or resigned. The audit firm HLB Bulgaria OOD audited the financial statements of the Issuer for 2017, 2018 and 2019 was not re-appointed by the GMS as independent auditor of the annual financial statements for the year 2020 as an offer of another auditor was selected on the basis of criteria such as the price of the service and the term for the audit.

Eurohold Bulgaria AD is a holding company with a complex business structure, in which there are three levels of audit - individual reports of each business unit, consolidated report of a subholding group and finally

consolidated report of the Issuer. As a responsible corporate company for Eurohold Bulgaria AD is extremely important to create organization and speed in the performance of the audits at each audit level. In this regard, at the GMS held on 30.09.2020 was proposed and appointed an auditor who is also the auditor of the largest business structure in Eurohold Bulgaria AD, namely the insurance group which consolidates 11 companies from 7 countries, each with its regulatory framework and requirements for audit deadlines.

Information on the Issuer's auditors appointed to conduct the independent financial audit of the separate and consolidated financial statements of Eurohold Bulgaria AD for the year 2020:

At the General Meeting of Shareholders, held on 30.09.2020 for statutory auditor to perform the independent financial audit of the separate and the consolidated financial statements of Eurohold Bulgaria AD for 2020 was appointed the audit firm ZAHARINOVA NEXIA OOD, registered in the Commercial Register at the Registry Agency with UIC 200876536 and with registered office and address: Sofia, 157-159 Konstantin Velichkov Blvd., floor 1, office 3, tel. 02 9204670, e-mail: office@zaharivanexia.com, website: www.zaharivanexia.com, registered in the register of the Institute of Certified Public Accountants in Bulgaria under reg. No. 138. As of the date of this Prospectus the audit firm ZAHARINOVA NEXIA OOD is represented by the managers of the company Dimitrina Dimitrova Zaharinoва and Marina Hristozova Krasteva. Audit firm ZAHARINOVA NEXIA OOD is a member of the audit network of NEXIA INTERNATIONAL.

Registered auditor responsible for the audit of the separate and consolidated financial statements of the Issuer for 2020 is Dimitrina Dimitrova Zaharinoва, with current business address – Sofia 1000, 157-159 Konstantin Velichkov Blvd., 1st floor, office 3, entered in the register of ICPA under reg. No 0415. Dimitrina Dimitrova Zaharinoва is a member of the Second Sofia Regional Organization of ICPA.

III. RISK FACTORS

Before making a decision to invest in Eurohold shares, potential investors should carefully analyze the risk factors described in this section as an integral part of the information in the Prospectus.

The risk may be both a threat to the financial health of the Company and an opportunity to achieve competitive advantage. The risk associated with an investment affects the value of an asset. The most general definition of risk is that it is an undesirable deviation of the results of an event from the initial expectations thereto.

If any of the risks occurs, partially or fully, or in combination with other risk factors or circumstances, this may have a material adverse effect on the activities of the Issuer, the operating results or the financial situation. Should this lead to a decrease of the share price on the market, investors may lose partially or fully their investments. Additional risks and uncertainties not currently known or deemed immaterial at the date of the Prospectus, may also have a material adverse effect on the activities of Eurohold Bulgaria AD, the operating results or its financial condition.

Potential investors are hereby warned that the future results from the activity of the Issuer may vary substantially from previously achieved results, as a result of the effects of the risks described or many other risk factors.

Potential investors shall take into consideration that Eurohold Bulgaria AD develops its activities through its subsidiaries, and in this regard its financial condition, operating results and development prospects are directly dependent on the condition, results and prospects of its subsidiaries. The most significant risks affecting the companies of the Eurohold group are listed below.

The order of listing the risks in each of the categories below is set out taking into account their materiality in terms of their negative impact on Eurohold and its economic group, as well as the probability of their occurrence.

a) NON-SYSTEMATIC RISKS

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

Risks related to the activity and structure of Eurohold

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

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

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

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

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

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

► Insurance business

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

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

Underwriting risk

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

- Risk associated with premiums and reserves
- Lapse risks;
- Catastrophic risks.

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

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

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

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

Market Risk

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

Market risk includes the following sub-risks:

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

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

Credit Risk

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

Operational risk

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

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

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

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

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

➤ **Automotive sector**

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

Risks related to withdrawal of permits and authorizations

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

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

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

Dependence on norms and standards

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

Other systematic and non-systematic risks of particular importance

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

➤ **Leasing sector**

Risk of lack of attracted external debt financing at reasonable prices

Access to borrowed capital is essential for the successful development of the business of the Eurolease Group AD. Historically, borrowed capital has been raised by local and international banks and financial institutions or through the issuance of corporate bonds, most of which are publicly traded on the local regulated market.

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

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

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

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

➤ **Investment intermediation and asset management**

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

Market and credit risk

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

Risk in settlement and clearing of transactions

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

Risk of change in the regulatory framework

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

Risks in the transmission and processing of information

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

Risks related to Eurohold's development strategy

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

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

Risks associated with future acquisitions and their integration in the structure

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

Risks related to the management of Eurohold

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

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

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

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

The management of the Eurohold Bulgaria AD supports the efforts of the subsidiaries in the Group for borrowing bank resources for investment and using the opportunities this type of financing gives for the provision of cash. The volume of these borrowings is maintained at certain levels and they are resolved after proving the economic effectiveness of each Company.

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

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

Risks related to recruiting and retaining qualified staff

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

Risk of concentration

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

Risk of lack of liquidity

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

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

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

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

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

Within the Eurohold are performed transactions between the Parent Company and the subsidiaries, as well as between the subsidiaries themselves, which originate from the nature of their main activity. All transactions with related parties are made under conditions which do not differ from the usual market prices and in compliance with IAS 24 "Related party disclosures".

Eurohold Bulgaria AD operates through its subsidiaries, which means that its financial results are directly dependent on the financial results, development and prospects of the subsidiaries. Bad results of one or several subsidiaries may lead to aggravation of the financial results on a consolidated basis.

Risk related to the possibility of any of the companies within the Issuer's group to continue to be decapitalized

In so far as , as at the date of the last published unaudited interim financial report of the Issuer (as of 31.12.2020), there are companies within the Group with equity lower than the share capital, there is a risk that any of the companies within the Issuer's Group to continue to be decapitalized.

In recent years, the Issuer's Group has imposed a policy to improve the capital structure of all subsidiaries within the Group by continuously monitoring the levels of equity and capital adequacy, solvency and own funds and taking measures to improve them if necessary. In this regard, a number of actions have been undertaken in order to improve the capital structure and alignment in compliance with the law, representing undertaken capital increases of subsidiaries within the Group (described in detail in item 5.7. Investments in this document), restructuring of long-term debts into subordinated debts in order to support equity, as well as actions of decreasing the fixed capital.

Both for the financial period covered in this document and historically before, the Eurohold Group has maintained capital adequacy with sufficient equity and financial stability, both at group level and at the level of the subsidiaries. At any time, the own funds of the Issuer and the companies of its economic group are sufficient to cover the regulatory capital requirements, including the solvency requirements. The Issuer controls the distribution of capital within the Group and provides the necessary resources to maintain the capital balance. In this way, the risk of decapitalization of the subsidiaries is controlled and minimized.

As at the date of this Registration Document decapitalized companies within the Eurohold Group are:

Companies from the Insurance Division:

Euroins Insurance Group AD; IC EIG Re EAD; IC Euroins Life EAD.

Companies from the Leasing Division::

Autoplaza EAD; Sofia Motors EOOD; Eurolease Rent-a-Car EOOD; Eurolease Auto North Macedonia; Eurolease Auto Romania.

Companies from Automotive Division:

Auto Italia EAD; Star Motors EOOD; Star Motors DOOEL, North Macedonia; Star Motors SH.P.K., Kosovo; N-Auto Sofia EAD; Motohub OOD; Bulvaria Varna EOOD; Bulvaria Sofia EAD.

b) SYSTEMATIC RISKS

Macroeconomic risk

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

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

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

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

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

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

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

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

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

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

Risk of occurrence of force majeure circumstances

Force majeure circumstances are all natural disasters and other cataclysms such as abrupt climate change, floods, earthquakes, civil disobedience, clashes, strikes, terrorist acts and hostilities and the like, which have an unforeseen nature. Force majeure circumstances can also be accidents on the material base of a

mechanical nature due to human or system error. The occurrence of such events may disrupt the normal activities of the Company until the damages are repaired. Also, they may lead to an unpredictable change in the investor attitude and interest in connection with the market of the equity and debt securities issued by the Company.

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

Global impact of the pandemic of (COVID-19)

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

According to Eurostat, the euro area, which is Bulgaria's main trading partner, reported a historically unprecedented decline in the GDP chain in real terms of 11.8% for the period April - June 2020. However, the dynamics of global economic indicators in the period after May 2020 signals a partial improvement in economic activity in the services and industry sectors. At the end of October 2020, governments again took restrictive measures against the background of a sharp increase in the incidence of coronavirus infections in the countries, which led to a new decline in activity in the fourth quarter of 2020. At present, there is a renewed spread of the disease worldwide, and its activity in Bulgaria is the highest since the beginning of the pandemic, as a result of which the government takes new more urgent measures and restrictions related to the closure of malls, restaurants, schools, gyms and all cultural events.

Overall, the current crisis raises considerable uncertainty about future processes in the global macroeconomy in 2021, including new measures taken by governments to curb the spread of the disease, and depending on the stage of some measures, they will be loosened gradually, and others will remain in force or new ones will be introduced. With the development and approval of vaccines against COVID-19 and the ongoing vaccination of the population, it is hoped that immunity can be acquired more quickly in a large part of the population and the spread of the virus can be counteracted by reducing the potential health consequences of COVID-19.

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

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

Actions and measures of the Eurohold Group to deal with the COVID-19 pandemic

In connection with the worldwide announced COVID-19 pandemic, strict measures have been announced in the countries in which we operate to reduce the spread of the infection, which has led to significant uncertainty about future economic developments and has had a negative impact on local economies.

For the Eurohold Group, that meant three things. First, that reduced economic activity in local economies will inevitably have a negative impact on the Group's financial results. Secondly, it is the support for our

employees and customers during the pandemic. And thirdly, ensuring business continuity and financial stability for our companies.

Adequate and timely measures necessary for the protection of employees and prevention against the spread of COVID-19 were taken and introduced in all companies of the group, such as:

- Organization, control and monitoring of the work process - teams, schedules, including ensuring the work regime "home office";
- Periodic briefing of employees;
- Introduction of the necessary protection measures at the Company's presence points, including sending disinfection instructions at the workplace, as well as measures/work plan in case of information about an employee in contact with a coronavirus patient and specific actions in such a situation.

As always, during a pandemic, ensuring the health and well-being of our employees remains our primary concern.

A full formalization of processes has been introduced, ensuring an adequate and transparent organization with a clear and appropriate division of responsibilities and an effective system ensuring the transmission of information and reducing the risk of business interruption in any of the elements - system interruption, procedures, the risk to essential data and functions, as well as the performance of the core business specific to each company part of the Eurohold. This organization was realized through:

- Establishment of a Crisis Headquarters;
- Review the plan for continuation of the activity, risk assessment and prepare a specific plan for action and crisis management in connection with the complicated virological situation of COVID-19 and risk minimization;
- Regular risk measurement and management;
- others.

The crisis caused by the COVID-19 pandemic presented us with new challenges and seriously affected the activities of our customers. Guided by the belief that in addition to shareholder returns, we must create value for all stakeholders, we try to support them to the best of our ability and maintain the high trust built between us.

We have taken business continuity action to support our customers and support our business operations. To this end, some of our staff continued to provide critical services in offices, branches, showrooms and repair shops, all with increased safety measures and schedules, and the rest of the staff continued to work remotely.

In many of our markets, we have initiated market-specific measures to support our individual and business customers. The Group expressed its readiness to support its clients and partners in finding solutions for their support and limiting the negative effects of the crisis, by deferred payments under lease and rental agreements, as well as other decisions were made according to specific needs. These measures have been well received and we continue to respond to the changing needs of our customers.

We have also timely improved our digital capabilities to serve more customers remotely, with faster access and improved security. The coronavirus epidemic allowed us to take advantage of the opportunities for digitalization of business and the development of digital channels for sales and customer service. For the current year we have a fivefold increase in our digital development budget.

Although our offices remained open, we committed to our customers to offer products and services through remote consulting and sales. Immediate measures were taken in the entire group of the Issuer regarding the protection of employees, development of online platforms for performing activities without the presence of customers, digitalization of the entire activity of concluding leasing contracts, subsequent customer service, including car damage, as well as and the sale of cars, etc. The management of the companies also focused on the development of new products and services to meet the changed market environment and customer needs. (see 5.1.2. „*Information on significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, the status of their development*“).

In Romania, a quarter of Euroins customers already uses our mobile application and receives service entirely on-line without physically stepping into our offices. We are currently in the final stage of development of our digital platform in Bulgaria. We also developed new products, in Bulgaria, for example, we were the only ones to offer an insurance product that guarantees vouchers for postponed trips issued by our tour operators

at a time when they were forced to suspend their activities 100%. In this way, we have given a clear signal that Euroins is a reliable and stable partner that can be relied on.

More information on the measures and actions taken by each of the companies in the Issuer's group to limit the effects of the pandemic, as well as the effects it has on each business of each company, is available in Section X. "Information on trends."

Capital and liquidity management is our key focus, which we constantly monitor, both at the group level and at the individual level of each subsidiary and operating company. As a result, in 2020 we made a number of capital increases in order to support companies and meet their capital requirements (applies to the insurance business and in particular the Romanian company, as actions to increase its capital have been taken to date).

In this regard, in the fourth quarter of 2020, the management of Eurohold Bulgaria AD has transformed part of its short-term liabilities into long-term ones by issuing a bond loan. Also, at the end of 2020, in order to strengthen the capital structure of the group, it has agreed and converted part of its liabilities in the form of subordinated debts, representing first-tier capital.

We have revised our models for impairment of expected credit loss in accordance with IFRS 9 "Financial Instruments" at all levels - country, group, segment, company. As a result, we updated some of our expectations on companies by increasing the expected credit loss on exposures that are part of the full impairment model. In order to provide reliability, the models for impairment of expected credit loss under IFRS 9 will continue to be reviewed and updated quarterly as necessary, taking into account the effects of COVID-19 on our businesses until economic conditions normalize.

In connection with the deteriorating economic situation and the increased uncertainty due to the impact of COVID-19, we also reviewed the models for estimating the reserves of insurance companies and made changes in the direction of increase, where necessary.

Following a change in the current legal framework and in relation to the preparation of the Romanian insurance company for the Balance Sheet Review organized by the local regulator, the Romanian insurer has changed part of its accounting policy on the method of calculating technical provisions and revised its reinsurance program. As a result of the updates made by the company in order to comply with the new legal framework and regulatory requirements, a significant loss was realized, representing a one-time effect of additional provisions (reserves). Within the audit review of the financial statements for 2020 as a result of the changed part of the accounting policy regarding technical provisions (after the publication of market indicators related to their calculation) and a change in the reinsurance program, additional provisions were added. This in turn has led to an increase in the loss compared to the preliminary interim financial report for the fourth quarter of 2020, which should be considered as a one-off effect.

In connection with the measures and actions taken by the Group to limit the impact of COVID-19 on companies, additional costs have been incurred for rapid adaptation to the dynamic economic environment, which in turn has affected our operational results both individually and as a group level.

Over the years, in parallel with the growth of business and regional expansion, we have built good financial stability, which gives us peace of mind and confidence that we will cope and pass successfully through the current crisis. Even in the conditions of COVID-19 we continue not to deviate from our goals, to follow our strategy and to expand our activity, finalizing already prepared deals in the region. This is confirmed by the acquisition of ERGO Belarus, which was finalized at the end of April 2020, after approval by the regulatory authorities in the country. The company acquired by our insurance sub-holding Euroins Insurance Group AD is a subsidiary of the German ERGO, one of the leading insurance groups in Europe. Also, at this moment we are in a position to complete the most significant deal in the history of Eurohold, namely the acquisition of the assets of the energy group CEZ Group in Bulgaria.

The outbreak of the pandemic had a negative impact and the collapse of global stock markets. Eurohold Bulgaria AD, as a public company whose shares are traded on the Bulgarian Stock Exchange (BSE) and Warsaw Stock Exchange (WSE), was also not overlooked by the stock market crash, as the share price fell. To date, the price of Eurohold shares has not only regained its level before the pandemic, but also achieved significant growth.

Impact of the coronary crisis in the following reporting periods

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

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

At present, the COVID-19 pandemic is entering its third phase, with significant uncertainties remaining regarding the assessment of the duration of the spread of coronavirus infection and its impact. A number of countries are taking drastic new measures to control the coronavirus infection, including Bulgaria.

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

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

Political risk

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

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

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

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

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

Risk of high unemployment rates

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

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

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

According to data from the National Statistical Institute (NSI) for the fourth quarter of 2020, the following indicators have been reported:

- The economic activity rate for the population aged 15-64 is 72.7%, and compared to the fourth quarter of 2019, it decreases by 0.3 percentage points;

- The employment rate for the population aged 15-64 decreased by 1.2 percentage points compared to the same quarter of 2019 and reached 68.8%.
- The unemployment rate is 5.2%, or 1.1 percentage points higher compared to the fourth quarter of 2019.
- The discouraged persons aged 15 - 64 are 62.1 thousand or 5.2% of the economically inactive persons in the same age group.

In the fourth quarter of 2020 the total number of employed persons aged 15 and over was 3 126.9 thousand, of which 1 692.3 thousand men and 1 434.5 thousand women. Compared to the fourth quarter of 2019, the number of employees decreased by 3.0%. The relative share of employed persons in the population aged 15 and over is 52.9%, as for men this share is 59.8%, and for women - 46.6%.

In the fourth quarter of 2020 the number of unemployed persons was 173.1 thousand, of which 95.7 thousand (55.3%) were men and 77.4 thousand (44.7%) were women. The unemployment rate is 5.2%, respectively 5.4% for men and 5.1% for women. Compared to the fourth quarter of 2019, the unemployment rate increased by 1.1 percentage points, with the increase for men and women being 1.0 and 1.3 percentage points, respectively.

Unemployment growth between the fourth quarter of 2019 and the fourth quarter of 2020 is largely due to the increased number of unemployed with duration of unemployment of up to one year. During this period, it increased by 23.1 thousand and reached 88.0 thousand. In the fourth quarter of 2020, the long-term unemployed (for one or more years) were 85.1 thousand, or 49.2% of all unemployed persons. The long-term unemployment rate increased by 0.4 percentage points to 2.6%, with the increase being almost the same for men and women.

Source: www.nsi.bg

Credit risk of the country

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

On November 28, 2020, the international rating agency S&P Global Ratings confirmed Bulgaria's 'BBB' rating with a stable outlook.

The international rating agency S&P Global Ratings confirmed the long-term and short-term credit rating of Bulgaria in foreign and local currency 'BBB/A-2'. The outlook for the rating remains stable.

The summary report notes the improvement in expectations for the development of the Bulgarian economy, as domestic demand is more resilient to the impact of the pandemic than the agency's preliminary estimates. The decline in GDP in 2020 has been revised to -4.5% compared to -6.5% set in the S&P forecast for May. The budget deficit will remain moderate this year and next, after which a rapid consolidation is expected, accompanied by a significant inflow of European funds. The rating agency also notes the inclusion of the Bulgarian lev in Exchange Rate Mechanism II in July and Bulgaria's accession to the Banking Union, noting that the process of final accession to the euro area will strengthen cooperation between the BNB and the ECB and is expected to take several years.

The stable outlook reflects the agency's expectations for a rapid recovery of the Bulgarian economy after the pandemic, with no imbalances in the external and financial sectors over the next two years. This will allow for rapid fiscal consolidation and limit the growth of public debt.

The rating agency would raise the credit rating if the recovery of the Bulgarian economy is accompanied by faster fiscal consolidation, as well as an improvement in external balance sheets, exceeding the agency's expectations. Factors that would lead to a downgrade include a deepening economic downturn or a slowdown in the recovery, which in turn will lead to longer fiscal consolidation and rising public debt over the next two years.

Source: www.minfin.bg

On 19.02.2021, the international rating agency Fitch Ratings raised the outlook from stable to positive over Bulgaria's long-term credit rating in foreign and local currency, and the 'BBB' rating was confirmed.

The positive outlook reflects the reduction in macroeconomic risks arising from the COVID-19 pandemic, supported by a more sustainable economy and a sound policy framework, as well as an ongoing gradual process towards the introduction of the euro. According to the rating agency, the short-term negative risks arising from the pandemic and the uncertain outcome of the elections are largely offset by the prospects for significant EU investment funding and commitment to macroeconomic and fiscal stability, supported by long-term currency board arrangements and participation. Bulgaria in the Exchange Rate Mechanism II (ERM II).

In the coming years, Bulgaria will be one of the main beneficiaries of EU transfers, including EUR 16.6 billion (27% of GDP in 2020) in the next multiannual financial framework (2021-2027) and 7.5 billion (12% of GDP) EU grants under the Next Generation EU (NGEU) mechanism. Despite the challenge of absorbing such a large amount of funds, Fitch Ratings believes that this will increase economic growth from the projected 3% in 2021 to 4-5% in the period 2022-2025.

Bulgaria's rating is supported by its strong external and fiscal balances and the sound political framework of EU membership and the long-standing functioning of the currency board arrangement. The assessment is limited by slightly lower income levels compared to the median of BBB countries and unfavorable demographics, which may limit growth and affect public finances in the long term. The governance indicators are slightly above those of the countries selected for comparison.

Despite the negative effects of the pandemic, thanks to long-term prudent fiscal policy, public finance indicators remain better than other countries with the same rating, as well as to EU countries. The rating agency estimates the budget deficit (on an accrual basis) at 4% of GDP in 2020 (compared to a median of 6.9% for countries with a similar rating), mainly influenced by COVID-19-related expenditure measures, about 3% of GDP. The implementation of revenues exceeded the revised budgetary targets, partly due to improvements in tax collection, as well as a weaker-than-expected economic contraction.

The main factors that could lead to an increase in the rating are: progress towards joining the euro area; improving the growth potential of the economy, leading to a faster convergence of income levels with that of countries with a higher rating. Factors that could lead to a downgrade are: adverse policy developments that undermine confidence in economic recovery; prolonged increase in public debt; materialization of contingent liabilities in the state budget balance or weaker growth prospects.

Source: www.minfin.bg

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

Inflation risk

The inflation risk is related to the possibility of inflation influencing the real return of investments. The main risks associated with the inflation forecast refer to the dynamics of international prices and the rate of economic growth in Bulgaria. International commodity prices may increase more significantly as a result of political crises or increased demand. The limited supply of certain agricultural commodities, especially of cereals, internationally, in connection with adverse climatic events, may additionally cause higher inflation in the country.

According to NSI data, the consumer price index for March 2021 compared to February 2021 is 100.1%, i.e. monthly inflation is 0.1%. Inflation since the beginning of the year (March 2021 compared to December 2020) is 0.9%, and annual inflation for March 2021 compared to March 2020 is 0.6%. The average annual inflation for the period April 2020 - March 2021 compared to the period April 2019 - March 2020 is 0.8%.

The harmonized index of consumer prices for March 2021 compared to February 2021 is 100.2%, ie monthly inflation is 0.2%. Inflation since the beginning of the year (March 2021 compared to December 2020) is 0.8%, and annual inflation for March 2021 compared to March 2020 is 0.8%. The average annual inflation for the period April 2020 - March 2021 compared to the period April 2019 - March 2020 is 0.5%.

The price index for the small basket for March 2021 compared to February 2021 is 99.9%, and since the beginning of the year (March 2021 compared to December 2020) is 100.7%.

Source: www.nsi.bg

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

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

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

Currency risk

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

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

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

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

Interest rate risk

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

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

Risks related to regulatory changes Regulatory risk

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

Financial risk

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

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

Risk of increased competition:

All sectors in which the subsidiaries of the Eurohold Group operate have a highly competitive environment. The future success of the group will depend on the ability of Eurohold and its subsidiaries to remain competitive compared to other companies operating in the market segment. The competitiveness of the Eurohold Group is discussed in detail in item 5.6. "Competitive position".

c) MANAGEMENT AND RISK MINIMIZATION MECHANISMS

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

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

General risk management is focused on minimizing the potential negative effects that could affect the Group's financial results. Financial risks are currently identified, measured and monitored through various control mechanisms in order to determine adequate prices for the services and products offered by the companies in the Eurohold Group and the borrowed capital attracted by them. An adequate assessment of the market circumstances, the investments made in the group and the forms of maintaining the free liquid assets is performed, without allowing an unjustified concentration of a given risk.

The occurrence of unexpected events, the incorrect assessment of current trends, as well as many other micro and macroeconomic factors may influence the judgment of the company's management team.

IV. INFORMATION ABOUT THE ISSUER

4.1. LEGAL AND COMMERCIAL NAME OF THE ISSUER

The legal name of the Issuer is Eurohold Bulgaria AD. According to Art. 2, para 3 of the Articles of Association in Latin letters the company's name is written in English as follows: "EUROHOLD BULGARIA" S.A.

From its establishment to the present moment the name of the company was not changes The company has not established any branches.

4.2. PLACE OF REGISTRATION OF THE ISSUER, ITS REGISTRATION NUMBER AND LEGAL ENTITY IDENTIFIER ('LEI')

Country of registration

Republic of Bulgaria

Registration number

UIC 175187337

Legal Entity Identifier

LEI code 74780000J0W85Y204X80

4.3. DATE OF INCORPORATION AND TERM OF THE ISSUER

Eurohold Bulgaria AD was established on 12.12.2006. (Decision № 1 / 12.12.2006 on corporate file 14436/2006 of Sofia City Court (SCC)). The company was established under the provisions of article 122 of the Law for Public Offering of Securities, and article 261 of the Commerce Law through merger of EUROHOLD AD, registered under corporate file No 13770 as per the inventory of Sofia City Court, and STARCOM HOLDING

AD, registered under corporate file No 6333 as per the inventory of Sofia City Court, as the Issuer is a universal legal successor of the two merging companies, which terminate their existence without liquidation.

According to Art. 5 of the Articles of Association of Eurohold Bulgaria AD, the company was established for an indefinite term.

4.4. DOMICILE AND LEGAL FORM OF THE ISSUER, THE LEGISLATION UNDER WHICH IT OPERATES, ITS COUNTRY OF INCORPORATION, THE ADDRESS, TELEPHONE NUMBER OF ITS REGISTERED OFFICE, WEBSITE

<i>Country of establishment (domicile)</i>	Republic of Bulgaria
<i>Legislation</i>	Bulgarian
<i>Registered office</i>	Sofia, municipality: Stolichna
<i>Registered address</i>	1592, Sofia, Iskar District, 43, Christopher Columbus Blvd.
<i>Correspondance address</i>	1592, Sofia, Iskar District, 43, Christopher Columbus Blvd.
<i>Telephone number</i>	+359 2 9651 651; + 359 2 9651 653
<i>Fax</i>	+359 2 9651 652;
<i>E-mail</i>	investors@eurohold.bg ; office@eurohold.bg
<i>Website</i>	www.eurohold.bg

WARNING - The content of the website of Eurohold Bulgaria AD is not part of this Prospectus, unless this information is incorporated by reference in the Prospectus.

V. BUSINESS OVERVIEW

5.1. PRINCIPAL ACTIVITIES

5.1.1. DESCRIPTION OF, AND KEY FACTORS RELATING TO, THE NATURE OF THE ISSUER'S OPERATIONS AND ITS PRINCIPAL ACTIVITIES, STATING THE MAIN CATEGORIES OF PRODUCTS SOLD AND/OR SERVICES PERFORMED FOR EACH FINANCIAL YEAR FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION

Main activity of the Issuer

Eurohold Bulgaria is registered in the Republic of Bulgaria with scope of activity acquisition, management, valuation and sale of participations in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition, valuation and sale of patents, assignment of licenses for the use of patents to companies in which the company owns participation, financing of the companies in which the company holds participation.

Main activity of the Issuer as a holding company is carrying out financing and investing activities related to the acquisition, sale and management of participations and financing of related companies.

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

Eurohold Bulgaria AD is a public joint stock company within the meaning of the POSA. The shares of the company are registered for trading on the main market of the Bulgarian Stock Exchange AD with stock exchange code EUBG. The shares of the company are listed for trading since December 15, 2011 and of Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG.

In order to optimize management, business processes and fixed cost, the Issuer has structured its businesses in sub-holding structures depending on the economic sector in which they operate. Eurohold Bulgaria AD, together with its sub-holding subsidiaries and their operating companies, forms an economic group - the Eurohold Group. At the same time, Eurohold Bulgaria AD is part of the economic group of its majority shareholder Starcom Holding AD.

Eurohold Bulgaria AD manages and supports the business of its economic group (which includes all its subsidiaries and associates) through its strategy, risk assessment and management, financing of related companies, control, communication, legal advice, human resources, information systems and technologies and other functions.

As of the date of this Prospectus, Eurohold Bulgaria AD has direct participations in five subsidiaries. Four of these companies are sub-holding structures uniting the business activities of the Issuer in the sectors of insurance, car sales, leasing and energy, while the fifth company operating in the field of investment intermediation and asset management is independently represented.

For the period of the historical financial information examined in this document, the direction in the energy sector does not develop activity and the same is new for the Issuer. At present, Eurohold Bulgaria AD is in the process of acquiring CEZ's energy business in Bulgaria, for which it has received the necessary, in accordance with the applicable law, permits and approvals from the relevant regulatory authorities and for the financing of which the current increase of the share capital of The issuer by publicly offering new shares.

Types of generated revenues from the activity of the Issuer

The revenues of Eurohold Bulgaria AD on an individual basis are formed by its main activity related to the acquisition and management of participations and financing of subsidiaries. The company does not carry out independent commercial and / or production activities.

In the period covered by the historical information, the Issuer generates revenues from its individual activity mainly from financial operations, as follows:

- Profits from operations with investments and financial instruments;
- Income from revaluations of debt instruments measured at fair value;
- Interest income on loans granted to subsidiaries and third parties;
- Positive differences from changes in exchange rates;
- Dividends;
- Other income related to the main activity of acquisition and management of subsidiaries.

The consolidated revenues of the Issuer include, in addition to the revenues realized by it on an individual basis, also the revenues from the main activity of its subsidiaries after elimination of intragroup settlements during the consolidation procedures.

Eurohold Bulgaria AD does not carry out activities falling under a special permit regime, for which patents, licenses or other permits are required from regulatory authorities. Such activities depending on licenses and other permits and / or contracts are performed by subsidiaries of the Issuer, information about which is available in item 5.5. "Dependence on patents and licenses, industrial, commercial or financial contracts, or new production processes."

PRESENTATION OF SUBSIDIARIES BY BUSINESS SECTORS, INFORMATION ABOUT THEIR MAIN ACTIVITY AND TYPES OF INCOME FROM THE ACTIVITY

A). EUROINS INSURANCE GROUP AD (INSURANCE DIVISION) – www.eig.bg

Euroins Insurance Group AD (EIG) is a holding company in which the investments of the Eurohold Group in the field of "Insurance" are concentrated. It is one of the largest independent insurance groups in Central and Southeastern Europe.

Euroins Insurance Group AD is a joint stock company registered in the Republic of Bulgaria and carries out its activities in accordance with Bulgarian legislation. The company was established on November 6, 2007, entered in the Commercial Register at the Registry Agency with UIC 175394058 and registered office in

Sofia, Bulgaria. The existence of the company is not limited by a term or other termination condition. The majority owner of the capital is Eurohold Bulgaria AD.

The capital of the Company amounts to BGN 543,445,791 / five hundred forty-three million four hundred forty-five thousand seven hundred ninety-one /, divided into 543,445,791 registered shares with a nominal value of BGN 1 / one / each with the right to vote, right to liquidation share and right to dividend.

Subject of activity, according to art. 6 of the Articles of Association of the company: acquisition, management, valuation and sale of participations in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition, valuation and sale of patents, assignment of licenses for the use of patents to companies in which the company owns participation, financing of the companies in which the company holds participation.

Main activity of the company

As a holding company, the main activity of Euroins Insurance Group AD is the acquisition, management, valuation and sale of participations in Bulgarian and foreign companies.

Euroins Insurance Group AD is a leading Bulgarian insurance group focused on expanding its presence in the CEE / SEE / CIS market. The company selects new target countries based on the stage of development and the potential of the local insurance market and the ability to observe organic growth in the specific market.

Since its establishment, the Group has been constantly expanding its activities by acquiring majority stakes in insurance companies. Currently, the insurance subholding owns 10 / ten / subsidiaries and one associate. The company operates through its subsidiaries in addition to the Bulgarian market and markets in Central and Southeastern Europe as the main markets of the company are: Bulgaria, Romania, North Macedonia, Ukraine, Georgia, Russia, Greece, and from 2020 Belarus. In total, the insurance companies in the Group have over 250 regional offices and over 3 million customers at the end of the period, and the operations extend to the markets in Italy, Greece (branch), Spain, Poland and Great Britain where they offer insurance services distributed under the Freedom of Establishment (FoE) 'and' "Freedom of Services" (FoS).

The long-term strategic goal of Euroins Insurance Group AD is to achieve a diversified, profitable and sustainable market share in the region of Central and Southeast Europe, as well as to expand the portfolio of the insurance business by offering a full range of insurance products - non-life insurance, life insurance and health insurance. The strategy for entering a country is based on the risks, the levels of regulation and the proximity to the main markets of the insurance group.

SUBSIDIARIES OF EUROINS INSURANCE GROUP AD

□ „Insurance company Euroins“ AD, Bulgaria (IC Euroins AD)

IC Euroins AD is a joint stock company registered in the Republic of Bulgaria on 19.12.1996 in the city of Sofia under the name "Insurance and Reinsurance Company BALKAN" AD and carries out its activity according to the Bulgarian legislation. On March 24, 1998, the name of the company was changed to Euroins Insurance Company AD.

The company is registered in the Commercial Register at the Registry Agency of the Republic of Bulgaria with UIC 121265113 and registered office in Sofia, Bulgaria. The existence of IC Euroins AD is not limited in time, according to Art. 7 of the Articles of Association of the company. The majority owner of the capital is Euroins Insurance Group AD.

The capital of the Company amounts to BGN 40,970,000 / forty million nine hundred and seventy thousand/, divided into 40,970,000 ordinary, dematerialized, registered shares with a nominal value of BGN 1 /one/ each with voting rights, the right to liquidation share and right to dividend.

IC Euroins AD is one of the main insurance companies in the field of non-life insurance in the country, and in addition to the Republic of Bulgaria, the Company operates in accordance with European legislation under the "freedom to provide services" and "freedom of establishment" EU Member States: Italy; Greece (branch); Spain; Poland and Great Britain.

Scope of activity according to art. 6 of the Articles of Association of the company and main field of activity: Insurance

The company provides the following types of general (non-life) insurance:

- Accident insurance;
- Health insurance;
- insurance of land vehicles without rail vehicles;

- rail vehicles - any damage or loss caused to rail vehicles;
- aircraft - any damage or loss caused to aircraft;
- cargo insurance during transportation (including goods, luggage, etc.);
- fire and natural disaster insurance;
- property damage insurance;
- Civil Liability Insurance related to the possession and use of motor vehicles - any liability for damages arising from the use of land motor vehicles;
- civil liability related to the possession and use of aircraft - any liability for damages arising from the use of aircraft;
- civil liability of the carrier with aircraft;
- General Civil Liability Insurance;
- credit insurance;
- Travel Assistance Insurance (Assistance);
- miscellaneous financial loss insurance;
- legal expenses insurance;
- vessel insurance;
- Civil Liability Insurance related to the ownership and use of vessels;
- Insurance Guarantees

The insurance products in the portfolio of IC Euroins AD cover all types of non-life insurance according to the current legislation. The company has licenses from the FSC for the sale of 18 types of insurance products (described above as part of the subject of activity).

IC Euroins AD's insurance products distributed under the right of "freedom of establishment" and "freedom of services" fall within the scope of the above business lines (in accordance with the insurance license issued).

IC Euroins AD has a front office, 83 agencies and 7 representative offices in all regional centers of Bulgaria and in cities of strategic importance for the region, as the agencies are located in settlements with a population of over 20 thousand people and representative offices in cities with a population less than 20 thousand people.

The distribution of insurance products is realized through direct business, insurance agents and through intermediaries of insurance brokers, as well as through intermediaries offering insurance products as an additional activity.

□ „Insurance company EIG Re“ EAD, Bulgaria (IC EIG Re EAD)

EIG Re EAD Insurance Company was established in 2000 under the name Hanover Coop Bulgaria ZAD. The name of the company has been changed as follows: in 2008 it was renamed to HDI ZAD, in 2009 to HDI Zastrahovane AD, in 2016 to EIG Re Insurance Company AD. Since July 2016, the legal form of the company has been changed to a sole proprietorship (EIG Re Insurance Company EAD).

The company is registered in the Commercial Register at the Registry Agency of the Republic of Bulgaria with UIC 130427863 and registered office in Sofia, Bulgaria. The existence of IC EIG Re EAD is not limited by a term or other termination condition, according to Art. 5 of the Articles of Association of the company. The sole owner of the capital is Euroins Insurance Group AD.

The capital of the Company amounts to BGN 19,112,000 /nineteen million one hundred and twelve thousand/, divided into 19,112,000 ordinary, dematerialized, registered shares with a nominal value of BGN 1 /one / each with voting rights, the right to liquidation share and right to dividend. In 2017, the Commercial Register at the Registry Agency registered the transformation of the Company in the form of a "merger" of the company "Euroins - Health Insurance" EAD (transforming company) into the capital of "Insurance Company EIG Re" EAD (host company).). As a result of the merger, the capital of IC EIG Re EAD was increased by BGN 5,000,000 / five million /.

Scope of activity according to art. 4 of the Articles of Association of the company and main field of activity: Insurance

The company provides the following types of general (non-life) insurance:

- Accident insurance;
- Sickness insurance;
- insurance of land vehicles without rail vehicles;
- cargo insurance during transportation;
- fire and natural disaster insurance;
- property damage insurance;
- Civil Liability Insurance related to the possession and use of motor vehicles;

- General Civil Liability Insurance;
- Travel Assistance Insurance (Assistance);
- miscellaneous financial loss insurance;
- legal expenses insurance / legal protection /

IC EIG Re EAD carries out its subscription activity through administration in the Central Office, the company has no established branches and offices.

According to the Company's Rules for Product Control and Management, three channels for product distribution have been established: EIG Re's line employees engaged in the distribution of insurance and reinsurance products, distributors on a contract basis, as well as through insurance brokers. Currently, the Company offers insurance products only in fulfilment of the international insurance program of HDI Global SE, where HDI Global SE (as a producing office) is serviced by EIG Re (as a servicing office) under a frontal agreement. from 06.12.2013. The method of distribution of insurance products is also determined by HDI Global SE, as it chooses the channel for distribution of the specific insurance product, most often a broker whose specific choice belongs to the discretion of HDI Global SE It is in view of this specificity that in 2020 EIG Re EAD does not develop a strategy for product distribution.

The company mainly carries out activities for registration of new insurance contracts under international programs and active reinsurance. At the moment, the signing strategy of the Company is to continue its development in the activity of active reinsurance, as well as to achieve diversification of its portfolio.

□ Insurance company Euroins Life EAD, Bulgaria (IC Euroins Life EAD)

IC Euroins Life EAD is a joint stock company registered in the Republic of Bulgaria on 20.12.2007 in Sofia under the name "Interamerican Bulgaria Life Insurance" EAD and carries out its activities in accordance with Bulgarian legislation. On 21.01.2014 the name of the company was changed to Insurance company Euroins Life EAD.

The company is registered in the Commercial Register at the Registry Agency of the Republic of Bulgaria with UIC 175436411 and registered office in Sofia, Bulgaria. The existence of IC Euroins Life AD is not limited in time, according to Art. 4 of the Articles of Association of the company. The sole owner of the capital is Euroins Insurance Group AD.

The capital of the Company amounts to BGN 11,375,070 (eleven million three hundred and seventy-five thousand and seventy), distributed in 1,137,507 ordinary, registered, dematerialized shares with a nominal value of BGN 10 (ten) each.

Scope of activity according to art. 4 of the Articles of Association of the company and main field of activity: Insurance

The company provides the following types of insurance:

- Life insurance
 - life insurance, which includes insurance only for reaching a certain age, insurance only for death, insurance for reaching a certain age or for earlier death, life insurance with return of premiums;
 - annuities;
 - supplementary insurance taken out in addition to life insurance, in particular - insurance against personal injury, including incapacity for work, insurance against death caused by accident, and insurance against invalidity caused by accident or illness.
- Marriage and birth insurance.
- Life insurance related to investment funds:
 - life insurance, which includes insurance only for reaching a certain age, insurance only for death, insurance for reaching a certain age or for an earlier death, life insurance with return of premiums, insurance for marriage and birth;
 - annuities;
 - supplementary insurance taken out in addition to life insurance, in particular - insurance against personal injury, including incapacity for work, insurance against death caused by accident, and insurance against invalidity caused by accident or illness.

The insurance products in the IC Euroins Life EAD portfolio cover all types of insurance with the exception of Accident and Illness insurance.

IC Euroins Life EAD is situated in Sofia and does not have agencies and representative offices in other settlements.

The distribution of insurance products is realized mainly through the networks of the company's agents and through insurance brokers.

□ Euroins Romania Asigurare Reasigurare S.A., Romania („Euroins Romania“)

Euroins Romania Asigurare Reasigurare S.A., Romania is a joint stock company established in accordance with Romanian law in 1993. with Decision N^o 2499 / 24.12.1993 of the Court of Bucharest, sector 5. The name of the company has been changed several times since its registration, the last change of the name of the company was registered in the Commercial Register of Bucharest on 13.05.2008, when the name of the company was changed by "ASITRANS "AD (SC ASITRANS SA) of Euroins Romania Asigurare Reasigurare SA ("Euroins Romania Asigurare - Reasigurare" S.A.).

Euroins Romania Insurance Reinsurance S.A. is registered in the Commercial Register of Bucharest with the current company file J23 / 2823/2011 from 26.10.2011, with a unique registration code 5328123, with registered office and address of management in Bucharest, Romania. The company is established for an indefinite period, according to the provision of art. 9 of the Articles of Association. The majority owner of the capital is Euroins Insurance Group AD, which owns 529,855,189 shares of the capital, constituting about 98.52% of the capital.

As of the date of the prospectus, the registered capital of the Company amounts to 537,823,413 Romanian lei / five hundred thirty-seven million eight hundred twenty-three thousand four hundred and thirteen Romanian lei /, divided into 537,823,413 ordinary, available, registered shares with nominal value. of 1 / one / lei each with the right to vote, the right to a liquidation share and the right to a dividend.

In 2020, two procedures were undertaken to increase the capital of the company, as Euroins Insurance Group AD as a majority shareholder subscribed and paid all newly issued by Euroins Romania Asigurare Reasigurare S.A. shares within the two procedures described in detail below.

Euroins Insurance Group AD has increased its participation in its subsidiary Euroins Romania Asigurare-Reasigurare SA to 98.52% after an increase in the company's capital. On March 26, 2021 An increase in the capital of Euroins Romania Asigurare-Reasigurare SA by 50,000,000 Romanian lei has been entered in the Commercial Register of Romania by issuing 5,000,000 new shares with an issue value of 10 Romanian lei per share and a nominal value of one share 1 Romanian leu. The newly issued shares are fully subscribed and paid through a cash contribution from Euroins Insurance Group AD. Following the completion of the registration procedure, the capital of Euroins Romania Asigurare-Reasigurare SA amounted to 537,823,413 Romanian lei, distributed in 537,823,413 registered shares with a nominal value of 1 / one / lei, of which 529 855,189 shares, corresponding to about 98.52% of the capital held by Euroins Insurance Group AD. The decision to increase the capital was taken on 17.09.2020 at the Extraordinary General Meeting of Shareholders of the Company. The Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiară, ASF) approved the capital increase by Decision N^o 342 / 11.03.2021.

On 03.12.2020 The Extraordinary General Meeting of Shareholders of Euroins Romania Asigurare Reasigurare S.A. has decided to increase the capital of the Company by 76,642,614 Romanian lei by issuing 7,664,261 new shares with an issue value of 10 Romanian lei per share and a nominal value of 1 Romanian lei per share. The newly issued shares are fully subscribed and paid through the conversion of receivables with creditor Euroins Insurance Group AD. The current capital increase is in the process of being approved by the Romanian Financial Supervisory Authority (ASF), after which the above-described change in the authorized capital of Euroins Romania Asigurare Reasigurare S.A. should be announced and registered before the Commercial Register of the Republic of Romania. After the completion of the above procedures, the capital of the Company will be increased by 7,664,261 new shares and will amount to 545,487,674 Romanian lei, distributed in 545,487,674 registered shares with a nominal value of 1 / one / lei, of which 537,519,450 shares, corresponding to about 98.54% of the capital held by Euroins Insurance Group AD. It is expected that the approval by the Romanian regulatory authority and the entry in the Commercial Register will be completed within May or by the end of the second quarter of 2021 at the latest.

Euroins Romania Insurance Reinsurance S.A. carries on its insurance business under an insurance license N^o 13 / 23.10.2001 issued by the Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiară, ASF), registered in the Register of Insurance Companies and Main Intermediaries of the Romanian Financial Supervisory Authority under RA-010 / 04.10.2003

Scope of activity, according to art. 8 of the Articles of Association of the company and main field of activity: Insurance

Within the insurance license issued by the Financial Supervision Authority of Romania, the Company provides non-life insurance in the following classes:

- Accident insurance, including occupational accident and occupational disease;
- Health Insurance;
- Land vehicle insurance without rail vehicles;
- Rail vehicle insurance;
- Insurance of sea, lake and river vessels;
- Insurance of goods during transportation, regardless of the mode of transportation;
- Fire and Other Natural Disasters Insurance;
- Other property insurance other than those mentioned above;
- Third party liability insurance, including carrier's liability
- General Civil Liability Insurance;
- Credit insurance;
- Warranty insurance
- Financial loss insurance
- Travel Assistance Insurance (Assistance) for persons in difficulty during travel or absence from home or place of permanent residence;

he company has an almost proportional distribution of sales throughout Romania, which is an advantage for the future development of sales of products outside the Civil Liability Insurance.

Euroins Romania Asigurare Reasigurare S.A. are also distributed under Freedom of Establishment and Freedom of Services within the scope of the above lines of business (in accordance with the issued insurance license). As in Italy, France, Austria and Germany, the company is registered under the freedom to provide insurance services of class 13 above - General Liability Insurance, and in Hungary for classes 1, 3, 7, 8, 9, 13, 14, 15, 16, 18.

Euroins Romania Insurance Reinsurance S.A. has a head office, 39 agencies in Romania.

The distribution of insurance products is realized mainly through insurance agents and through insurance brokers, as well as through direct business.

□ Euroins Osiguruvanje AD, North Macedonia

Euroins Osiguruvanyie AD Skopje, North Macedonia is an insurance joint stock company, established with a license to perform insurance activities, obtained from the Ministry of Finance of North Macedonia N° 09-1600/1, dated 19.06.1995, entered in the court register on 20.07. 1995 under the name "MAKOSHPED INSURANCE" AD, Skopje. The name of the company was changed on 21.07.2008. by MAKOSHPED INSURANCE Insurance Company AD, Skopje of Euroins Insurance AD, Skopje.

Euroins Macedonia is entered in the Central Register of the Republic of North Macedonia, with the Unique Identification Number of the entity 5040043, with registered office and address of management: Skopje, Republic of North Macedonia. The company is established for an indefinite period, according to the provision of art. 2 of the Articles of Association. The majority owner of the capital is Euroins Insurance Group AD, which owns 93.36% of the capital.

As of the date of the prospectus, the registered capital of the Company amounts to EUR 3,885,804 (three million eight hundred eighty-five thousand eight hundred and four euros), divided into 7,600 (seven thousand six hundred) ordinary, dematerialized, registered shares with nominal value. of EUR 511.29 (five hundred and eleven euros and 29 euro cents) each with the right to vote, the right to a liquidation share and the right to a dividend.

Scope of activity according to art. 10 of the Articles of Association of the company and main field of activity: Insurance

Within the insurance license, the Company provides non-life insurance in the following classes:

- Accident insurance, including occupational accident and occupational disease;
- Health Insurance;
- Motor vehicle insurance (CASCO);
- Aircraft insurance (CASCO);
- Vessel insurance (CASCO);
- Cargo insurance during transportation;
- Fire and Natural Disaster Insurance;
- Other property insurance;
- Civil Liability Insurance related to the possession and use of motor vehicles;
- Civil Liability Insurance related to the ownership and use of aircraft;

- Civil Liability Insurance related to the ownership and use of vessels;
- General Civil Liability Insurance;
- Warranty insurance;
- Financial loss insurance;
- Travel Assistance Insurance (Assistance).

Euroins Osiguruvanje AD Skopje has its head office in Skopje, 38 registered branches and 14 agencies on the territory of the Republic of Macedonia.

The distribution of insurance products is realized through direct business, insurance agents and through insurance brokers, as well as through intermediaries offering insurance products as an additional activity (travel agencies).

□ PJSC European Travel Insurance, Ukraine

PJSC European TRavel Insurance, Ukraine is a private joint-stock insurance company established under the legislation of the Republic of Ukraine, registered in the Unified State Register of Legal Entities, Sole Traders and Public Associations of the Republic of Ukraine on 19.10.2006, with identification code of the legal entity 34692526, with registered office and address of management Republic of Ukraine, 04071, Kyiv, 5 Spaska Str., office 15. The existence of the company is not limited by a term or other termination condition.

As of the date of the prospectus, the registered capital of the Company amounts to 9,473,000 Ukrainian hryvnias /nine million four hundred seventy-three thousand Ukrainian hryvnias/, divided into 9,473,000 /nine million four hundred seventy-three thousand/ ordinary, dematerialized, registered shares with nominal value of 1 /one/ hryvnia each with the right to vote, the right to a liquidation share and the right to a dividend. The majority owner of the capital is Euroins Insurance Group AD, holding 9,472,998 / nine million four hundred seventy-two thousand nine hundred ninety-eight / ordinary, dematerialized, registered shares, constituting about 99.99998% of the capital.

PJSC European Travel Insurance, Ukraine carries out its insurance activity according to an insurance license issued by the National Commission for State Regulation of Financial Services Markets.

The scope of activity of the Company is: Insurance. Insurance, reinsurance and financial activities related to the formation, provision of insurance reserves and their management, as well as any other economic operations to meet the Company's own needs.

Within the issued insurance licenses, the Company provides the following insurances for voluntary non-life insurance:

- Medical insurance (continuous health insurance);
- Medical expenses insurance;
- Property insurance (other than rail, land, air, water transport (inland waterway and other water transport), cargo and luggage);
- Third party liability insurance (other than civil liability of owners of land vehicles, liability of owners of aircraft - including the liability of the carrier);
- Cargo and luggage insurance;
- Accident Insurance;
- Financial risk insurance;
- Fire and Natural Disaster Insurance.

PJSC European Travel Insurance, Ukraine has its head office in Kiev. The distribution of insurance products is realized to a lesser extent through direct business, including through electronic means of communication and mainly through insurance agents and through insurance brokers, as well as through intermediaries offering insurance products as ancillary activities (travel agencies, banks, insurance companies, airlines). In total there are more than 700 active partners.

□ PJSC IC Euroins Ukraine, Ukraine („Euroins Ukraine“)

IC Euroins Ukraine is a private joint-stock insurance company established under the legislation of the Republic of Ukraine, registered in the Unified State Register of Legal Entities, Sole Traders and Public Associations of the Republic of Ukraine on November 10, 1994. under the name Public Joint Stock Company "Insurance Company" Alcona "was subsequently renamed to Public Joint Stock Company" HDI Insurance ", and from September 2016. was renamed into Open Joint Stock Company "Insurance Company IC Euroins Ukraine". As a result of the change of the status of the company from a public joint stock company to a non-public one, on 12.04.2017. The General Meeting of the company adopts a decision to change its name from Open Joint Stock Company "Insurance Company IC Euroins Ukraine" to Private Joint Stock Company "Insurance

Company IC Euroins Ukraine", entered in the Unified State Register of Legal Entities, Sole Traders and Public Associations of the Republic Ukraine on 25.04.2017

IC Euroins Ukraine is entered in the Unified State Register of Legal Entities, Sole Traders and Public Associations of the Republic of Ukraine, with identification code of the legal entity 22868348, with registered office and address of management Republic of Ukraine, 03150, Kyiv, st. Velika Vasilkovska № 102. The existence of the company is not limited by a term or other termination condition.

As of the date of the prospectus, the registered capital of the Company amounts to 72,683,567.99 Ukrainian hryvnias / seventy-two million six hundred eighty-three thousand five hundred sixty-seven Ukrainian hryvnias and 99 kopecks /, divided into 7,268,356,799 / seven billion two hundred sixty-eight million three hundred fifty-six thousand seven hundred ninety-nine / the number of ordinary, dematerialized, registered shares with a nominal value of 0.01 hryvnias / zero hryvnias, 1 kopeck./ each with voting rights, liquidation share rights and the right to dividend. The majority owner of the capital is Euroins Insurance Group AD, holding 6,731,595,525 / six billion seven hundred thirty-one million five hundred ninety-five thousand five hundred twenty-five / ordinary, dematerialized, registered shares, constituting about 92.6150% of capital.

IC Euroins Ukraine, carries out its insurance business, according to a permit dated 10.11.1994. and is licensed for the various types of insurance listed below by the National Commission for State Regulation of Financial Services Markets.

Scope of activity and main activity: Insurance (general, excluding life insurance), Reinsurance

The subject of activity of the Company, according to Article 2 of the Articles of Association, is

- - personal and property insurance;
- - liability insurance;
- - reinsurance;
- - financial activities for formation, placement and management of insurance reserves;
- - provision of services for other insurers on the basis of concluded contracts in the field of insurance;
- - any operations to meet their own economic needs;
- - External economic activity;
- - other activities, the implementation of which does not contradict the current legislation.

Within the scope of the issued insurance licenses, the Company provides the following insurances:

Voluntary non-life insurance:

- Voluntary medical insurance (continuous health insurance);
- Voluntary health insurance "Illness";
- Voluntary insurance for medical expenses;
- Voluntary cargo and luggage insurance;
- Voluntary insurance "Fire" and "Natural Disasters";
- Voluntary Accident Insurance;
- Voluntary Third Party Liability Insurance for shipowners (including carrier's liability);
- Voluntary Third Party Liability Insurance (other than Civil Liability of Land Owners, Liability of Owners of Aircraft, Liability of Owners of Vessels) (including Liability of the Carrier);
- Voluntary water transport insurance (maritime inland and other types of water transport);
- Voluntary rail transport insurance;
- Voluntary credit insurance (including the borrower's liability for non-repayment of the loan);
- Voluntary property insurance (other than rail, land, air, water transport (inland waterway and other water transport), freight and luggage);
- Voluntary land transport insurance (excluding rail);
- Voluntary insurance of agricultural products;
- Financial risk insurance;
- Voluntary Civil Liability Insurance for owners of land vehicle owners (including carrier's liability).

Compulsory non-life insurance:

- Compulsory professional liability insurance in civil aviation;
- Compulsory personal insurance "Civil liability" against traffic accidents;
- Compulsory personal insurance of employees of departments (except those working in institutions and organizations funded by the state budget of Ukraine) and fire protection services of rural areas and members of voluntary fire brigades (teams);
- Compulsory liability insurance of the carrier for the carriage of dangerous goods in the event of adverse consequences in the carriage of dangerous goods;

- Compulsory insurance of the subject of the mortgage against risks of accidental loss, accidental damage or deterioration;
- Compulsory Civil Liability Insurance for Ukrainian citizens who possess or otherwise possess legal weapons for damage that may be caused to a third party or its property as a result of the possession, storage or use of such weapons;
- Compulsory Third Party Liability insurance for damage that may be caused by fires and accidents in high-risk facilities, including facilities with a high risk of explosion (explosion) and facilities in which economic activities may lead to accidents with ecological and sanitary-epidemiological character;
- Compulsory Civil Liability Insurance for owners of land vehicles;
- Compulsory Civil Liability Insurance of a private notary.

IC Euroins Ukraine has its head office in Kiev and 97 registered divisions (branches) on the territory of Ukraine. The distribution of insurance products is realized through direct business, as well as through insurance agents, through insurance brokers, as well as through intermediaries offering insurance products as additional activity (banks, leasing companies, car dealerships, insurance companies, online platforms, etc.) .

▣ Euroins Claims M.I.K.E, Greece („Euroins Claims“)

Euroins Claims M.I.K.E. is a sole proprietorship with limited liability, registered in the city of Athens, Hellenic Republic, on 07.02.2018 and carries out its activity according to the Greek legislation.

The company is registered in the General Trade Register at the Athens Chamber of Commerce and Industry with identification number 147088901000 and is based in Greece. The existence of Euroins Clames M.I.K.E. is limited to a period of 50 years, according to the Articles of Association of the company. The duration of the company's existence may be increased by a decision of the sole owner of the capital. The sole owner of the capital is Euroins Insurance Group AD.

The capital of the Company is in the amount of 5,000 / five thousand / euros, distributed in 5,000 units. shares with a nominal value of 1 / one / euro each.

The main activity of the company is related to the following:

- activity for liquidation of damages related to the insurance portfolio of IC Euroins AD - Branch Greece and with the insurance portfolio of IC Euroins AD, related to the activity of freedom to provide services;
- activity for liquidation of damages presented under the "Green Card" for events that occurred on the territory of the Hellenic Republic, related to insurance contracts concluded by IC Euroins AD on the Bulgarian and Polish markets (under the conditions of freedom to provide services) ;
- activity for collection of receivables on the territory of the Hellenic Republic, incurred in favor of Euroins AD Insurance Company - Greek Branch and IC Euroins AD.

▣ IC Euroins Georgia, Georgia („Euroins Georgia“)

IC Euroins Georgia AD is a joint stock company, registered in the city of Tbilisi, Republic of Georgia, on November 10, 2005 under the name "Insurance Company IC Group" AD and carries out its activity according to the Georgian legislation. On October 31, 2018, the name of the company was changed to Euroins Georgia Insurance Company AD.

The company is registered in the Register of Companies and Non-Profits at the Ministry of Justice of the Republic of Georgia with identification number 204491344 and is headquartered in Tbilisi, Georgia. The existence of IC Euroins Georgia AD is not limited in time, according to the Articles of Association of the company. The majority owner of the capital is Euroins Insurance Group AD.

The capital of the Company amounts to 3,238,284 / three million two hundred thirty-eight thousand two hundred eighty-four / Georgian GEL, distributed in 3,238,284 shares. subscribed ordinary, available, registered shares with a nominal value of 1 / one / Georgian GEL each, with the right to vote, the right to a liquidation share and the right to a dividend.

Scope of activity an main activity: General insurance and life insurance

According to its Articles of Association, the Company has the right to carry out activities on the following lines of business:

- Life insurance;
- Travel Assistance Insurance (Assistance);
- Accident Insurance

- Health insurance;
- Casco insurance;
- Civil Liability Insurance related to the possession and use of motor vehicles;
- rail vehicles - any damage or loss caused to rail vehicles;
- aircraft insurance;
- civil liability related to the possession and use of aircraft;
- vessel insurance;
- civil liability related to the ownership and use of vessels;
- cargo insurance during transportation;
- property insurance";
- miscellaneous financial loss insurance;
- warranty insurance;
- credit insurance;
- General Civil Liability Insurance;
- legal expenses insurance;

IC Euroins Georgia has five agencies in Tbilisi, one Regional Sales Agency in the Autonomous Republic of Adjara, as well as Agricultural Sales Representatives in Gori, Gurjaani, Telavi, Zugdidi and Adjara.

The distribution of insurance products is realized through direct business, corporate sales agencies, small and medium enterprises, the network of banks and financial institutions, as well as through intermediaries offering insurance products as an additional activity..

▣ **PJSC IC Euroins, (former PJSC IC ERGO), Belarus („Euroins Belarus“)**

Private Joint Stock Company IC Euroins, Belarus is a joint stock company registered in the Republic of Belarus on October 19, 1992. under the name Belarusian Joint-Stock Insurance Company "BASO" and carries out its activity according to the legislation of the Republic of Belarus. The name of the company has been changed several times since its registration, the last change being registered on 19.11.2020, when the name of the company was changed from Private Joint Stock Company "IC ERGO" to Private Joint Stock Company "ZK Euroins".

The company is entered in the Unified State Register of Legal Entities and Sole Traders at the Ministry of Justice of the Republic of Belarus under registration number 100367422, with registered office and address of management in Minsk, Republic of Belarus. According to Art. 1 of the Articles of Association, the company was established in accordance with the legislation of the Republic of Belarus for an indefinite period. The sole owner of the capital is Euroins Insurance Group AD.

The registered capital of the Company amounts to 8,696,980.50 Belarusian rubles / eight million six hundred ninety-six thousand nine hundred and eighty Belarusian rubles and 50 kopecks /, formed by paid cash contributions in the amount of 5,344,251 euros / five million three hundred forty and four thousand two hundred and fifty-one euros /, 225 157.44 USD / two hundred twenty-five thousand one hundred fifty-seven US dollars and 44 cents) and 53 112.98 / fifty-three thousand one hundred and twelve Belarusian rubles and 98 kopecks /. The capital is divided into 19,590 / nineteen thousand five hundred and ninety / ordinary (ordinary) voting shares, with a nominal value of 443.95 Belarusian rubles (four hundred and forty-three Belarusian rubles 95 kopecks) for each voting share. , right to liquidation share and right to dividend.

IC Euroins Private Joint Stock Company, Belarus is a newly acquired company in the holding's insurance group - Euroins Insurance Group AD, and the transaction was completed in April 2020.

Subject of activity, according to the Articles of Association and main field of activity: Insurance (without life insurance) and reinsurance.

The company performs the following types of insurance activity, according to art. 2.3. of the Articles of Association:

- non-life insurance (non-life insurance);
- reinsurance;
- insurance risk and loss assessment activities;
- other activities auxiliary to insurance and supplementary pension insurance.

The company provides insurance under the following types of insurance:

- Voluntary insurance against accidents and illnesses while traveling abroad
- Voluntary accident insurance
- Voluntary insurance of buildings owned by citizens (individuals)
- Voluntary insurance of land vehicles owned by legal entities

- Voluntary insurance of land vehicles for individuals
- Voluntary property insurance for legal entities
- Voluntary cargo insurance
- Voluntary insurance of financial risks
- Voluntary civil liability insurance of the carrier (according to the Convention on the Contract for the International Carriage of Goods by Road of 1956 (CMR Convention), as amended)
- Voluntary home property insurance
- Voluntary civil liability insurance of the freight forwarder
- Voluntary civil liability insurance for causing damage in connection with the performance of professional activities
- Voluntary insurance of borrowers' risks
- Voluntary insurance of expenses in connection with cancellation or change of travel dates, luggage and civil liability of persons traveling abroad
- Voluntary insurance with general civil liability
- Voluntary insurance of construction and installation risks
- Voluntary insurance of losses due to forced interruption of production
- Voluntary civil liability insurance and expenses of citizens who have the right to use residential premises
- Voluntary post-warranty insurance of land vehicles
- Voluntary safe deposit box insurance
- Voluntary insurance of the risks of the holders of bank payment cards.
- Voluntary comprehensive property insurance and civil liability of its users
- Voluntary property insurance for individuals
- Voluntary medical expenses insurance
- Voluntary insurance against accidents and disease

PJSC IC Euroins, Belarus carries out its insurance activity according to insurance license Reg. № 02200 / 13-00012, issued by the Ministry of Finance of the Republic of Belarus with Decision № 77 of 26.02.2004, last amended as of 16.12.2020 .

PJSC IC Euroins, Belarus specializes in the segment of non-life insurance (liability, property, medical, transport, accidents, travel assistance, etc.) and is the third largest private insurer in the Republic of Belarus in a sector dominated at this stage by state-owned companies. .

PJSC IC Euroins, Belarus has a head office in Minsk, 3 branches in Minsk, Grodno and Brest (two of the largest regional centers located near the border with Poland and Lithuania) and 5 agencies in the city of Minsk, the city of Gomel, the city of Pinsk, the city of Baranovichi and the city of Lida (regional and administrative centers).

The distribution of insurance products is realized through direct business, insurance agents and through intermediaries of insurance brokers.

▣ **Russian Insurance Company Euroins OOD (associated company), Russia ("Euroins Russia")**

Russian Insurance Company Euroins OOD is a limited liability company, founded in April 2003 and registered in the Russian Federation, entered in the Unified State Register of Legal Entities on 08.05.2003. under the main state registration number 1037714037426, with registered office and address of management Russian Federation. According to Art. 1 of the Articles of Association, the company was established in accordance with the legislation of the Russian Federation for an indefinite period.

The capital of the Company amounts to 502,000,000 Russian rubles / five hundred and two million Russian rubles /. Euroins Insurance Group AD is a partner holding a share of 48.606% with a nominal value of the owned share of 244,002,300 Russian rubles.

Russian Insurance Company Euroins OOD is registered in the Register of Insurers at the Central Bank of the Russian Federation (Bank of Russia) under Reg. Pe 3954 on 07.07.2015 and carries out its insurance activity according to insurance licenses issued by the Bank of Russia.

Subject of activity and main field of activity: Insurance (general, excluding life insurance)

The company provides insurance services in the Russian Federation in the following areas:

- Agricultural insurance (insurance of crops, crops, perennials, animals)
- Cargo insurance
- Property insurance for legal persons, excluding vehicles and agricultural insurance for railway vehicles
- Property insurance for citizens, except for vehicles

- Air transport insurance
- Land vehicle insurance (excluding railway vehicles)
- Railway transport insurance
- Water transport insurance
- Business risk insurance
- Financial risk insurance
- Civil liability insurance for non-fulfilment of obligations under the contract
- Third party liability insurance for damages caused by defects in goods, construction works, services
- Civil liability insurance for aircraft owners
- General Civil Liability Insurance
- Civil liability insurance for owners of railway vehicles
- Civil liability insurance of owners of water transport vehicles
- Accident and Health insurance
- Health insurance
- Civil liability insurance for motor vehicle owners

Russian Insurance Company Euroins Ltd. has a head office in Moscow and 52 registered divisions (branches) and agencies in the territory of the Russian Federation. The distribution of insurance products is realized through direct business, as well as through insurance agents, through insurance brokers, as well as through intermediaries offering insurance products as an additional activity (banks, leasing companies, online platforms and travel agencies).

B). AVTO UNION AD (AUTOMOTIVE DIVISION) – www.avtounion.bg

Avto Union AD is a holding joint stock company, established on 25.01.2005 and entered in the Commercial Register with UIC 131361786 and registered office in Sofia, Bulgaria. The existence of the Company is not limited by a term or other termination condition, according to art. 5 of the Articles of Association of the company. The majority owner of the capital is Eurohold Bulgaria AD. Avto Union AD is part of the Eurohold economic group, it was established in order to unite the investments in the automotive division of Eurohold Bulgaria AD.

The capital of Avto Union AD amounts to BGN 40,004,000 (forty million four thousand), divided into 80,008 (eighty thousand eight) registered preference shares, with voting rights with a nominal value of BGN 500 (five hundred) each one.

The share capital of the company has been doubled by a non-monetary contribution in the form of a receivable in the total amount of BGN 7,595,500 (seven million five hundred ninety-five thousand five hundred).

Scope of activity, according to art. 4 of the Articles of Association of the Company: import and production of goods, preparation of concepts for commercial activity, design activity, purchase, construction and furnishing of real estate for sale, transport activity, trade representation and mediation of local and foreign persons, advertising, commission, intermediary, publishing and printing activities, as well as any other activities not prohibited by law.

Main activity of Avto Union AD: The activity of Avto Union AD (holding company) is strategic business management in the structure of the holding, providing financial, marketing and business-specific resources.

Avto Union AD is a holding company and as such owns investments in 11 (eleven) subsidiaries.

The company has not established branches.

SUBSIDIARIES OF AVTO UNION AD

□ AUTO ITALIA EAD

Auto Italia EAD is a sole proprietorship joint stock company, established on 12.07.1999 and entered in the Commercial Register with UIC 130029037 and registered office in Sofia, Bulgaria. Auto Italia EAD is a universal legal successor of two merging (transforming) companies - Gransport Auto and Milano Motors, after a merger transformation procedure carried out in 2013. Auto Italia EAD was established for an indefinite period, according to Art. 4 of its Articles of Association. The sole owner of the capital is Avto Union AD.

The capital of Auto Italia EAD amounts to BGN 8,157,030 (eight million one hundred fifty-seven thousand thirty), divided into 815,703 (eight hundred and fifteen thousand seven hundred and three) shares, registered, available, non-preferred shares, with voting rights. with a nominal value of BGN 10 (ten) each.

The share capital of the company has been doubled by a non-monetary contribution in the form of a receivable in the total amount of BGN 6,307,030 (six million three hundred and seven thousand and thirty).

Scope of activity, according to Art. 3 of the Articles of Association of the company: domestic and foreign trade and leasing with new and used cars, rental of new and used cars, service activity and sale of new and used spare parts for motor vehicles / after obtaining a license /, sale of tires, car oils, car cosmetics, performance of transport services, as well as all other activities not prohibited by law.

Main activity of Auto Italia EAD: import and trade of cars and spare parts for them. Auto Italia EAD is an authorized dealer of Fiat, Fiat Professional, Maserati and Alfa Romeo for Bulgaria. Auto Italia EAD has signed a contract with Ferrari S.p.A, according to which it will be authorized to offer used models of the brand certified by the Italian company, as well as service for them.

The company has no open branches.

□ N AUTO SOFIA EAD

N Auto Sofia EAD is a sole proprietorship joint stock company, established on 15.09.2009 as a limited liability company Nissan Sofia EOOD. After a transformation procedure through a change in the legal form, Nissan Sofia EOOD was transformed into a sole proprietorship joint stock company with its current name N Auto Sofia EAD. N Auto Sofia EAD is entered in the Commercial Register with UIC 200532731 and head office in Sofia, Bulgaria. The existence of the Company is not limited by a term or other termination condition, according to art. 5 of the Articles of Association of the company. The sole owner of the capital is Avto Union AD.

The capital of N Auto Sofia EAD amounts to BGN 4,418,528 (four million four hundred and eighteen thousand five hundred and twenty-eight), distributed in 4,418,528 (four million four hundred and eighteen thousand five hundred and twenty-eight) registered names, available, non-preferred shares, with voting rights with a nominal value of BGN 1 (one) each.

Scope of activity, according to art. 6 of the Articles of Association of the Company: import, sale and service of cars, import and sale of spare parts for cars, leasing activity with cars and other activities not prohibited by law.

Main activity of N Auto Sofia EAD: N Auto Sofia EAD is one of the largest dealers of Nissan cars in Bulgaria, operating in the region of Sofia.

The company has no open branches.

N Auto Sofia EAD owns 51% of the capital of its subsidiary Espace Auto OOD.

Espace Auto OOD is the largest Renault and Dacia dealer in Bulgaria, operating in the regions of Sofia, Pazardzhik, Veliko Tarnovo, Plovdiv and Blagoevgrad.

The company was established on 11.01.2006 under the name "Trayana Auto" OOD (renamed on 20.09.2012 to "Espace Auto OOD"). Entered in the Commercial Register with UIC 112639195, based in Sofia, Bulgaria and subject of activity - import and trade in cars, car service, foreign and domestic trade, acquisition of shares in companies, trade representation and mediation, commissions and transactions with intellectual property, consulting and information services, as well as all other commercial transactions not prohibited by law. Its share capital amounts to BGN 1,735,000 (one million seven hundred and thirty-five thousand), divided into 173,500 (one hundred and seventy-three thousand and five hundred) shares of BGN 10 each. The majority owner of the capital is Avto Union AD, which owns 51% of the capital.

□ AUTO UNION SERVICE EOOD

Auto Union Service EOOD is a sole proprietorship with limited liability, established on 11.06.1997 and entered in the Commercial Register with UIC 121421014 and registered office in Sofia, Bulgaria. The name of the company has been changed several times since its establishment, and on 12.03.2012 its current name was entered. The existence of the Company is not limited by a term or other termination condition, according to art. 4 of the Articles of Association of the company. The sole owner of the capital is Avto Union AD.

The capital of Auto Union Service EOOD amounts to BGN 5,000 (five thousand), divided into 50 (fifty) equal shares of BGN 50 each.

Scope of activity, according to art. 3 of the Articles of Association of the Company: sale, repair and maintenance of cars, sale, installation and installation of telecommunication systems, implementation of the proper legal order of production and trade of any kind of goods and performance of any services for which there is no legal prohibition in compliance with the special order for their performance, marketing, information, advertising, publishing and consulting, trade in computer equipment and consumables and software for it, purchase of goods or other items for resale in original, processed or processed form, commercial representation, mediation and agency of local and foreign persons in the country and abroad,

domestic and foreign trade activity with all goods, allowed by the law, any other economic activity, for which there is no explicit legal prohibition.

Main activity of Auto Union Service EOOD: performing car service.

The company has no t established branches.

□ EA PROPERTIES OOD

EA Properties OOD is a limited liability company established on 31.03.2014 and entered in the Commercial Register with UIC 203275847 and registered office in Sofia, Bulgaria. The existence of the Company is formed for an indefinite period, according to art. 4 of the Company Agreement of the company. The majority owner of the capital is Avto Union AD, which owns 51% of the capital.

The capital of Auto Union Service EOOD amounts to BGN 50,000 (fifty thousand), divided into 50,000 (fifty thousand) shares with BGN 1 (one) each.

Subject of activity, according to art. 5 of the Company's Company Agreement: purchase and sale of real estate, development, public works and construction activities, rental activities, consulting and management services, purchase of goods and other items for sale in original or processed form, commercial representation and mediation, warehouses , commission, forwarding and transportation transactions, tourist, advertising and other services, as well as any other activity that is not prohibited by law.

Main activity of EA Properties.: purchase and sale of real estate, development, public works and construction, rental activity, consulting and management services.

The company has no open branches.

□ DARU CAR AD

Daru Car AD is a joint stock company, established on July 23, 1992, entered in the Commercial Register with UIC 121243960 and registered office in Sofia, Bulgaria. The existence of the Company is not limited by a term or other termination condition, according to art. 5 of the Articles of Association of the company. The majority owner of the capital is Avto Union AD.

The capital of Auto Italia EAD amounts to BGN 6,343,000 (six million three hundred forty-three thousand), divided into 12,686 (twelve thousand six hundred eighty-six) registered votes, with a voting right with a nominal value of 500 (five hundred). BGN each.

Subject of activity, according to art. 6 of the Articles of Association of the Company: production and trade in cars, components, spare parts, consumables and services in the field of automotive and road transport.

Main activity of Daru Car AD: authorized BMW service for Bulgaria.

The company has no established branches.

□ BULVARIA VARNA EOOD

Bulvaria Varna EOOD is a sole proprietorship with limited liability, established in 1994 and is entered in the Commercial Register with UIC 813102397 and registered office in Varna, Bulgaria. Bulvaria Varna EOOD is a universal legal successor of Cargoexpress Imoti, an merging (transforming) company, after a merger transformation procedure carried out in 2013. The company is established for an unlimited period, according to art. 4 of the Articles of Association of the company. The sole owner of the capital is Avto Union AD.

The capital of Bulvaria Varna EOOD amounts to BGN 1,507,700 (one million five hundred and seven thousand and seven hundred), divided into 150,770 (one hundred and fifty thousand and seven hundred and seventy) shares with a nominal value of BGN 10 (ten) each. one.

Subject of activity, according to art. 3 of the Articles of Association of the Company: carrying out commercial activity in the country and abroad; publishing activity; advertising; tourist services; forwarding activity; mediation and agency; impresario services; production of industrial goods; production of agricultural products; marketing; logistics; service activity.

Main activity of Bulvaria Varna EOOD: Opel dealer for the city of Varna and the region.

The company has no open branches.

□ BULVARIA SOFIA EAD

Bulvaria Sofia EAD is a sole proprietorship joint stock company, established in 2018 and is entered in the Commercial Register with UIC 204986699 and head office in Bulgaria. The existence of the Company is not limited by a term or other termination condition, according to art. 5 of the Articles of Association of the company. The sole owner of the capital is Auto Union AD.

The capital of Bulvaria Sofia AD amounts to BGN 500,000 (five hundred thousand), distributed in 50 00 (fifty thousand) ordinary, available, registered shares, with voting rights with a nominal value of BGN 10 (ten) each.

Statutory subject of activity according to art. 6 of the Articles of Association of the Company: organization of trade in cars, auto parts, car equipment, restoration of used car parts and tires, car service, foreign and domestic trade, agency, brokerage and commercial representation, and any other commercial activity not prohibited by of the law.

Main activity of Bulvaria Sofia EAD: Opel dealer for the city of Sofia and the region.

The company has no open branches.

□ STAR MOTORS EOOD

Star Motors EOOD is a sole proprietorship with limited liability, established in 2001 and entered in the Commercial Register with UIC 130571835 and registered office in Bulgaria. The company is established for an unlimited period, according to art. 6 of the Articles of Association of the company. The sole owner of the capital is Auto Union AD.

The capital of Star Motors EOOD amounts to BGN 1,500,000 (one million five hundred thousand), divided into 30,000 (thirty thousand) shares with a nominal value of BGN 50 (one) each.

Statutory subject of activity according to art. 7 of the Articles of Association of the Company: import and sale of cars, spare parts and accessories for them, purchase of goods or other items for sale in original, processed or processed form, commission, forwarding and transportation transactions, hotel, tourist, advertising, information, software, impresario services, leasing, intellectual property transactions, purchase, construction or furnishing of real estate for sale, commercial representation and mediation of local and foreign individuals and legal entities, foreign economic activity, and any other transactions that are not are prohibited by law.

Main activity of Star Motors EOOD: official representative of Mazda for Bulgaria.

The company has no open branches.

Star Motors EOOD owns 100% of the capital of Star Motors EOOD - DOOEL, North Macedonia.

Star Motors DOOEL, is entered in the Central Register of the Republic of North Macedonia with number 6847030 and registered office in Skopje, North Macedonia, and subject of activity - trade in cars and light commercial vehicles. Its share capital amounts to EUR 550,000, divided into 550,000 (five hundred and fifty) shares of EUR 1 each.

Main activity of Star Motors DOOEL: Mazda official representative for Macedonia.

For its part, Star Motors DOOEL is the sole owner of the capital of Star Motors SH.P.K., Kosovo. The company has not been active during the period of the financial information in question and is currently in the process of liquidation, therefore in this document the activities of SH.P.K., Kosovo are not discussed in detail.

□ MOTORHUB EOOD

Motohub EOOD is a limited liability company established in 2018 and is entered in the Commercial Register with UIC 205231116 and head office in Bulgaria. The company is established for an indefinite period, according to art. 5 of the Articles of Association of the company. The majority owner of the capital is Auto Union AD.

The capital of Motohub EOOD amounts to BGN 200 (two hundred), divided into 200 (two hundred) shares with a nominal value of BGN 1 (one) each.

Statutory scope of activity according to art. 4 of the Articles of Association of the Company: carrying out commercial activity in the country and abroad; publishing activity; advertising; tourist services; forwarding activity; mediation and agency; impresario services; production of industrial goods; production of agricultural products; marketing; logistics; service activity.

Main activity of Motohub EOOD: import, purchase and sale and service of scooters, motorcycles and mopeds with the brands Lambretta, Malaguti, Brixton and KSR Moto.

The company has no open branches.

□ **MOTOBUL EAD**

Motobul EAD is a company established in 2006, the same was transformed in 2017 by changing its legal form from a sole proprietorship with limited liability to a sole proprietorship. Motobul EAD is entered in the Commercial Register with UIC 204917226 and registered office in Bulgaria. The existence of the Company is not limited by a term or other termination condition, according to art. 5 of the Articles of Association of the company. The sole owner of the capital is Auto Union AD.

The capital of Motobul EAD amounts to BGN 2,000,000 (two million), divided into 100,000 (one hundred thousand) number of available, registered, non-preferred shares with a nominal value of BGN 20 (twenty) each.

Statutory scope of activity according to art. 6 of the Articles of Association of the Company: trade in cars and spare parts, car tires and oils, service, and maintenance of cars, as well as any other activity that is not prohibited by law.

Main activity of Motobul EAD: official distributor of Castrol, BP and Orlen motor oils; official card operator for fuel trading Benzin.bg.

Motobul EAD owns 99% of the capital of a subsidiary named Bopar Pro S.R.L., registered in Romania with a capital of 1,000 Romanian lei. Bopar About S.R.L. does not develop active activity during the period of the considered financial information and at present is in the process of liquidation, therefore in this document the activity of the company is not considered in detail.

□ **BENZIN FINANCE EAD**

Petrol Finance EAD is a sole proprietorship joint stock company, established in 2018 and is entered in the Commercial Register with UIC 205373838 and head office in Bulgaria. The existence of the Company is not limited by a term or other termination condition, according to art. 5 of the Articles of Association of the company. The sole owner of the capital is Auto Union AD.

The capital of Petrol Finance EAD amounts to BGN 1,050,000 (one million and fifty thousand), distributed in 105 00 (one hundred and five thousand) number of registered non-privileged voting rights with a nominal value of BGN 10 (ten) each one.

Statutory scope of activity according to art. 6 of the Articles of Association of the Company: Issuance and administration of other means of payment (traveller's checks and letters of credit), insofar as this activity is not covered by the provision of payment services within the meaning of the Payment Services and Payment Systems Act; Financial leasing; warranty transactions; acquisition of receivables on loans and other forms of financing (factoring, forfeiting, etc.); acquisition of participations in a credit institution or in another financial institution; granting loans with funds that have not been raised through public attraction of deposits or other repayable funds; all the above activities are carried out after obtaining the necessary licenses, registrations, permits and / or approvals from the relevant competent institutions; as well as any other activities that are permitted by law and for which they do not require licenses, registrations, permits and / or approvals from institutions.

Main activity of Petrol Finance EAD: as of the date of the Registration Document the company does not operate.

The company has no open branches.

C). EUROLEASE GROUP AD (LEASING DEPARTMENT)– www.euroleasegroup.com

Eurolease Group AD was established on 29.10.2012 by a decision of the Management Board of Eurohold Bulgaria AD and entered in the Commercial Register kept by the Registry Agency on 06.11.2012 as a sole proprietorship joint stock company Eurolease Group with a sole proprietorship. owner of the capital Eurohold Bulgaria AD. Eurolease Group AD is part of the Eurohold economic group. It was established in order to consolidate the investments in the leasing direction of the sole (as of the date of establishment) owner of the capital "Eurohold Bulgaria" AD.

As of the date of the Registration Document, the legal form of the company is a joint stock company (JSC). The change of the legal form entered in the Commercial Register at the Registry Agency on 19.02.2020.

The company is registered in the Commercial Register at the Registry Agency of the Republic of Bulgaria with UIC 202304242 and registered office in Bulgaria. According to Art. 5 of the Articles of Association of Eurolease Group AD, the existence of the company is not limited by a term or other termination condition. The majority owner of the capital is Eurohold Bulgaria AD.

The capital of the Company amounts to BGN 19,296,054 / nineteen million two hundred ninety-six thousand fifty-four /, distributed in 567,531 (five hundred sixty-seven thousand five hundred thirty-one) number of

available, registered, unallocated shares, entitled to a vote with a nominal value of BGN 34 (thirty-four) each. On January 28, 2021, a reduction of the share capital by BGN 7,945,434 thousand was entered in the Commercial Register, which were transferred to the Reserve Fund. They cover the accumulated loss of the company from previous years in the amount of BGN 6,857,956.55 (six million eight hundred and fifty-seven thousand nine hundred and fifty-six levs and 55 cents).

The capital of the Company has not been increased through in-kind contributions. Eurolease Group AD has been the subject of a transformation procedure under the conditions of universal succession, namely the merger of the related party BG Autolease Holding BV, the Netherlands (transforming company) into the capital of Eurolease Group AD (receiving company). As a result of the transformation, the capital of the host company - Eurolease Group AD, is increased by the net value of the property of the transforming company - BG Autolyses Holding BV, namely by BGN 26,691,488. After the entry of the merger in the Commercial Register on 03.01.2014, the amount of the subscribed and paid-in capital of Eurolease Group AD is changed to BGN 26,741,488, distributed in 26,741,488 available, registered shares.

Statutory scope of activity according to art. 6 of the Articles of Association of the Company:

Consulting, commercial representation and mediation and any other business activity not expressly prohibited by law.

Main activity of Eurolease Group AD: The activity of Eurolease Group AD (holding company) is related to supporting the activities of its subsidiaries (part of the Eurolease Group), through:

- providing expert advice in the field of operational management.
- assisting companies in finding competitive financial resources to carry out their business activities.

Eurolease Group AD is a holding company and as such owns investments in 7 / seven / number of subsidiaries.

The company has no open branches and operates from the Head Office.

Subsidiaries of Eurolease Group AD

□ **„EUROLEASE AUTO“ EAD BULGARIA**

Eurolease Auto EAD is a joint stock company registered in the Republic of Bulgaria and operates in accordance with Bulgarian legislation. The company was established for an indefinite period of existence. Eurolease Auto EAD is the oldest company of the leasing subholding Eurolease Group AD (part of the Eurohold Bulgaria AD Group), established on 19.08.2004. The company is entered in the Commercial Register at the Registry Agency with UIC 131289899. The sole owner of the capital is Eurolease Group AD.

Statutory subject of activity according to art. 5 of the Articles of Association of the company:

Financial leasing.

Main activity of the company: Acquisition of vehicles, machinery, equipment and supplies, as well as any other movable and immovable property, and their subsequent provision through all types of leasing transactions to end users. The activity of Eurolease Auto EAD is mainly aimed at providing financial leasing of cars and vans.

The capital of the Company amounts to BGN 20,000,000 / twenty million /, divided into 20,000,000 / twenty million /. registered shares with a nominal value of BGN 1 / one / each with the right to vote, the right to a liquidation share and the right to a dividend.

For the period of the historical period considered in this document 2018 - 31.12.2020, as well as to the present moment "Eurolease Auto" EAD - does not own subsidiaries; does not own real estate.

Eurolease Auto EAD operates on the Bulgarian market, operating at the Head Office and 22 other established branches on the territory of Bulgaria.

Eurolease Auto EAD carries out financial leasing activities, for the performance of which it is registered as a non-bank financial institution in the registers of the Bulgarian National Bank and falls under the regulations of the same. Eurolease Auto EAD is entered in the register of Financial Institutions under Article 3a, paragraph 1 of the Credit Institutions Act under № BGR00150.

□ **„EUROLEASE – RENT A CAR“ EOOD, BULGARIA**

Eurolease - Rent a Car EOOD is a sole proprietorship with limited liability, registered in the Republic of Bulgaria and carrying out its activity in accordance with the Bulgarian legislation. The company was established for an indefinite period of existence. Eurolease Rent A Car EOOD was established on 04.02.2004

and is entered in the Commercial Register at the Registry Agency with UIC 131197842. The sole owner of the capital is Eurolease Group AD.

Statutory subject of activity according to art. 3 of the Articles of Association of the company: The company has the following subject of activity:

- rental of motor vehicles.
- purchase and sale of motor vehicles.
- transport activity in the country and abroad.
- representation and mediation of local and foreign persons.
- trade in all goods permitted by law.
- any other economic activity not expressly prohibited by law.

Main activity of the company: The company is the official representative for Bulgaria of the international car rental brands - Avis and Budget.

The capital of the Company amounts to BGN 2,935,000 / two million nine hundred and thirty-five thousand /, divided into BGN 29,350 / twenty-nine thousand three hundred and fifty / equal shares of BGN 100 / one hundred / each.

For the period of the historical period 2018 considered in this document - 31.12.2020, as well as up to the present moment "Eurolease - Rent a Car" EOOD - does not own subsidiaries; does not own real estate.

Eurolease - Rent a Car EOOD operates on the Bulgarian market, operating at the Head Office; Sofia Airport Office - Terminal 2; office - Varna Airport branch and office - Bourgas Airport branch.

Eurolease Rent A Car EOOD does not carry out activities subject to a special permit regime, for which patents and licenses are required.

□ „AUTOPLAZA“ EAD

Autoplaza EAD is a sole proprietorship joint stock company registered in the Republic of Bulgaria and carrying out its activities in accordance with Bulgarian legislation. The company was established for an indefinite period of existence. Autoplaza EAD was entered in the Commercial Register at the Registry Agency on 10.08.2008 with UIC 200288848. The sole owner of the capital is Eurolease Group AD.

Statutory subject of activity according to art. 6 of the Articles of Association of the company: The subject of activity of the company is as follows:

- purchase and sale import and export of vehicles and goods, spare parts and consumables for them.
- intermediation in sales of vehicles and goods, transfer of ownership of vehicles and goods.
- repair and maintenance of vehicles.
- rental of vehicles.
- any other activity not expressly prohibited by law.

Main activity of the company: main activity sale of used cars, returned from leasing, rent-a-car and "buy-back".

The capital of the Company amounts to BGN 750,000 / seven hundred and fifty thousand /, divided into 750,000 / seven hundred and fifty thousand / registered, available, non-preferred shares, with a nominal value of BGN 1 / one / each, with the right to vote, right to dividend and right to liquidation share.

For the period of the historical period considered in this document 2018 - 31.12.2020, as well as until now Autoplaza EAD - does not own subsidiaries; does not own real estate.

Autoplaza EAD operates on the Bulgarian market, operating in 10 registered branches in Bulgaria.

The company does not carry out activities falling under a special permit regime, for which patents and licenses are required.

□ „SOFIA MOTORS“ EOOD

Sofia Motors EOOD is a sole proprietorship with limited liability, registered in the Republic of Bulgaria and carrying out its activity in accordance with the Bulgarian legislation. The company was established for an indefinite period of existence. Sofia Motors EOOD was entered in the Commercial Register at the Registry Agency on 17.12.2008 with UIC 175104206. The sole owner of the capital is Eurolease Group AD.

Statutory subject of activity according to art. 3 of the Articles of Association of the company: The company has the following subject of activity:

- rental of motor vehicles.
- purchase and sale of motor vehicles.
- transport activity in the country and abroad.
- representation and mediation of local and foreign persons.
- trade in all goods permitted by law.
- any other economic activity not expressly prohibited by law.

Main activity of the company: The main activity of Sofia Motors EOOD is related to renting cars to individuals and small and medium enterprises.

The capital of the Company amounts to BGN 610,000 / six hundred and ten thousand /, divided into 610,000 / six hundred and ten thousand / equal shares of BGN 1 / one / each.

For the period of the historical period 2018 considered in this document - 31.12.2020, as well as until now "Sofia Motors" EOOD - does not own subsidiaries; does not own real estate.

Sofia Motors EOOD operates on the Bulgarian market, operating in the Head Office and in 8 other registered branches on the territory of Bulgaria.

The company does not carry out activities subject to a special permit regime, for which patents and licenses are required.

□ „AMIGO LEASING“ EAD

„Amigo Leasing EAD is a sole proprietorship joint stock company registered in the Republic of Bulgaria and carrying out its activities in accordance with Bulgarian legislation. The company was established for an indefinite period of existence. Amigo Leasing EAD was entered in the Commercial Register at the Registry Agency on 27.07.2017 with UIC 204695366. The sole owner of the capital is Eurolease Group AD.

Statutory subject of activity according to art. 6 of the company's Articles of Association: Financial leasing, granting loans with funds not raised through public attraction of deposits or other repayable funds, guarantee transactions, acquisition of loan receivables and other forms of financing (factoring, forfeiting, etc.) after the relevant registrations under the Credit Institutions Act and the requirements for carrying out activity as a financial institution in connection with the provision of the specified non-bank financial services, all additional and servicing leasing and lending activities and any other activity not prohibited by law.

Main activity of the company: financial leasing and providing loans that are not raised through public attraction of deposits or other repayable funds.

The capital of the Company amounts to BGN 1,200,000 / one million and two hundred thousand /, divided into 1,200,000 / one million and two hundred thousand / number of available, registered, non-preferred shares with a nominal value of BGN 1 / one / each with right to vote.

For the period of the historical period considered in this document 2018 - 31.12.2020, as well as until now Amigo Leasing EAD - does not own subsidiaries; does not own real estate.

Amigo Leasing EAD operates on the Bulgarian market, operating at the Head Office and 11 other registered branches in Bulgaria.

The company is registered by the BNB as a financial institution under number BGR00395 with order BNB-32591 dated March 20, 2018.

□ „EUROLEASE AUTO“DOOEL SKOPJE

Eurolease Auto DOOEL Skopje is a company that provides leasing of cars and vans in the territory of the Republic of North Macedonia. The company was established on 28.05.2008 with a sole owner of the capital "Eurohold Bulgaria" AD. In 2009 the company was contributed to the capital of the leasing subholding of the Eurohold Group, namely to the capital of Eurolease Group AD.

Eurolease Auto DOOEL Skopje is a sole proprietorship joint stock company operating under the legislation of the Republic of North Macedonia. The company was established for an indefinite period of existence. Eurolease Auto DOOEL Skopje was entered in the Central Register of the Republic of North Macedonia under № 4030008035637 on 28.05.2008. At present the sole owner of the capital is Eurolease Group AD.

Main activity of the company: provision of services related to financial leasing.

The capital of the Company amounts to 784,891 / seven hundred eighty-four thousand eight hundred ninety-one / euro or in BGN equivalent of 1,535,113 / one million five hundred thirty-five thousand one hundred and thirteen / BGN.

For the period of the historical period considered in this document 2018 - 31.12.2020, as well as until now "Eurolease Auto" DOOEL Skopje - does not own subsidiaries; does not own real estate.

Eurolease Auto DOOEL Skopje - The Company carries out financial leasing activities, for the performance of which it holds a license issued by the Ministry of Finance of the Republic of North Macedonia № 12-31479 / 2 issued on 09.09. 2008..

□ „EUROLEASE AUTO“IFN C.A., ROMANIA

Eurolease Auto INF SA, Romania is a leasing company for cars and vans in Romania. The company was acquired in 2007 as a subsidiary of Eurohold Bulgaria AD. In 2009 74.93% of the company was contributed to the capital of the leasing subholding of the Eurohold Group, namely to the capital of Eurolease Group AD. At present, Eurolease Group AD owns 77.98% of the company's capital.

For the period of the historical period considered in this document 2018 - 31.12.2020, as well as until now "Eurolease Auto" INF SA, Romania - does not have subsidiaries; does not own real estate.

The main activity of the company is the provision of financial leasing, for the performance of which it is registered as a financial institution by the National Bank of Romania. As of 03.03.2014, the company's license has been terminated, and from that moment until now it serves only the existing portfolio of leasing contracts, not performing activities for structuring a new business.

D). EURO-FINANCE AD (INVESTMENT INTERMEDIATION AND ASSET MANAGEMENT) – www.eurofinance.bg

Euro-Finance AD was established on 14.01.1994 as a joint stock company and entered in the Commercial Register with UIC 831136740 and registered office in Sofia, Bulgaria. The existence of the company is not limited by a term or other termination condition. The majority owner of the capital is Eurohold Bulgaria AD.

The capital of the Company amounts to BGN 14,100,002 (fourteen million one hundred thousand two), distributed in 14,100,002 (fourteen million one hundred thousand two) number of ordinary, dematerialized voting shares with a nominal value of 1 (one). BGN each.

Statutory subject of activity according to art. 4 of the Articles of Association of the Company:

Investment services and activities in the country and abroad, namely: (1) acceptance and transmission of orders in connection with securities, including mediation for concluding transactions in connection with securities; (2) execution of orders for purchase or sale of securities at the expense of clients; (3) own-account securities transactions; (4) management, in accordance with a contract concluded with the client, of an individual portfolio, including securities, at its own discretion without special orders of the client; (5) providing individual investment advice to a client, on its own initiative or at the client's request, in respect of one or more securities transactions; (6) undertaking issues of securities and / or offering for initial sale of securities under the conditions of an unconditional and irrevocable obligation to subscribe / acquire the securities for own account; (7) offering for initial sale of securities without an unconditional and irrevocable obligation to acquire the securities for own account; provision of additional services in the country and abroad, namely: (1) safekeeping and administration of securities at the expense of clients, including custodial activity (holding securities and clients' money in a depository institution) and related services such as management of the received funds / provided collateral; (2) granting loans for carrying out securities transactions, provided that the person granting the loan participates in the transaction under conditions and by an order determined by an ordinance; (3) advising companies on capital structure, industrial strategy and related matters, as well as advice and services related to mergers and acquisitions; (4) transactions with foreign means of payment, insofar as they relate to the investment services provided (5) investment research and financial analysis or other forms of general recommendations related to securities transactions (6) services related to the business of underwriting issues of securities and / or offer for initial sale of securities under the conditions of unconditional and irrevocable obligation to subscribe / acquire securities for own account and / or offer for initial sale of securities without unconditional and irrevocable obligation to acquire securities for own account, as well as the execution of transactions with foreign means of payment in cash and in a non-cash manner and other commercial transactions related to the implementation of the above activities.

Main activity of Euro-Finance AD: Euro-Finance AD is an investment intermediary with a 25-year history. The company is a well-known name on the Bulgarian financial market, serving the investment and financial needs of individual, corporate and institutional investors.

The company has not established branches.

5.1.2. INFORMATION ON SIGNIFICANT NEW PRODUCTS AND/OR SERVICES THAT HAVE BEEN INTRODUCED AND, TO THE EXTENT THE DEVELOPMENT OF NEW PRODUCTS OR SERVICES HAS BEEN PUBLICLY DISCLOSED, THE STATUS OF THEIR DEVELOPMENT

Eurohold Bulgaria AD, as a holding company, does not carry out direct activities related to the development and implementation of new products and / or services and customers relationships. Such activity is performed by the operating companies of the Issuer's subsidiaries. This statement presents information on the latest products and services developed by the subsidiaries, for the period from the date of the last published audited annual consolidated financial statement for 2019 to the date of the Registration Document.

In general, the development and provision of new products and services by the operating companies in the Eurohold Group aim to meet and fulfil all the needs and requirements of the customers, the introduction of innovative and digital products unique to the market. The aspiration of the group is using experience, knowledge, abilities and flexibility to offer customers solutions that meet the latest requirements of society.

The operating companies of the sub-holding structures offer all types of products and services specific to the given market. In this sense, the Eurohold Group can offer a full range of solutions for private clients, legal entities and corporate clients. The steady growth trend of the market positions of the Eurohold Group is due to the group strategy to put the customer's needs at the centre of activities. To meet the new conditions and needs, the Eurohold Group monitors the market environment in the sectors and countries in which it operates and continuously improves its business model and the way it delivers value to customers, using the experience, product development and know-how of different countries in which it is presented.

Eurohold has organized its business structure in such a way as to create opportunity for development of unique products based on synergies and complementary proposals from sub-holding structures and to adequately meet the growing needs of its customers.

A). DEVELOPED NEW PRODUCTS AND SERVICES FROM THE INSURANCE DEPARTMENT

The operating companies of Euroins Insurance Group AD (EIG) follow a marketing policy aimed at developing and offering innovative and diverse products and services in accordance with the changing needs of customers. In order to offer flexible service and meet the needs of appropriate insurance services, various product ranges and combined insurances have been developed and are constantly being upgraded.

The new insurance products and services developed by the companies in 2020 to date:

□ „IC EUROINS“ AD

- developed a new functionality for the sale of retail insurance and through the new portal launched the sale of the updated product "Travel Assistance - Traveller".
- A new travel cancellation insurance cover was also developed to cover passenger protection needs in the event of travel cancellation in the event of COVID-19 infection.
- launches sale of home property insurance in the Netherlands.

□ „EUROINS ROMANIA ASIGURARE REASIGURARE“ S.A.

Euroins Romania has launched an online application for self-assessment of long-term rights claims (material damages only) starting on 6 April 2020. As of the end of May, around 30-35% of new motorists' civil liability claims are reported through this application.

□ PJSC IC Euroins, Ukraine

As part of the immediate response to new market needs, in 2020 the Company is actively involved in the development of new products, some of which are:

- health insurance COVID-19 (for foreign citizens).
- health insurance Express PREMIUM + COVID-19.
- health insurance - antiviral.

- launches a new product "Protection of future generations", based on the license for accident insurance and voluntary health insurance.
- the company prepared and submitted to the regulator the necessary documentation for obtaining new licenses - voluntary insurance of railway transport, voluntary insurance of agricultural products, compulsory aviation insurance of civil aviation. These licenses were obtained at the end of 2020.
- in the 4th quarter of 2020, the company joined the project Visit Ukraine, which is supported by the State Agency for Tourism Development of Ukraine and began selling health insurance policies to foreign tourists through online platforms.

❑ **PJSC IC Euroins, Belarus**

It has been developed on a new service - "Office of the insured", through which the company's clients will be able not only to conclude an insurance contract in electronic form, but also to track information about contracts and regular payments, to declare insurance events and to monitor settlement status. of insurance cases.

❑ **„IC EUROINS GEORGIA“AD, GEORGIA**

„ZK Euroins Georgia AD has focused its efforts on diversification of its portfolio and is in the process of developing new products related to health insurance, home insurance, property insurance and liability.

❑ **PJSC European Travel Insurance, Ukraine.**

In the conditions of the pandemic the Company has developed for the tour operators a new additional insurance program COVID-19 related to tourists.

❑ **Euroins Osiguruvanje AD, North Macedonia**

At the end of 2020, the Company introduces two new classes of insurance, Legal Costs and Loans “.

❑ **Russian Insurance Company Euroins OOO (associated participation), Russia**

In 2020, the Company accelerated the process of digitalization of sales channels, in connection with which it launched an application for insurance policies, as well as for communication with clients, and a mobile personal account of an agent and a client. Following the introduction of the new application, insurance policies for mass types of insurance can be issued from anywhere in the world.

B). DEVELOPED NEW PRODUCTS OR SERVICES FROM THE VEHICLE DEPARTMENT

❑ **New products**

- ✓ **„ Auto Italia EAD became an importer of performance and tuning parts of the German manufacturer Novitec Group**

Continuing to develop its portfolio of brands and services it offers on the Bulgarian market, Auto Italia EAD, part of the Auto Union AD Group, in July 2020 became the official representative of the Novitec Group for Bulgaria. With a focus on the premium segment, the company will now offer, in addition to Italian car brands, tuning parts for better performance and unadulterated design to meet all market requirements.

Novitec Group is a German manufacturer of performance and tuning parts, which specializes in the brands Ferrari, Lamborghini, Maserati, Rolls-Royce, Tesla and more recently - McLaren. Novitec's extensive customization programs (Rosso, Torado, Tridente, SPOFEC, McLaren) are characterized by the highest quality products made with precision and superior craftsmanship. Their excellent reputation is shaped by a commitment to exceptional performance and design.

Since 1989, the Novitec program has focused on extremely powerful and reliable engines, along with avant-garde style for Italian supercars, and with newer additions SPOFEC (Rolls-Royce, Spirit of Ecstasy) and the McLaren division - now the owners of these British cars. can also benefit from masterful tuning products.

- ✓ **„Auto Italy EAD opened a new showroom and authorized service of the car brand FERRARI**

At the beginning of February 2021, Auto Italia EAD opened a showroom and service of the Italian brand Ferrari. Auto Italia EAD will offer used models certified by the Italian manufacturer and customers will be able to place orders for brand new cars. The importer Auto Italia EAD has agreed quotas for all current and special models.

The newly opened showroom also has a service base for servicing up to four cars at a time.

❑ **New services**

- ✓ **With the development of COVID-19 "Avto Union" AD introduced for its customers a new free service "Door to door service" .**

For all customers of the service centres in Sofia and Varna of the brands Abarth, Alfa Romeo, BMW, Fiat, Fiat Professional, Maserati, Mazda, Nissan, Opel, part of the portfolio of "Auto Union" AD, a free service is provided "Door to door service" with an additional opportunity to take advantage of a replacement car for a fee of BGN 30 without VAT per day.

Also, all customers can place their orders for spare parts to the companies to be delivered by courier. For those wishing to purchase a car, the companies also offer direct delivery to a specified address by the customer.

C). DEVELOPED NEW PRODUCTS OR ACTIVITIES FROM LEASING

Eurolease Group AD does not carry out direct activities related to the development of products and services and customer relationships. These activities are developed by the subsidiaries and are aimed at developing and providing new products and services aimed at meeting and satisfying all the needs and requirements of customers. The Group's clients are both individuals and corporate individuals.

The companies from the Eurolease group have many years of experience in the sectors in which they operate and are one of the leaders in the development of new products and online platforms meeting the latest requirements of society.

The leasing companies of the Eurolease group are constantly focused on the development of products offering flexible repayment plans and interest rates that are consistent with the risk profile of the client, building new functional websites of the companies, including the implementation of mobile applications fully online customer service, both when applying and for after-sales service.

The subsidiaries of Eurolease Group AD, together with Euroins Insurance Company AD and the car companies owned by the Auto Union Group AD (all part of the economic group of Eurohold Bulgaria AD) regularly develop successful joint products, offering attractive and innovative products and customer conditions.

▣ New products

The latest new products developed by the leasing companies of the Eurolease group are the products:

- ✓ **SIMPL** – offering long-term rental with full car service included
- ✓ **Ready to go** – offering short term rental with full car service included

The development of new products is dictated by a change in car market trends, namely the shift of consumers' desire to own a car at the expense of its use as a service (so-called "car as a service").

By choosing the product of "Simpl" and "Ready to go", customers pay a defined monthly instalment, including:

- Insurance.
- motor vehicle tax.
- maintenance.
- double tire change + wardrobe.
- replacement car up to 3 days once a year; and
- one-time filing of damages.

The signing of the contract and the delivery of the car takes place in a place convenient for the client, without the need to visit an office. In addition, a personal assistant will take care of the overall maintenance of the car, and its application is made entirely online (via a mobile application). For customers there is the possibility to include additional services. The innovative and easy-to-use website with a convenient customer module also contributes to the overall customer experience.

Thanks to trade discounts agreed and received by the Group from service centres throughout the country, customers benefit from:

- Discount when using a hotel for tires.
- Discount when buying tires.
- Discount for service activities.
- Replacement car.
- Others.

All new clients who have concluded a financial leasing contract with Eurolease Auto EAD and Sofia Motors EOOD receive a free DriveSimpl package for the period of 1 year.

- ✓ **DriveSimpl** – The product is a card that is available to loyal customers from October 2020 and includes:

- Deferred payment for fuel.
- Fixed discount of 7 stotinki. for all fuels at Petrol, Cruise and EKO petrol stations.
- Detailed breakdown for each charge in 1 / one / month invoice.

A DriveSimpl card can be obtained by customers ordering their card and receiving it with free delivery to an address specified by them throughout Bulgaria.

Advantages of DriveSimpl card:

- Saves waiting in queues at gas stations for the next invoice.
- Each invoice is carefully stored and preserved.

DriveSimpl fuel card is offered completely free of charge by Eurolease Auto EAD and Sofia Motors EOOD in partnership with **drivesimpl.bg, Benzin.bg and Borika**, to all current and future customers.

The DriveSimpl card may be terminated at any time with one month's notice.

- ✓ **DriveSimpl App** – includes the DriveSimpl product + additional options
- ✓ This product provides an additional opportunity for customers to request and manage services related to car service entirely digitally.

□ New services

The following new services have been developed and are offered to customers:

- ✓ **100 point DEKRA check + extended warranty for each car** offered by Autoplaza EAD for the company's own cars

Each car, owned by Autoplaza EAD, passes a thorough 100-point DEKRA check, which gives customers complete information about the condition of the car. The team of Autoplaza EAD, for its part, undertakes to eliminate all detected irregularities and to provide the car with a factory or extended warranty.

- ✓ **Simpl Ready 2 Go** – offered by Sofia Motors EOOD

Service for long-term use of a car on a subscription basis under the Simpl brand, providing customers with the opportunity to rent a car for a monthly deposit, and after six months, the customer can terminate the rental at any time with one month's notice.

- ✓ **Reverse lease** – offered by Amigo Leasing EAD

At the beginning of 2021, a product of Amigo Leasing EAD was launched, aimed at customers who own their own car and are looking for a credit product that provides quick liquidity.

D). DEVELOPED NEW PRODUCTS OR SERVICES FROM EURO-FINANCE AD

□ New products

- ✓ **„ Euro-Finance AD started a partnership in offering mutual funds of the largest asset management company in Europe - Amundi Asset Management on the Bulgarian market**

The investment intermediary Euro-Finance AD, part of the Eurohold group, is the first non-bank financial institution in the country to offer funds from the largest asset management company in Europe - Amundi Asset Management, entirely online.

Euro-Finance AD and Amundi Asset Management launched a partnership in early December 2020 in offering mutual funds on the Bulgarian market. Bulgarian investors - individual and institutional, will be able to acquire units of Amundi's global mutual funds through the network of Euro-Finance AD entirely digitally, using the mobile application for remote e-identification and e-signature of the company Evrotrust Technologies.

At this stage, 50 of the funds of the asset management company Amundi Asset Management are available through the network of the Bulgarian intermediary Euro-Finance AD, which are selected and consistent with the profile of Bulgarian investors. Amundi mutual funds provide an opportunity for profitable investments and the construction of a diversified portfolio with the potential to generate a stable income. The cooperation between Euro-Finance AD and Amundi will expand and improve the access of Bulgarian investors to the global financial markets, as the process of acquiring the shares will be fully digitalized. It will also facilitate the access of Bulgarian investors to global financial markets. Thanks to the cooperation with the European leader in asset management - Amundi, Euro-Finance AD has the opportunity to offer clients a wide range of mutual

funds with various investment orientations. Amundi funds are a very good opportunity to invest in a professionally managed global portfolio.

In view of the challenges for the company's activity caused by COVID19, in 2020 Euro-Finance AD signed a contract with Eurotrust Technologies AD - a company providing qualified certification services, Euro-Finance AD integrates in the corporate website of the company as a whole solution for remote identification and signing of electronic documents, which effectively optimizes the process of concluding contracts with new customers remotely. Euro-Finance AD sees both short-term benefit from this solution in the conditions of social distancing, and long-term - overall optimization of the internal company processes.

5.2. MAIN MARKETS

„Eurohold Bulgaria AD as a holding company does not develop independent production and / or trade activity or activity related to the provision of services. In this sense, the Company does not generate regular income from such activity, on the basis of which it can be attributed to a certain market by the economy. The operating revenues of Eurohold Bulgaria AD are related to financial operations for acquisition and management of subsidiaries, due to which the Company belongs to the financial sector.

Eurohold Bulgaria AD through its subsidiaries is positioned on the markets in the region of Central and South-eastern Europe and operates in the insurance, automotive, leasing and financial investment sectors.

The following tables present in summary information on the nature of the Issuer's consolidated revenues based on geographical positioning of the market operations of the Eurohold economic group, sector and segment of activity of the companies.

Issuer:

Financial Sector		
Activity segment:	Types of income	Geographic markets:
Eurohold Bulgaria AD		
Holding activity	revenues related to financial operations of acquisition and management of companies	Bulgaria

Issuer's subsidiaries:

Insurance sector		
Activity segment:	Types of income	Geographic markets:
Euroins Insurance Group AD		
Holding activity	revenues related to financial operations of acquisition and management of companies	Bulgaria
Operating companies - Insurance		
General Insurance	Insurance products (general insurance)	Bulgaria; Romania; North Macedonia; Ukraine; Georgia; Belarus; Russian Federation (associated participation)
Life insurance life insurance products	Life insurance life insurance products	Bulgaria
Travel insurance	Travel insurance	Ukraine
Liquidation of damages	Collection and processing of motor claims services	Greece
Insurance services distributed under the freedom of establishment and freedom of services	Insurance products	Italy, Greece (branch), Spain, Poland, Great Britain (IC Euroins AD operates in these markets as part of the Issuer's insurance business)

Automotive sector		
Activity segment:	Types of income	Geographic markets:
Avto Union AD		
Holding activity	revenues related to financial operations of acquisition and management of companies	Bulgaria
Operatin companies – automotive sector		
Import and sale of cars, mopeds, spare parts and engine oils, service activity, card refueling operator	sale of new and used cars; servicing activity; sale of engine oils; providing a service as a card operator for refueling; after sales services	Bulgaria
Sale of cars, service activity	Sale of new cars, after sales services	North Macedonia

Leasing Sector		
Activity segment:	Types of income	Geographic markets:
„Eurolease Group AD		
Holding activity	revenues related to financial operations of acquisition and management of companies	Bulgaria
Subsidiaries		
Leasing of motor vehicles; leasing; ren a car; purchase and sale of used cars	interest on financial leasing; short and long term car rental services; sale of used cars	Bulgaria
Leasing of new motor vehicles;	interest on financial leasing	North Macedonia

Financial sector		
Activity segment:	Types of income	Geographic markets:
Euro-Finance AD		
Investment intermediation and asset management	Investment intermediation; investment and securities transactions; asset management; currency operations; commissions	Bulgaria
Investment intermediation	Investment intermediation	Germany, through Euro-Finance AD as a member of the Frankfurt Stock Exchange - Deutsche Börse Xetra

Generated on the respective market revenues by the companies participating in the consolidated financial statements of the Issuer for the period covered by the considered historical financial information:

Financial sector	Revenues by activity	Revenues as at 31.12.2017	Revenues as at 31.12.2018	Revenues as at 31.12.2019	Revenues as at 31.12.2020	Geographical distribution of revenues by markets
Company		(BGN '000)	(BGN '000)	(BGN '000)	(BGN '000)	
Eurohold Bulgaria AD	Financial activity	4 045	24 052	7 515	4 580	Bulgaria
Total operating revenues generated by the Issuer from its own activity		4 045	24 052	7 515	4 580	

Source: Eurohold Bulgaria EAD - according to data from the audited annual separate financial statements for 2017, 2018 and 2019 and the unaudited updated interim separate financial statements as of 31.12.2020.

Insurance sector	Revenues by activity	Revenues as at 31.12.2017	Revenues as at 31.12.2018	Revenues as at 31.12.2019	Revenues as at 31.12.2020	Geographical distribution of revenues by markets
		Gross written premium*				
Company		(BGN '000)	(BGN '000)	(BGN '000)	(BGN '000)	
Euroins Insurance Group AD	Financial activity	8 322	7 947	6 104	6 364	Bulgaria
IC Euroins AD	General insurance	143 945	172 889	243 411	298 518	Bulgaria
Euroins Romania Asigurare-Reasigurare S.A.	General insurance	472 884	425 465	529 939	530 317	Romania
Euroins Osiguruvanyie AD	General insurance	18 205	21 454	25 871	23 055	North Macedonia
IC EIG Re EAD	General insurance	11 982	11 072	2 733	11 691	Bulgaria
IC Euroins Life EAD	Life insurance	1 641	1 881	2 454	3 870	Bulgaria
PJSC European Travel Insurance	Travel insurance	-	4 042	21 540	11 590	Ukraine
IC Euroins Ukraine	General insurance	9 482	16 026	17 091	21 868	Ukraine
Euroins Claims M.I.K.E	Liquidation of damages	-	-	3 714	3 210	Greece
IC Euroins Georgia	General insurance	-	2 216	9 926	12 747	Georgia
PJSC IC Euroins (former PJSC IC ERGO)	General insurance	-	-	-	10 204	Belarus
Total operating revenues generated by the insurance companies participating in the consolidation		666 461	662 992	862 783	933 434	
Russian Insurance Company Euroins OOD (associate company)**	General insurance	-	50 135	58 475	61 982	Russia

Source: Eurohold Bulgaria EAD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited updated interim consolidated financial statements as of 31.12.2020 (report by business segments - before eliminations)

* Revenue from gross written premiums from insurance refers only to insurance companies (ie excluding the revenues of Euroins Insurance Group EAD and Euroins Claims M.I.K.E., which are respectively financial revenues and revenues from liquidation of claims)

** The realized revenues from Russian insurance company Euroins OOD are shown for information, they are not subject to consolidation (they are not reported in the consolidated revenues of the Issuer), due to the fact that the participation in the Russian company during the covered by the historical information period is participation in associated entity, as at the end of 2020 it amounts to 48.61%.

Note: The table above presents information on the generated revenues of the companies of the Group of Euroins Insurance Group before applying consolidation procedures when preparing the consolidated report of the Issuer (eliminations of intra-group transactions).

Automotive sector	Revenues by activity	Revenues as at 31.12.2017	Revenues as at 31.12.2018	Revenues as at 31.12.2019	Revenues as at 31.12.2020	Geographical distribution of revenues by markets
		(BGN '000)	(BGN '000)	(BGN '000)	(BGN '000)	
Company						
Avto Union AD	Financial activity	755	767	992	769	Bulgaria
Auto Italia EAD	Cars/mopeds sales	28 644	40 091	45 043	13 440	Bulgaria
	Spare parts sales	1 458	4 920	1 404	1 189	
	Car services	440	527	222	205	
Auto Italia - Sofia EOOD*	Cars/mopeds sales	-	-	13 831	2 011	Bulgaria
	Spare parts sales	-	-	654	487	
	Car services	-	-	160	95	
N Auto Sofia EAD	Cars sales	22 432	23 079	22 328	13 336	Bulgaria
	Spare parts sales	1 331	2 374	1 696	1 558	
	Engine oils sales	41	34	-	29	
Espace Auto OOD	Car services	307	328	384	334	Bulgaria
	Cars/mopeds sales	53 479	64 868	59 221	49 541	
	Spare parts sales	16 819	17 809	21 283	26 598	
Auto Union Service EOOD	Car services	2 852	3 398	4 055	4 171	Bulgaria
	Spare parts sales	1 909	2 071	1 873	1 785	
EA Properties OOD	Car services	1 529	1 607	1 424	1 241	Bulgaria
	Real estate management	1 291	1 661	1 992	1 932	
Daru Car AD	Spare parts sales	4 671	6 020	5 459	5 249	Bulgaria

	Cars/mopeds sales	474	250	620	648	
	Car services	1 392	951	1 009	994	
Bulvaria Varna EOOD	Cars sales	3 276	3 195	3 224	2 756	Bulgaria
	Spare parts sales	908	1 153	1 167	944	
	Engine oils sales	79	82		69	
	Car services	728	764	560	460	
Bulvaria Sofia EAD	Cars sales	-	-	6 767	6 619	Bulgaria
	Spare parts sales	-	-	700	769	
	Car services	-	-	231	259	
Bulvaria Holding AD*	Cars/mopeds sales	9 821	8 143	3 912	-	Bulgaria
	Spare parts sales	1 182	1 752	402	-	
	Car services	1 286	1 127	112	-	
Star Motors EOOD	Cars/mopeds sales	31 020	29 508	32 151	19 378	Bulgaria
	Spare parts sales	3 135	4 010	3 627	2 869	
	Engine oils sales	674	290		631	
	Car services	1 245	1 356	1 477	1 310	
Star Motors DOOEL	Cars/mopeds sales	3 900	2 166	3 616	952	North Macedonia
	Spare parts sales	569	466	578	319	
	Car services	104	97	88	82	
Star Motors SH.P.K.	Cars/mopeds sales	29	-	17	-	Kosovo
	Spare parts sales	-	-	-	-	
	Car services	-	-	-	-	
Motohub OOD	Cars/mopeds sales	-	-	10	23	Bulgaria
	Spare parts sales	-	-	-	1	
	Car services	-	-	-	-	
Motobul EAD	Engine oils sales	3 858	4 974	4 423	3 438	Bulgaria
	card operator for refueling	313	650	990	1 069	
	Spare parts sales	1 306	1 536	1 428	2 448	
	Sales of other goods	-	-	-	868	
Bopar Pro S.R.L.	does not carry out activity (in liquidation)	-	-	-	-	Romania
Benzin Finance EAD	does not carry out activity	-	-	-	-	Bulgaria
Total operating revenues generated by the automotive companies participating in the consolidation		204 012	232 791	250 122	170 876	

Source: Eurohold Bulgaria EAD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited updated interim consolidated financial statements as of 31.12.2020 (report by business segments - before eliminations)

* The company Auto Italia - Sofia EOOD was sold at the end of 2020, and Bulvaria Holding AD was sold in 2019. As of the date of this document, the two companies are not part of the assets of Avto Union AD, respectively of the Issuer. The generated revenues of the two companies shown in the table are for the period in which they were part of the Eurohold economic group

Note: The table above presents information on the generated revenues of the companies of the Group of Avto Union before applying consolidation procedures when preparing the consolidated report of the Issuer (eliminations of intra-group transactions).

Leasing Sector	Revenues by activity	Revenues as at	Revenues as at	Revenues as at	Revenues as at	Geographical distribution of revenues by markets
		31.12.2017	31.12.2018	31.12.2019	31.12.2020	
Company		(BGN '000)	(BGN '000)	(BGN '000)	(BGN '000)	
Eurolease Group AD	Financial activity	433	587	513	426	Bulgaria
Eurolease Auto EAD	Interest income on financial lease contracts	5 895	7 606	6 893	5 710	Bulgaria
Eurolease Rent-a-Car EOOD	Revenues from operating leases and car rental services (short-term car rental)	8 386	8 367	8 197	5 629	Bulgaria
Autoplaza EAD	Revenues from purchase and sale of used cars	667	688	803	569	Bulgaria
Sofia Motors EOOD	Revenues from car rental	2 126	3 421	3 724	4 310	Bulgaria
Amigo Leasing EAD	Revenues from the provision of used cars	16	541	1 932	3 110	Bulgaria

	under the terms of financial leasing for natural persons and the provision of loans					
Eurolease auro DOOEL, Skopije	Interest income on financial lease contracts	1 018	1 158	1 309	1 304	North Macedonia
Eurolease Auto, Romanai	Interest income on financial lease contracts	1	-	-	-	Romania
Total operating income generated by leasing companies		18 542	22 368	23 371	21 058	

Source: Eurohold Bulgaria EAD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited updated interim consolidated financial statements as of 31.12.2020 (report by business segments - before eliminations)

Note: The table above presents information on the generated revenues of the companies of the Group of Eurolease Group before applying consolidation procedures when preparing the consolidated report of the Issuer (eliminations of intra-group transactions).

Financial sector	Revenues by activity	Revenues as at 31.12.2017	Revenues as at 31.12.2018	Revenues as at 31.12.2019	Revenues as at 31.12.2020	Geographical distribution of revenues by markets
Company		(BGN '000)	(BGN '000)	(BGN '000)	(BGN '000)	
Euro-Finance AD	Interest and similar income	591	759	462	409	Bulgaria
	Income from operations with financial assets and instruments	299	(12)	766	119	
	Fees and commissions from transactions with financial instruments	1 442	1 031	1 052	1 853	
Total operating income generated by Euro-Finance		2 332	1 778	2 280	2 381	

Source: Eurohold Bulgaria EAD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited updated interim consolidated financial statements as of 31.12.2020 (report by business segments - before eliminations)

Note: The table above presents information on the generated revenues of Euro-Finance before applying consolidation procedures when preparing the consolidated report of the Issuer (eliminations of intra-group transactions).

As of the date of the Registration Document, the Energy segment has no activity. The following table shows the current activity of the companies subject to acquisition within the package deal. The information on the types of revenues in the energy sector is presented for information with a view to upcoming closing of the acquisition of CEZ's Assets in Bulgaria and due to their future significance regarding the nature of the Issuer's consolidated revenues in subsequent reporting periods.

Energy sector	Type of revenues	Geographical region
Eastern European Electric Company II B.V.		
Holding activity (has no activity as of the date of this document)	after acquiring CEZ's assets in Bulgaria, the company will generate the following revenues: revenues related to financial operations for acquisition and management of companies - management of its subsidiary "Eastern European Electric Company" B.V.	Netherlands
Eastern European Electric Company B.V.		
Holding activity (has no activity as of the date of this document)	after acquiring the assets of CEZ in Bulgaria, the company will generate the following revenues: revenues related to financial operations for acquisition and management of companies - management of the operating companies acquired by it from CEZ	Netherlands
Subsidiaries of Eastern European Electric Company B.V.		
Electricity distribution; Electricity trade; Photovoltaic energy production; Biomass energy production; IT (information and communication technologies)	after the acquisition of CEZ's Assets in Bulgaria, the operating companies will generate the following revenues: Sale of electricity; Electricity supply; Research, consulting, planning, financing and construction of energy facilities; Delivery of energy efficient services; Supply and distribution of electricity for the purpose of supply to consumers;	Bulgaria

	Production and trade in energy from renewable sources; Information and communication technology services	
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OVERVIEW OF THE MAIN MARKETS IN WHICH THE ISSUER COMPETES THROUGH ITS SUBSIDIARIES

A). INSURANCE MARKET

EIG Insurance Group operates in addition to the insurance market in Bulgaria and markets in Central and Southeastern Europe, mainly Romania, North Macedonia, Ukraine, Georgia, Russia, Greece, and from 2020 in Belarus.

The insurance sector is one of the sectors in the economy that is developing extremely dynamically and in the last few years is characterized by several specifics:

- Growth trend in revenue from recorded gross premiums;
- High degree of market concentration;
- Entering new market participants;
- Market consolidation through mergers and acquisitions;
- Concentration of insurance portfolios;
- Distribution channels are dominated by insurance brokers;
- Enhanced role of the regulator.

INSURANCE MARKET IN BULGARIA IN 2020

▣ Market development according to the latest published data for 2020

As of December 2020, the insurance market in Bulgaria decreased by only 0.9% compared to the same period of 2019 (according to the latest published data by the Financial Supervision Commission) reaching BGN 2,885 million.

The latest published data by the FSC for December 2020 show a continuation of the tendency of the non-life insurance market in Bulgaria to move steadily around levels close to the previous year 2019. The amount of gross written premiums in non-life insurance for 2020 is BGN 2,438 million, noting a slight increase of 1% on an annual basis.

The paid indemnities in the general insurance amount to BGN 1,210 million, remaining unchanged compared to 2019, while in life insurance BGN 198 million were paid, which is 11.3% more than in the previous 2019.

The structure of the portfolio of the general insurance market in Bulgaria is characterized by a significant predominance of motor insurance - civil liability of motorists and motor hull insurance (motor vehicles).

The written premium from Motor Third Party Liability Insurance as of October 2020 is BGN 1,080 million, reporting a slight decrease of 0.9% compared to the premium income realized for 2019. The indemnities paid under the Motor Third Party Liability Insurance increased by 6.14% on an annual basis and reached BGN 556 million at the end of October 2020. At the end of December 2020, Casco insurance reported a slight change compared to the analyzed data. for 2019 - the recorded gross premium income has a slight increase of 0.16% and amounts to BGN 653 million, while the amount of paid benefits reports a slight decrease of 3.3%.

The data as of the end of 2020 confirm the positive growth trend in property insurance as in the case of "Fire and natural disasters" the increase in premium income on an annual basis is 4.7% and reaches BGN 289 million at the end of 2020 d. A significant increase of 8.5% was recorded in insurance "Fire and other hazards" with a premium income of BGN 92 million, while in insurance "Theft, robbery, vandalism" the written premium amounted to BGN 21 million and compared to 2019 is 4.16%.

The written premium from travel assistance insurance decreased slightly by 4.2% to BGN 38 million.

At the same time, the written premiums in life insurance amounted to BGN 447 million compared to BGN 499 million in 2019 and decreased by 4.4%. Market data at the end of 2020 show a positive trend in the reduction of the decline in premium income observed mainly in the second quarter of 2020.

Statistical data – insurance market in Bulgaria in 2020 compared to 2019

	Total recorded gross written premium - insurance market in Bulgaria
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Structure of gross written premium by insurance classes - insurance market	Gross written premium 2019	Share in the total written premium 2019	change 2020/2019	Gross written premium 2020	Share in the total written premium 2020
General insurance:					
Motor hull, incl.:	1 741 998 940	72.2%	-0.1%	1 732 795 980	71.1%
MTPL	1 089 837 095	45.2%	-0.9%	1 079 603 489	44.3%
CASCO	652 161 845	27.0%	-0.2%	653 192 491	26.8%
Accident and health insurance	109 672 271	4.5%	7.2%	117 592 852	4.8%
Assistance (travel)	39 630 677	1.7%	-4.2%	37 973 737	1.5%
Loans, guarantees, other financial losses and legal expenses	141 963 782	5.9%	-4.1%	147 844 428	6.1%
General civil liability	42 213 100	1.7%	19.5%	50 459 959	2.1%
Fire and natural disasters and other property damage	297 122 478	12.3%	4.6%	310 756 756	12.7%
Cargo	18 955 540	0.8%	10.9%	21 014 664	0.9%
Ships	4 818 357	0.2%	17.1%	5 641 322	0.2%
Aircraft	10 410 124	0.4%	-13.6%	8 996 897	0.4%
Rail vehicles	6 424 292	0.3%	-16.5%	5 361 654	0.2%
Total written premium from the general insurance:	2 413 209 562	100%	1.0%	2 438 438 249	100%
Life insurance					
Life insurance and rent	244 784 237	49.1%	-12.3%	214 683 305	48.1%
Marriage and child insurance	7 884 284	1.6%	-8.4%	7 221 223	1.6%
Life insurance related to an investment fund	91 324 725	18.3%	18.7%	108 423 240	24.3%
Capital redemption	0	-	-	0	-
Additional insurance	27 233 881	5.4%	23.8%	33 721 531	7.5%
Accident Insurance	18 273 460	3.7%	-20.9%	14 461 153	3.2%
Health Insurance	109 232 699	21.9%	-37.5%	68 223 737	15.3%
Total written premium from life insurance::	498 733 287	100%	-10.4%	446 734 189	100%
TOTAL FOR INSURANCE MARKET	2 911 942 849		-0.9%	2 885 172 438	

Analysis of the insurers from the group of the Issuer operating on the Bulgarian insurance market

□ IC Euroins AD. Market share

IC Euroins AD is a dynamic company that has been constantly expanding its activities in recent years. In 2019 the Company reports an increase of 41% in gross written premiums, and in 2020 an increase of 23%. The main reason for this is the organic growth in direct insurance both on the territory of Bulgaria and Greece, through an operating branch from the beginning of February 2019, and in Poland and Great Britain, where the company operates according to the principle of Freedom to provide services within of the European Union. There is a continuous improvement in the quality of services in these countries, relying on increasing the partner and customer network of the Company, improved IT capabilities and opportunities for market analysis and segmentation.

Main geographical markets in which the Company operates:

- Republic of Bulgaria;
- Republic of Greece;
- Kingdom of Spain;
- Republic of Italy;
- The Republic of Poland;
- Kingdom of Great Britain - The Company continues to operate on the insurance market in Great Britain during the transitional regime after the entry into force of BREXIT, and at the end of 2020 has declared the continuation of the activity under the temporary permit regime;
- The Netherlands (new market);
- Germany (new market).

Activity of IC Euroins AD on the insurance market in Bulgaria

IC Euroins AD is one of the main insurance companies in the field of non-life insurance in Bulgaria with a market share of over 12.24% (according to statistical data at the end of 2020 published by the Financial Supervision Commission) as the Company ranks 2nd in gross written premiums from the companies operating on the general insurance market in the country.

Gross premium recorded by IC Euroins AD by insurance classes compared to the non-life insurance market in Bulgaria - according to the last published statistical data as of the end of 2020 and 2019.

Structure of gross written premium by insurance classes	Total gross written premium – IC Euroins AD				
	Gross written premium 2019	Share for 2019	Change 2020/2019	Gross written premium 2020	Share for 2020
Motor hull, incl.:	166 531 120	68,4%	18,9%	198 070 802	66,4%
MTPL	130 245 886	53,5%	23,9%	161 318 939	54,0%
CASCO	36 285 234	14,9%	1,3%	36 751 863	12,3%
Accident and health insurance	12 067 278	5,0%	33,7%	16 132 130	5,4%
Travel assistance	8 176 795	3,4%	188,3%	23 571 008	7,9%
Loans, guarantees, other financial losses and legal expenses	31 263 888	12,8%	-5,3%	29 619 820	9,9%
General civil liability	6 392 780	2,6%	7,7%	6 886 975	2,3%
Fire and natural disasters and other property damage	15 862 901	6,5%	31,9%	20 916 582	7,0%
Cargo	2 749 824	1,1%	6,2%	2 920 957	1,0%
Ships	334 914	0,1%	-16,6%	279 246	0,1%
Aircraft	31 534	0,0%	281,1%	120 188	0,0%
Rail vehicles	-	0,0%	-	-	0,0%
Total	243 411 033	100,0%	22,6%	298 517 708	100,0%

Source: FSC - Insurance market statistics (www.fsc.bg)

Activity of the Company on the territory of the European Union:

IC Euroins AD operates both on the territory of Bulgaria and on the territory of other member states.

The company registers insurance business in Greece according to the Freedom of Establishment, having previously acted according to the principle of freedom of service (Freedom of Services). In Spain, Italy, Poland and the United Kingdom, the activity is also based on the principle of Freedom of Services. In the UK, the project is still in its infancy, but is still evolving rapidly.

Carrying out activity in Greece under the Freedom of Establishment (FoE)

IC Euroins AD through the established branch on the territory of Greece, offers the following types of insurance and the risks they cover:

- "Accident" (including industrial accidents and occupational diseases);
- "Land vehicles" (excluding rail vehicles);
- "Civil liability related to the possession and use of motor vehicles";
- "Travel assistance" (assistance);
- "Fire and natural disasters";
- "Other property damage".

The branch on the territory of Greece started operating effectively in early February 2019. Following the branch started its activity, respectively issued insurance policies, the issuance of insurance policies under the Freedom of Services was terminated, but the company services the issued previously policies in terms of their administration and the insurance events thereto.

Activity carried out on the territory of the Republic of Spain and Italy under the Freedom of Services (FoS):

The main line of business in both countries is "Guarantee Insurance". The business is fronting, which means that IC Euroins AD is the direct insurer, which acts as a fronting partner and reinsures the fully assumed risk, for which it receives a fronting commission.

An additional project has been launched in Spain to launch the sale of motor third party liability insurance.

Activity carried out on the territory of the Republic of Poland under the Freedom of Services:

The company has created a product intended for the Polish market, offering motor coverage (Motor Third Party Liability and Motor Casco), as well as providing assistance services and Accident, and from the beginning of 2019 the product is already on the market. .

Results of IC Euroins AD according to data of 2020

According to audited data for 2020, the revenues from insurance premium of IC Euroins AD amounts to BGN 299 million compared to BGN 243 million for 2019, reporting an increase of 23%. At the end of 2020, there was a slight decrease in motor hull insurance by -9.8%, while motor third party liability insurance grew by 34.3%. Significant growth was also reported in the accidents and sickness insurance and the property insurance, by 46.5% and 49.6%, respectively. The increase in the revenues from insurance premium of IC Euroins AD is due to an increase in written premiums both in Bulgaria and in the countries where the company operates under the Freedom of Establishment and Freedom of Services. In general, the business registered abroad has grown in 2020 by about 80%. This is mainly due to the growth of sales launched at the end of 2018 in Poland and the entry of new markets in terms of freedom to provide services in the Netherlands and the United Kingdom.

□ IC EIG Re EAD. Market share

IC EIG Re AD is an insurance company in the field of non-life insurance in Bulgaria with a market share of over 0.5% (according to statistical data as of the end of December 2020 published by the Financial Supervision Commission) as the Company ranks 17th in terms of gross written premiums from the general insurance market in the country.

For 2020, the total recorded gross premium income from the Company increased by BGN 9 million, reaching the amount of BGN 11.7 million.

Gross premium income by insurance classes recorded by IC EIG Re EAD in relation to the non-life insurance market in Bulgaria - according to the last published statistical data as of the end of 2020 and 2019.

Structure of gross written premium by insurance classes	Total gross written premium – IC EIG Re EAD				
	Gross written premium 2019	Share for 2019	Change 2020/2019	Gross written premium 2020	Share for 2020
Motor hull, incl.:	55 529	2,0%	3862,5%	2 200 309	18,8%
MTPL	48 896	1,8%	4400,0%	2 200 309	18,8%
CASCO	6 633	0,2%	-100,0%	-	0,0%
Accident and health insurance	9 613	0,4%	-9,1%	8 739	0,1%
Travel assistance	-	0,0%	-	-	0,0%
Loans, guarantees, other financial losses and legal expenses	84 312	3,1%	49,1%	125 694	1,1%
General civil liability	1 273 542	46,6%	-9,2%	1 156 216	9,9%
Fire and natural disasters and other property damage	1 273 137	46,6%	362,0%	5 881 621	50,3%
Cargo	37 020	1,4%	5998,2%	2 257 559	19,3%
Ships	-	0,0%	-	61 929	0,5%
Aircraft	-	0,0%	-	-	0,0%
Rail vehicles	-	0,0%	-	-	0,0%
Totla	2 733 153	100,0%	327,8%	11 692 067	100,0%

Source: FSC - insurance market statistics (www.fsc.bg)

Results of IC EIG Re EAD according to data of 2020

According to audited data for 2020, the premium income of IC EIG Re EAD amounts to BGN 12 million compared to BGN 3 million for 2019, reporting an increase of 327.8%. The increase in the premium income of IC EIG Re EAD is due to an increase in written premiums for active reinsurance under the main lines of Motor Third Party Liability and Property. The premium income on these lines of business amounts to: BGN 2 million for motorists, BGN 6 million, Industrial fire, fire and other hazards - BGN 6 million, Cargo during transportation - BGN 2 million. BGN

□ IC Euroins Life EAD. Market share - Life insurance market in Bulgaria

10 life insurance companies operate on the market and the first 6 have a total market share of 96.6%

The latest published data from the FSC for 2020 show a decrease in gross insurance premiums by 10.4% compared to 2019. For 2020 the market has realized premium income in the amount of BGN 447 million, which is 15.5% of the total insurance market .

Life and Annuity Insurance has the highest share of the entire market, namely 48%. The main part of the premiums recorded under this type of insurance falls on the products offered through the networks of Banks and financial institutions.

Life Insurance related to the Investment Fund continues to increase its share in the total portfolio of life savings insurance as in 2020 its share is 24% against 18% in 2019.

The compensations paid until 2020 amount to BGN 197 million, which is an increase of BGN 20 million compared to the same period in 2019.

IC Euroins Life EAD has been part of Euroins Insurance Group AD since the beginning of 2014. The company is the only life insurance company in the EIG group. It puts in the first place the trust and professional service, as well as stable and adequate insurance protection of its clients. The main channel for distribution of insurance products is through partnerships with financial institutions and ensuring the security of credit product users. The company is open to the development and implementation of innovative approaches for more efficient and convenient service to its customers.

As of 31.12.2020 IC Euroins Life EAD operates only on the territory of the Republic of Bulgaria, having received a license to operate on the territory of France, Italy and Romania under the Freedom of Services.

IC Euroins Life EAD is an insurance company specializing in providing insurance products by partnering with financial institutions and providing security to users of credit products.

According to statistics published by the Financial Supervision Commission at the end of 2020, the Company ranks 9th with a market share of 0.5%. IC Euroins Life EAD is the only life insurance company in Bulgaria that does not have a license for "Health Insurance and Accident insurance. This in turn has an impact when comparing it with other companies on the market.

According to the audited financial statements for 2020, the premium income of the company amounts to BGN 3,870 thousand or 58% higher than that for 2019, which amounts to BGN 2,454 thousand. The increase is mainly due to an increase in the share of group risk insurance of borrowers with a share of premium income of 83%

Gross premium recorded by IC Euroins Life EAD by insurance classes compared to the life insurance market in Bulgaria - according to the last published statistical data as of the end of 2020 and 2019.

Structure of gross written premium by insurance classes	Total gross written premium - IC Euroins Life EAD				
	Gross written premium 2019	Share for 2019	Change 2020/2019	Gross written premium 2020	Share for 2020
Life insurance and rent	1 891 736	76,8%	58,7%	3 002 906	77,4%
a) life insurance	1 876 344	76,2%	59,0%	2 984 186	77,0%
- mixed life insurance	616 103	25,0%	-9,1%	559 786	14,4%
-risk insurance "Life" / with only the risk of death covered /	1 260 242	51,2%	92,4%	2 424 400	62,5%
b) pension or annuity insurance	15 392	0,6%	21,6%	18 720	0,5%
Marriage and child insurance	-	0,0%	-	0	0,0%
Life insurance related to an investment fund	9 744	0,4%	-12,4%	8 536	0,2%
Capital redemption	-	0,0%	-	0	0,0%
Supplementary insurance	560 600	22,8%	54,4%	865 830	22,3%
Accident Insurance	-	0,0%	-	0	0,0%
compulsory accident insurance for passengers in public transportation	-	0,0%	-	0	0,0%
Health insurance	-	0,0%	-	0	0,0%
Total	2 462 081	100%	57,5%	3 877 272	100%

Source: FSC - Insurance market statistics (www.fsc.bg)

According to audited data for 2020, Euroins Life EAD generated a premium income of BGN 3,870 thousand or 58% higher than that for 2019, which amounts to BGN 2,454 thousand. The increase is mainly due to an increase in the share of group risk insurance of borrowers with a share of premium income of 83%.

The paid claims with settlement costs for 2020 amount to BGN 1,081 thousand, the same increase compared to 2019 by BGN 979 thousand due to maturities on expiring long-term savings policies, as well as an increase in payments due to diseases from COVID-19.

ROMANIAN INSURANCE MARKET 2020.

According to the latest published market data, the local regulator, as of September 30, 2020, 28 insurance companies were operating, authorized and regulated by ASF, of which 15 are only allowed for non-life insurance business, 7 are only allowed for life insurance business and 6 are allowed for composite business.

The Romanian insurance market is characterized by a medium to high degree of concentration.

In the first 12 months of 2020, about 89% of the total gross written premiums amounting to RON 10 229 mln were generated by 10 insurance companies. They recorded a total insurance premium of 6,574,771,006 lei, which represents about 96% of the total number of this segment.

In 2020, insurance companies authorized and regulated by AS recorded gross premiums of more than 11 500 mln RON billion lei, an increase of approximately 4.6% over the same period last year 2019. The Romanian insurance market remains oriented towards non-life insurance with a share of 81% of total gross premiums written by insurance companies authorized and regulated by ASF.

Non-life insurance is dominated by motor insurance, including non-rail transport insurance and civil liability insurance, which account for about 71% of total gross non-life insurance premiums and 57% of total gross premiums written by insurance companies in the first nine months. months of 2020

Health insurance continued to register positive dynamics in the first three quarters of 2020, with a volume of approximately 351 million lei, which is an increase of almost 18% compared to the same period last year. Health insurance shares account for 4.1% of the total number of gross premiums written by companies authorized and regulated by ASF.

The current situation, marked by increased uncertainty about the future development of economic activities, exacerbated by the negative effects of the COVID-19 pandemic, has led to increased interest in guaranteed insurance. Guarantee insurance reports a volume of gross written premiums of about 364 million lei in the first 9 months of 2020, which leads to an increase of 92% compared to the same period last year.

The insurance market in Romania is characterized by a high degree of concentration, both in terms of exposure to the main classes of insurance and in terms of the significant size of market shares held by a relatively small number of insurance companies. There has been a continued increase in the concentration of the Romanian Civil Liability Insurance market, with the first two insurers (City Insurance and Euroins Romania Insurance - Reinsurance SA) having a cumulative market share of around 75%.

□ „ Euroins Romania Asigurare Reasigurare”S.A. Market share

Result according to preliminary data for 2020.

According to data published by ASF, at the end of the third quarter of 2020 "Euroins Romania Asigurare Reasigurare" S.A. takes 2nd place in terms of gross written premiums both in the insurance market as a whole with a market share of 11.68% and in general insurance, where the market share is 14.5%.

As of September 30, 2020, Euroins Romania Asigurare Reasigurare SA registered a market share of 32.07% for motor third party liability insurance.

In 2020, Euroins Romania does not report a change in the amount of gross premium income - BGN 530 million in 2020 and 2019.

Motor liability of motorists increased by 2%. The share of motor third party liability insurance amounts to 95% of the total written premiums of the Company.

An increase is observed in the guarantees under Guarantees, where the Company reports gross premium income in the amount of BGN 7.2 million against BGN 1.4 million for 2019.

INSURANCE MARKET IN NORTH MACEDONIA

In 2020, 16 insurance companies operated on the insurance market in North Macedonia - 11 insurance and 5 life insurance companies. Insurance companies with foreign capital predominate - 15 companies.

There is a decrease of 4.88% in the recorded gross premiums for non-life insurance from EUR 142 million in 2019 to EUR 135 million in 2020.

The number of health insurance policies has increased fivefold compared to 2019. A total of 114,559 citizens of North Macedonia have purchased such policies, or 93,161 more insured than in 2019.

The largest increase in the insurance market for 2020 is observed in Marine Insurance by 95.4%, and the largest decrease in Aviation Insurance by 82.96%.

▣ Euroins Osiguruvanyie AD Skopje AD. Market share

Result according to preliminary data for 2020.

Euroins Osiguruvanyie AD Skopje ranks 7th on the insurance market in North Macedonia with a market share of 8.73%.

In 2020, the revenues from recorded gross premiums of Euroins Macedonia decreased by 11% compared to 2019 and reached BGN 23 million. The company continues to strengthen its position in Agricultural Insurance, where the recorded business has grown and reached over BGN 6.9 million, and for 2019 BGN 6.6 million or an increase of 6% were reported. There is a decrease of 15% in motor third party liability insurance, where gross income of BGN 10.9 million or 47% of the total gross written premiums for the period was realized.

INSURANCE MARKET IN UKRAINE

Euroins Insurance Group AD operates on the Ukrainian insurance market through 2 insurance companies – PJSC IC Euroins Ukraine and PJSC IC European Travel Insurance.

According to data from the third quarter of 2020, 215 insurance companies operate on the Ukrainian insurance market, of which 195 in non-life insurance and 20 in life insurance. For comparison, in 2019 their number is 233-210 in non-life insurance and 23 in life insurance.

The market is characterized by a low level of insurance penetration - 1.5% of GDP. In terms of concentration - the first 30 insurance companies generate nearly 80% of gross written premiums on the market.

As of July 1, 2020, the insurance market is regulated by the Ukrainian National Bank, and one of the main tasks of the new supervisory authority is the introduction of European insurance regulations and in particular the tightening of solvency and capital adequacy requirements.

Gross written premiums from insurance companies on the market for the first nine months of 2020 amount to EUR 1.106 million (total insurance - EUR 986 million; life insurance - EUR 120 million), compared to EUR 1.831 million for 2019. (total insurance - EUR 1.671 million; life insurance - EUR 160 million).

The share of PJSC IC Euroins Ukraine in the total insurance at the end of the third quarter of 2020 is 0.83%, which is an increase compared to 2019 of 0.52%.

▣ PJSC IC Euroins Ukraine". Market share

Results according to preliminary data for 2020.

The share of PJSC IC Euroins Ukraine in the total insurance at the end of the third quarter of 2020 is 0.83%, which is an increase compared to 2019 of 0.52%.

In 2020, PJSC Insurance Company Euroins Ukraine reported gross premiums written in the amount of BGN 21.9 million or an increase of 28% compared to the same period of the previous year. Almost all major business lines are growing as follows: Motor Third Party Liability - 49%, Cargo - 15%, Health - 117%, Liabilities - 14%, Property - 45%.

▣ PJSC European Travel Insurance . Market share

Results according to preliminary data for 2020.

In terms of gross premiums written, PJSC European Travel Insurance is invariably one of the three leaders in the travel insurance market with 16% market share.

In 2020, PJSC European Travel Insurance recorded premiums totalling to BGN 11.6 million, which is a decrease of 47% compared to 2019. The decrease is due to the outbreak of the COVID-19 epidemic in mid-March 2020 and led to the introduction of a number of restrictive measures regarding the free movement of people globally and had a strong negative impact on the tourism sector in which the Company specializes.

INSURANCE MARKET IN BELARUS

In 2020, 71% of the recorded gross premium income on the insurance market of Belarus is concentrated in the first three insurance companies in terms of gross written premiums or EUR 331 million. They have full or predominant state capital.

The share of private insurers in the total primary insurance market amounts to 10.88%.

For the period January-December 2020, the written gross premiums of the insurance companies in Belarus in connection with direct insurance and co-insurance amount to 1,483.5 million rubles. The growth rate of insurance premiums in January-December 2020 compared to the same period of 2019 amounts to 105.7%.

For voluntary types of insurance in January-December 2020, insurance premiums amounted to 940.3 million rubles, which is 80.1 million rubles more than in the same period of 2019. Insurance premiums for compulsory types of insurance for January-December 2020 - 543.2 million rubles (at the level of the same period in 2019). The share of voluntary types of insurance in the total amount of insurance premiums is 63.4% (for January-December 2019 - 61.3%).

For the period January-December 2020, payments of insurance indemnities and insurance coverage in the country as a whole amount to 814.7 million rubles, which is 104.1 million rubles more than in the same period of 2019. The level of insurance payments in the total amount of insurance premiums for the period January-December 2020 amounts to 54.9% (for January-December 2019 - 50.6%).

IC Euroins, Belarus. Market share

Results according to preliminary data for 2020.

IC Euroins, Belarus occupies the third market position among 7 private insurers in the country with gross written premiums of EUR 7.8 million (2019 - EUR 9.2 million).

Euroins Insurance Group AD has been consolidating the Company since the beginning of May 2020, with gross premiums of BGN 10.1 million and profit before taxes of BGN 825 thousand reported for this period. The largest share of the written premiums falls on Casco insurance or 69% of the Company's portfolio, while motor third party liability insurance has the right to be concluded only by state insurance companies in Belarus.

GEORGIA INSURANCE MARKET

In 2020, 18 active insurers operate on the Georgian insurance market.

For the period 31.03.2019-31.09.2020 the total gross written premiums on the insurance market increased by 5.5% from 462.5 million gel to 487.9 million gel (from 134.7 million to 142 million).

The change in gross written premiums by lines of business is as follows:

Casco - (0.5) %; Health insurance - 16.6%; Cargo - (18.0) %; Civil liability of motorists - (31.0)%; Accident - 12.2%; Liabilities - (8.4)%; Guarantees - 34.2%; Property - 20.3%; Travel - (67.4)%; Aviation - (49.3); Others - (15.2)%

The share of IC Euroins Georgia AD in the total gross written premiums on the insurance market increased from 2.3% for Q3 2019 to 3.8% for Q3 2020. IC Euroins Georgia AD ranks 8th on the insurance market in Georgia.

□ IC Euroins Georgia AD. Market share

Results according to preliminary data for 2020.

Insurance company IC Euroins Georgia AD specializes in Accident and Illness insurance. In 2020, these insurances form 38% of the Company's portfolio, and the rest is distributed between Casco (31%), Motor Third Party Liability (9%) and others. The total amount of written premiums in 2020 is BGN 13.9 million or an increase of 40% compared to the same period of the previous year. This increase is due to won public procurement contracts in connection with Casco insurance and concluded several new large contracts related to Health Insurance.

B). INFORMATION ABOUT THE AUTOMOTIVE MARKET IN BULGARIA

DESCRIPTION OF THE ACTIVITY OF AUTO UNION AD ON THE BULGARIAN AUTOMOTIVE MARKET

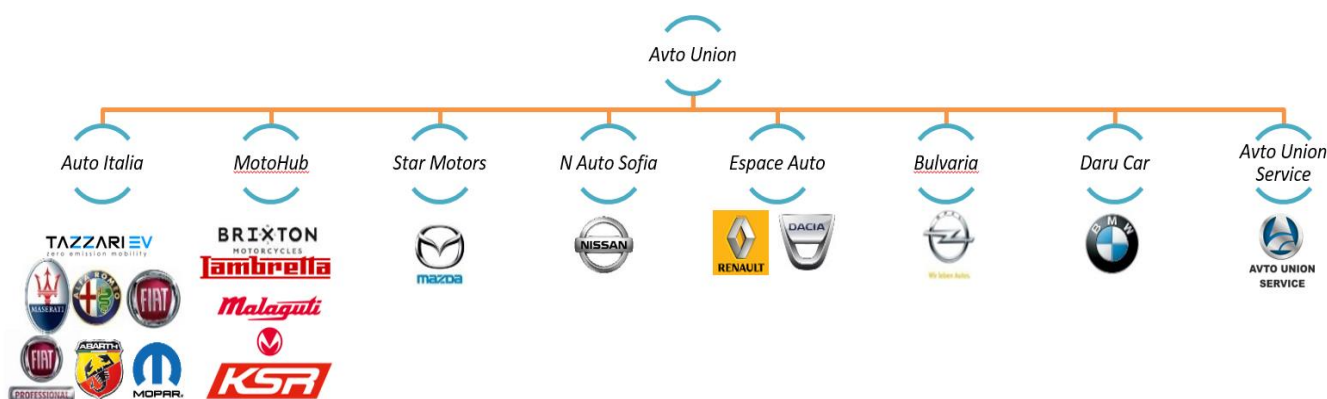
Auto Union AD unites companies that are importers and dealers of new cars (cars, trucks, motorcycles and industrial machines); service centres; official importer of engine oils Castrol and Olean Oil, wholesale and retail fuel operator.

„Auto Union AD is a holding company, controlling the Group's investments in companies related to the sale of new cars, motorcycles and scooters, sale of original spare parts, engine oils and accessories in Bulgaria and North Macedonia. Auto Union AD, through its subsidiaries, acts as an official importer and dealer of some car brands, as well as an official distributor of engine oils and alternative spare parts in Bulgaria and a card operator for refueling.

The main activity of Auto Union AD is the sale of new cars, motorcycles and scooters, sale of original spare parts, engine oils and accessories, as well as repurchase of cars.

The portfolio of Auto Union AD, which is the largest in number of brands in Bulgaria, according to statistics published by the European Association of Automobile Manufacturers, includes nine brands of cars and four brands of scooters, engine oils, fuels and additional automotive services. Through its subsidiaries, Auto Union AD is an exclusive importer in Bulgaria of Mazda, Fiat, Alfa Romeo and Maserati cars, as well as an authorized dealer of Opel, Nissan, Renault, Dacia.

Brands of cars, motorcycles and scooters offered by the Group:



The group of Auto Union AD has entered into a distribution agreement for the brands of cars it sells. Distribution agreements (or the official representation of the brand in the country) generally give the group the right to sell the brand, to develop dealer networks, to carry out marketing campaigns and activities, to set prices and trade conditions and to act as an ambassador of the brand in the agreed jurisdiction. . The deals of the Auto Union AD Group with Fiat, Alfa Romeo, Mazda and Maserati are covered by the distribution agreements. Distribution agreements generally grant the Group of Auto Union AD rights to sell and service certain brands, officially submitted through an independent representative. Pursuant to these distribution agreements, the Auto Union AD Group is obliged to adopt the pricing and marketing policies set by the car manufacturers or their representatives in the respective country..

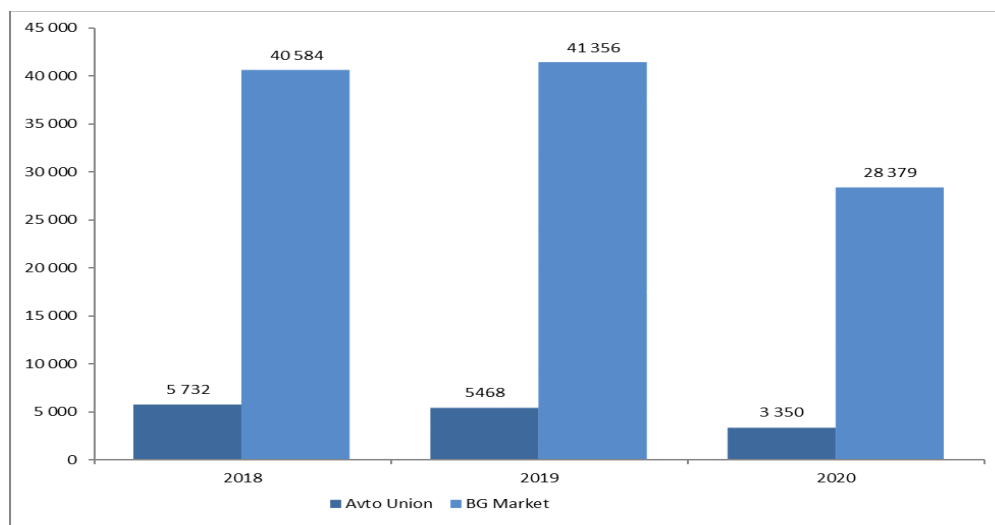
□ THE BULGARIAN AUTOMOTIVE MARKET IN 2020.

The new car market in Bulgaria recorded one of the largest declines in the European Union in 2020. The average decline in sales of new cars in 2020 in the European Union is 23.7% (data from the Association of European Automobile Manufacturers (ACEA)). The decline in sales in 2020 was caused by the impact of the coronary crisis on the automotive industry, which led to the closure of showrooms and factories and a collapse in demand worldwide. A total of 9.9 million new cars were sold in the European Union last year, compared to 13 million in 2019.

According to the Union of Car Importers in Bulgaria, the market of new cars and vans for 2020 marked a significant decrease of 31.4% compared to sales of cars on the Bulgarian market in 2019. The number of new cars sold in 2020 is 28 379 while in 2019 41,356 units were registered.

The number of cars sold by the Auto Union Group for 2020 decreased by 38.7% compared to the same period in 2019. Revenues from sales of cars, spare parts, oils and fuels decreased by 32.1%, and those from sales of services (from service activities) decreased by 3%. Total revenues from contracts with customers decreased by 31.4%, which is a decrease in absolute terms equal to BGN 73.17 million.

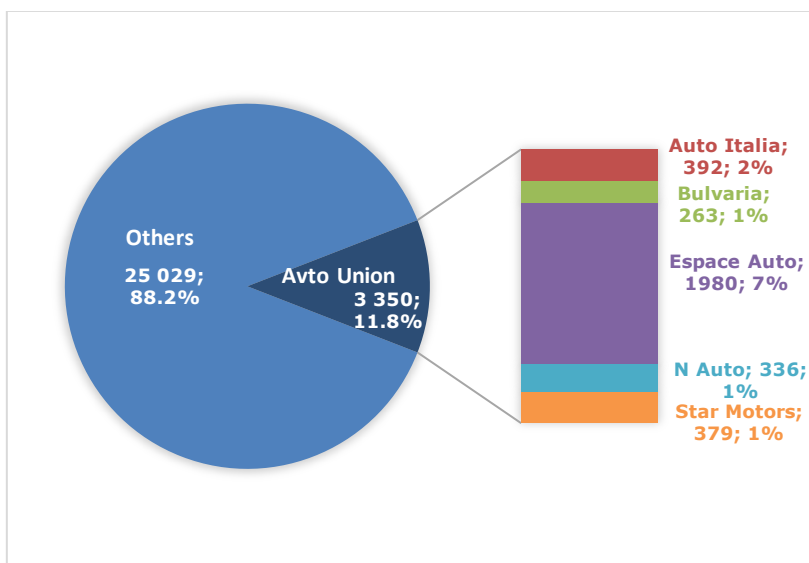
Statistics on sales of new cars by the companies of Auto Union for 2020 compared to those on the Bulgarian market based on the number of cars sold - comparison for the last 3 years:



Source: The Association of Car Manufacturers and Their Authorized Representatives in Bulgaria "

PRESENTATION OF AUTO UNION AD IN 2020 MARKET SHARE.

Number of cars sold and market share of car companies in the group of Auto Union for 2020 are shown in the following chart:



Source: The Association of Car Manufacturers and Their Authorized Representatives in Bulgaria (ACM)

In the below table are presented statistical data on the cars sold by the companies in the group of Auto Union in 2020 and their change compared to 2019, by quarters (number of sales)

Group of Auto Union	Sales		%
	2020	2019	Change
January - December (cumulative)	3 350	5 468	-38.7%
By quarters:			
first quarter (January-March)	754	1 015	-25.7%
second quarter (apr-june)	568	1 638	-65.3%
third quarter (July-Sep)	1 089	1 592	-31.6%
fourth quarter (Oct-Dec)	939	1 223	-23.2%

The analysis of sales by quarters shows that in the second quarter of 2020 the largest decline of 65.3% was realized, which is due to the measures taken by the government and the declared state of emergency in the country, during which consumer activity was extremely low. Over the next third and fourth quarters there was a gradual recovery in sales, with a reported decline of 31.6% and 23.2%, respectively.

C). ANALYSIS OF THE LEASING MARKET IN BULGARIA

DESCRIPTION OF THE ACTIVITY OF EUROLEASE GROUP AD

Eurolease Group AD is a holding company and as such does not carry out independent commercial and / or production activity, therefore its activity cannot be related to a certain market. Such activity is developed by the companies of the Group.

Eurolease Group companies operate in the following markets:

- Financial leasing - in Bulgaria and North Macedonia.
- Long-term (operational leasing) and short-term rental (including car rental services) of cars - in Bulgaria.
- Sale of used cars - in Bulgaria.

ANALYSIS AND DEVELOPMENT OF THE RELEVANT MARKET:

□ Development of the leasing market in Bulgaria in 2020.

According to the latest data published by the BNB:

The receivables of leasing companies under financial and operating leases at the end of December 2020 totalled to BGN 4.308 billion (3.7% of GDP) compared to BGN 4.293 billion (3.6% of GDP) at the end of December 2019. At the end of the fourth quarter of 2020, on an annual basis, they increased by 0.4% (BGN 15.8 million), and remained almost unchanged compared to the end of September 2020.

Receivables under financial leasing contracts for cars are BGN 1.639 billion at the end of December 2020. They increased by 0.2% (BGN 3 million) on an annual basis and decreased by 0.3% (BGN 4.6 million) compared to the end of the third quarter of 2020. Their relative share is 40% at the end of December 2020 and maintains its level compared to the end of December 2019. At the end of the fourth quarter of 2020, receivables under financial leasing contracts for trucks and vans amounted to BGN 1.282 billion, decreasing by 3.7% (BGN 49.5 million) compared to the end of December 2019 and by 1.4% (BGN 17.8 million) compared to the end of September 2020. Their relative share decreased from 32.7% at the end of December 2019 to 31.4% at the end of the same month in 2020.

Based on structure, receivables from financial leasing at the end of December 2020 with a maturity of over 1 to 5 years amounted to BGN 3.061 billion, decreasing by 5% (BGN 162.2 million) on an annual basis and by 1.8% (55.4 million). BGN) compared to the end of the third quarter of 2020. Their relative share in the total amount of financial leasing receivables decreased from 79.1% at the end of December 2019 to 74.9% at the end of the same month in 2020. At the end of the fourth quarter of 2020, the number of receivables with a maturity of over 5 years was BGN 829.6 million. They increased by 32% (BGN 201.3 million) on an annual basis and by 6.5% (BGN 50.8 million) compared to end of the third quarter of 2020. As of the end of December 2020, the non-performing receivables were BGN 111.8 million. They decreased by 16.8% (BGN 22.6 million) compared to the end of December 2019 and by 4.4% (BGN 5.1 million) compared to the end of the third quarter of 2020.

Source: BNB Leasing Activity Statistics December 2020

According to the statistics of leasing activity published by the BNB - the business of leasing companies in Bulgaria has been affected by the reduced economic activity in the first half of this year due to the spread of the pandemic with COVID-19. The third quarter of 2020 saw an increase in the business of leasing companies on a quarterly basis, after a quarterly decrease was registered at the end of March and June. BNB statistics show that in the fourth quarter the reduced economic activity due to the spread of the COVID-19 pandemic did not significantly affect the business of leasing companies in Bulgaria and the indicators are almost unchanged compared to the end of September.

In general, the COVID-19 pandemic remains the main source of uncertainty for the world economy, incl. Europe and Bulgaria, where in September 2020 the number of new cases began to increase again, and currently the rate of infection remains high. This has a negative impact on customer activity as the leasing

market is expected to slow down in the next reporting periods and is more likely to report a decline in the main indicators - "new business" and "leasing portfolio"..

▣ Sales of vehicles in Bulgaria in 2020.

Vehicle sales in Bulgaria decreased by over 20% in the past 2020 to 241,302 units compared to 302,461 for the previous year.

At the same time, registrations of new cars in the country are shrinking by nearly 37 percent, while those of used cars are falling by 18 percent.

In 2020, 27,428 new cars were purchased in the M1 and N1 categories, while in 2019 their number reached 43,378. On the other hand, the number of used cars and vans new imports decreased to 187,179 compared to 229,039 in 2019.

The number of registered cars in 2020 will increase by 36,817 to 2.87 million vehicles. Thus, the total number of all motor vehicles (VEHICLES) in Bulgaria amounts to 3.81 million vehicles. Over 159 thousand vehicles that were registered last year, or 66%, are over 10 years old.

Source: according to data from the Traffic Police, published by "Investor.bg "

Long-term and short-term car rental in 2020

For the segment markets on which the Issuer's companies operate, namely long-term lease (operating lease) and short-term lease - car rental services, there is no official statistical information, therefore such cannot be presented.

But in general it can be said that the main market and geopolitical influences on the car rental business are: the tourist flow, international and local events, foreign investments and partnerships, as well as the overall economic situation. Short-term services are characterized by a strong seasonality, which has a serious impact on the distribution of revenues during the year. Specifically in this business is the predominant number of foreign clients (mainly from EU member states).

The pandemic, the closure of borders, the restriction of business travel, and the really almost non-functioning tourist activity in 2020 not only in the country but also in Europe and the world, have significantly affected the business of car rental services in 2020. and this segment recorded significant declines in revenue over the past year, with expectations for the current 2021 that this market will slow down and is more likely to decline again.

In the long-term rental, a leading factor is the desire of more and more companies to use this service instead of financial leasing or their own fleet. In the field of operating leases, there is market fragmentation, which dilutes the market share between the companies offering this service. For 2020, the observations show a relative preservation of customer levels, namely: maintaining and servicing existing customers and to a lesser extent the creation of a new portfolio of customers. This is a consequence of the unpredictable, dynamic and uncertain economic situation created by the COVID-19 pandemic, in connection with which the companies limited and optimized their costs. It is expected that this market segment will start to intensify in the second quarter of 2021, in case the incidence of coronavirus is controlled as a result of the worldwide vaccination of humans and economic activity goes in a positive direction.

▣ PRESENTATION OF THE EUROLEASE GROUP AD. MARKET SHARE

MARKET ON THE TERRITORY OF BULGARIA

The companies of the Group operating on the territory of Bulgaria are:

- ▣ „Eurolease Auto EAD - Bulgaria - due to the lack of official statistical information the management of the company does not have official statistical information about the market share. According to the assessment of the company's management as of 31.12.2020 Eurolease Auto EAD has a market share based on a net investment in financial leasing approximately 2.2% of the total car leasing market in Bulgaria.
- ▣ Autoplaza EAD - due to the lack of official statistical information the management of the company does not have official statistical information about the market share. Due to the presence of many car dealerships and dealers offering the sale of used cars, as well as banking and leasing institutions offering such returned and seized lease agreements with customers, the market share in the country of companies offering the sale of used cars is very diluted, such as "Autoplaza" EAD occupies a small share of the total market.

- Eurolease Rent A Car EOOD - due to the lack of official statistical information the management of the company does not have official statistical information about the market share. According to the company's management, the presence of high competition between the many existing companies in the country offering long-term and short-term car rental does not predetermine a high market share for Eurolease Rent A Car EOOD. Also, it should be borne in mind that the services offered by the company "rent a car" as a representative of the brands - Avis and Budget (owned by the American public company Avis Budget Group Inc.) are distributed in two directions - to business customers using the brand. Avis worldwide and to a wider range of users who use the Budget brand mainly when traveling for tourism. Eurolease - Rent A Car EOOD applies all the requirements of the licensor of both brands, maintaining the highest standards in terms of quality of cars designed for "rent-a-car" services that are not older than 2 years and with no more than 60,000 km. mileage, and their number is consistent with the seasonality typical of this type of service, varying depending on the demand for the service in order to achieve optimal price conditions for customers. All this predetermines the company's focus on a more specific contingent of customers using its services, rather than on the search for a mass flow of customers, which in turn leads to a more limited market share.
- Sofia Motors EOOD - due to the lack of official statistical information the management of the company does not have official statistical information about the market share. The company has been actively developing its activity of offering short-term car rental from several years ago, which is why at the moment it can be said that it has an insignificant market share. The management of Sofia Motors EOOD hopes that based on the developed new products, which it recently offers to its customers, in the next few years, the company will be able to increase its market share and become a recognizable player in this market segment.
- Amigo Leasing EAD - due to the lack of official statistical information the management of the company does not have official statistical information about the market share. The company is relatively recently on the leasing market (established in July 2017), and according to the management as of 31.12.2020 Amigo Leasing EAD has a market share based on net investment in financial leasing approximately 0.3% of the total leasing market of cars in Bulgaria.

The companies of the Group - Eurolease Auto DOOEL Skopje, North Macedonia and Eurolease Auto IFN SA, Romania operate only on the respective market in the country of registration and do not carry out commercial operations on the domestic market (market on the territory of Bulgaria).

➤ External market

The companies of the Group operating on foreign markets are:

- Eurolease Auto DOOEL Skopje, North Macedonia - according to statistics of the Central Register of the Republic of North Macedonia (www.crm.com.mk) as of 31.12.2020 Eurolease Auto DOOEL Skopje has a market share of 5.20% of base of net investment in financial leasing from the common car leasing market in North Macedonia.
- Eurolease Auto IFN SA, Romania - the company serves only old contracts and does not generate new business, due to which the company's market share is zero.

All other companies of the Group, including: Eurolease Group AD, Eurolease Rent A Car EOOD, Autoplaza EAD, Sofia Motors EOOD and Amigo Leasing EAD operate only on the domestic market (territory of Bulgaria) and do not carry out trade operations on foreign markets.

D). ANALYSIS OF THE INVESTMENTS MARKET IN BULGARIA

OVERVIEW OF THE ACTIVITY OF EURO-FINANCE AD ON THE BULGARIAN INVESTMENT MARKET

Euro-Finance AD is a leading investment intermediary licensed by the FSC and a full member of the Deutsche Börse Group. The full license issued by the FSC gives authorizes Euro-Finance AD to operate on the territory of the EU and third countries. The company's activity meets the highest standards in the field of financial and investment services. The below in summery key characteristics of Euro-Finance:

- One of the first licensed investment intermediaries in the country and an active participant on the Bulgarian Stock Exchange;
- Occupies a traditionally a place in the top 3 in terms of turnover on the BSE;
- It is characterized by fast, accurate and reliable execution of customer orders under extremely competitive conditions;
- Has an experienced team of licensed brokers;

- Offers direct access to the BSE trading system through the online trading platform EFOCS - you have up-to-date market information, speed and security of transactions, automatic confirmations, monitoring and control of the portfolio in real time;
- Offers direct access to the Bulgarian Stock Exchange AD through its EFOCS platform, as well as to the Frankfurt Stock Exchange - Deutsche Börse Xetra.

As an investment intermediary, Euro-Finance AD offers its clients services such as brokerage services, asset management, investment banking, consulting on mergers and acquisitions, and other investment services for corporate and institutional clients.

Euro-Finance AD offers individual portfolio management, mainly to individual and institutional investors based in Bulgaria. Euro-Finance AD offers three types of individual investment portfolios (conservative, balanced and aggressive). These portfolios are based on the risk characteristics of the client and the structure of the assets and are actively managed by Euro-Finance AD in accordance with the specific needs of the client. Assets typically include investments in stocks, bonds, alternative investments and cash. Balanced portfolios can be invested up to 60% in equities and alternative investments, and aggressive portfolios can be invested up to 95% in equities and alternative investments.

In 2020, Euro-Finance AD laid the foundations of its cooperation with Amundi Asset Management - the largest asset management company in Europe in terms of market capitalization of managed assets. Amundi has over 80 years of experience in managing and offering mutual funds and is among the ten largest asset management companies in the world. Amundi is a public company whose shares are traded on Euronext. Credit Agricole, the second largest banking group in France is a majority shareholder in Amundi.

BULGARIAN INVESTMENT MARKET IN 2020

Although 2020 was unpredictable, the investment services market in the country managed to remain calm as much as possible. The statistics show - higher turnover and more deals on the Bulgarian Stock Exchange AD (BSE) compared to 2019. Trading on the Exchange was going on and on, as low liquidity was again amongst the most frequently mentioned obstacles to the development of the stock exchange.

The leading indices of the BSE decreased in the range of 10% to 20% for the year, which was more or less in line with the trends of the capital markets in the region. It should be noted that the stock exchanges of the so-called. "Emerging markets" have traditionally recovered more slowly after shocks and crises, i.e. a "catch-up" can be expected within the new year, which, of course, will depend on the global situation and post-pandemic trends.

Data about trading on the BSE-Sofia	2020	2019	2018
Number of contracted transactions	↑ 61 173	↓ 44,167	54,341
Turnover in BGN	↑ 397 499 741	↓ 333,573,998	550,040,936
Capitalization in BGN	↑ 28 354 506 233	↑ 27,904,536,796	26,765,345,283
SOFIX	↓ 447,53	↓ 568,14	594,46
BGBX 40	↓ 101,38	↓ 111,83	115,91
BG TR30	↓ 499,17	↑ 516,28	496,14
BG REIT	↑ 137,69	↑ 130,03	121,07

Source: BSE

The tendency, the number of concluded transactions and the total turnover of the stock exchange to increase mainly at moments when the leading indices are declining, remains indicative of the weak liquidity and the general lack of interest in the market.

Serious hopes for a revival of the trade on the BSE are placed on the BEAM Market for Small and Medium-Sized Enterprises, launched in 2020.

□ OVERVIEW OF EURO-FINANCE AD FOR 2020. MARKET SHARE.

Euro-Finance AD maintained its leading position on the Bulgarian capital market, realizing close to the ¼ of the total turnover of the Bulgarian Stock Exchange (BSE), climbing to 2nd place in the ranking of intermediaries by turnover on the stock exchange, and increased by over 40% the number of stock exchange transactions concluded by the company.

The below table presents the dynamics of the main indicators for Euro-Finance AD in terms of trading in financial instruments in the country:

Activity	2020	2019	2018
Accepted orders for purchase and sale of financial instruments in the country *	↑ 5 131	3 129	2 884
incl. submitted through EFOCS	↑ 3 203	1 961	1 658
Fulfilled orders	↑ 2 645	1 641	1 596
Concluded transactions with financial instruments in the country,**	↑ 3 357	2 421	2 295
incl. on trading venue	↑ 3 094	2 207	2 001
outside trading venue	↑ 263	214	294
Total turnover in BGN	↑ 410 146 355	353 588 776	645 292 626

* does not include repo transaction orders (only financial instruments with ISIN BG *)

** executed transactions (excluding repo transactions) (includes transactions with financial instruments with settlement in the country)

After briefly declining by almost 40% in March 2020, Deutsche Boerse's main index, the DAX30 ended the year with a 3.7% increase. The following table presents synthesized information on the activities of the company on Deutsche Boerse, Frankfurt, of which Euro-Finance AD has been a direct member since 2009.

Activity	2020	2019	2018
Accepted orders for purchase and sale of financial instruments on Deutsche Boerse	↑ 11 598	2 245	1 649
incl. submitted through EFOCS	↑ 10 559	1 643	984
Fulfilled orders	↑ 5,438	1 282	1 175
Concluded transactions	↑ 6 645	1 399	1 250
Total turnover in BGN	↑ 35 186 587	12 872 781	19 306 304

The table below presents summarized data on the turnover in BGN of transactions concluded in 2020 with shares and bonds in the country and abroad.

Activity	2020	2019	2018
Total turnover in BGN of the concluded transactions with shares and bonds in the country and abroad	↑ 458 041 037	374 756 075	676 585 046

* does not include turnover on repo transactions concluded during the year

Note: All data presented above in relation to the size of the specific markets and market positions (market shares) of the companies of the Eurohold Group are based on publicly disclosed information made public by the regulatory authorities of the respective business segment, mainly - the Financial Supervision Commission (FSC), Bulgarian National Bank (BNB), Association of Car Manufacturers (ACM) and their analogues abroad.

5.3. IMPORTANT EVENTS IN THE DEVELOPMENT OF THE ISSUER'S BUSINESS

Significant events after the date of the last audited consolidated financial statement for 2019 until the date of this Registration Document

(the information is presented at the level of the economic group Eurohold)

1. GENERAL MEETING OF THE SHAREHOLDERS OF EUROHOLD BULGARIA ADOPTS A RESOLUTION FOR SHARE CAPITAL INCREASE OF THE COMPANY AND ISSUANCE OF A CORPORATE GUARANTEE BY EUROHOLD TO ITS SUBSIDIARY

At the extraordinary session, held on 10.04.2021, the General Meeting of Shareholders adopted a resolution for increase of the share capital of the Company from BGN 197,525,600 (one hundred ninety-seven million five hundred twenty-five thousand six hundred) to BGN 276,535,840 (two hundred and seventy-six million five hundred and thirty-five thousand eight hundred and forty) through issuance of a new issue of shares under the terms of a public offering pursuant to the provisions of the Public Offering

of Securities Act. The new issue consists of 79,010,240 shares of the same type and class as the existing issue of shares of the company, namely: dematerialized, registered, non-preferred, with the right to 1 (one) vote in the general meeting of the shareholders of the company, with the right to dividend and right to liquidation share, proportionate to the nominal value of the share. The nominal value of each share is BGN 1.00 (one). The issue value of each share is BGN 2.50 (two and 0.50).

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

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

In addition, for the purposes of financing of the CEZ deal, the General Meeting of Shareholders adopted a resolution for Eurohold Bulgaria to provide a corporate guarantee to its subsidiary Eastern European Electric Company B.V. and/or Eastern European Electric Company II B.V. as a result of which for Eurohold Bulgaria AD will arise an obligation in its capacity as corporate guarantor for the payment of all liabilities (including, but not limited to, principal, interest, penalties, fees, commissions, other expenses) of its subsidiary Eastern European Electric Company B.V. and/or Eastern European Electric Company II B.V., which are related to and/ or would result from the conclusion of financing transactions in the form of (i) subordinated debt, (ii) perpetual non-convertible preferred shares with guaranteed dividend, issued by the subsidiary - Eastern European Electric Company II B.V., (iii) a mezzanine loan and / or (iv) another financial instrument with an economic effect similar to the effect of the instruments under (i), (ii) and/ or (iii). The minimum value of the guarantee is EUR 50 000 000 (fifty million), including the corresponding return for the applicable financing instrument for creditors/ investors (e.g. interest, fixed dividend, nominal discount) and the maximum value of EUR 150 000 000 (one hundred and fifty million), including the relevant return for creditors/ investors (e.g. interest, fixed dividend, nominal discount); term - from 3 to 10 years; the transaction is carried out in favour of the subsidiary of Eurohold Bulgaria AD - Eastern European Electric Company BV and/ or the subsidiary of Eurohold Bulgaria AD - Eastern European Electric Company II BV and indirectly, in favour of the parent company Eurohold Bulgaria AD; purpose of the transaction - financing of part of the acquisition price for the CEZ Group's assets in Bulgaria, parties to the transaction: Eurohold Bulgaria AD - corporate guarantor, on one hand and the creditors of / investors in the above-mentioned financing instruments of Eastern European Electric Company BV and / or Eastern European Electric Company II BV as a counterparty (beneficiary) of the corporate guarantee on the other hand.

The GMS also authorized the Management Board of Eurohold Bulgaria AD at its own discretion, considering the best interests of the company, taking into account the market conditions and the dynamics of the transaction, to decide on the conclusion by Eurohold Bulgaria AD of a the respective transaction within the above parameters and in accordance with the applicable legislation, specifying the above-listed terms of the transaction (as far as the dynamics of the financing transaction, the volatility of market conditions and the interest of Eurohold Bulgaria AD do not allow their preliminary specification in this resolution), as well as to determine all other terms and conditions of the transactions and the accompanying documents, insofar as they do not require separate approval by the General Meeting of Shareholders.

Art. 17, para. 2 and Art. 48, para. 1, item 16 of the Articles of Association of the Company were amended described in detail in item 19.2. "*Memorandum and Articles of Association*"

The Minutes from the meeting of the GMS is available at the website of the Issuer www.eurohold.bg.

It was determined that the issued corporate guarantee shall secure the obligations of Eastern European Electric Company II BV

2. CAPITAL INCREASE OF EUROINS ROMANIA ASIGURARE-REASIGURARE S.A.

On 26.03.2021 the Trade Register of the Republic of Romania registered an increase in the share capital of Euroins Romania Asigurare-Reasigurare S.A. with 50,000,000 Romanian lei by means of issuance of 5,000,000 new shares with an issue value of 10 Romanian lei per share and a nominal value of one share 1 Romanian leu. The newly issued shares are fully subscribed and paid through a cash contribution by Euroins Insurance Group AD. Following the completion of the registration procedure, the capital of Euroins Romania Asigurare-Reasigurare S.A. amounts to 537,823,413 Romanian lei, distributed in 537,823,413 registered shares with a nominal value of 1 /one/ Romanian leu each, of which Euroins Insurance Group AD holds 529,855,189 shares, corresponding to approx. 98.52% of the new share capital. The decision for the increase of the share capital was adopted on 17.09.2020 at the Extraordinary General Meeting of

Shareholders of the Euroins Romania Asigurare-Reasigurare S.A. The Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiară, ASF) approved the capital increase by Decision № 342 / 11.03.2021.

3. GRANTED APPROVALS BY THE COMPETENT REGULATORY AUTHORITIES FOR THE ACQUISITION OF THE SUBSIDIARIES OF THE CZECH ENERGY GROUP CEZ IN BULGARIA

On October 29, 2020, the Commission for Protection of Competition (CPC) granted its approval for Eurohold Bulgaria AD, through its subsidiary Eastern European Electric Company BV, to acquire control over the subsidiaries of CEZ in Bulgaria.

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

Eurohold Bulgaria AD will acquire control over the business of CEZ in Bulgaria through an especially created for this purpose company Eastern European Electric Company B.V., the Netherlands, which in turn is 100% owned by Eastern European Electric Company II BV. The latter is 100% sole owned by Eurohold Bulgaria AD. The Dutch companies were established as the so-called special purpose vehicles (SPVs): to carry out the acquisition of CEZ assets in Bulgaria. The company which acquires directly the participation in the target companies is Eastern European Electric Company B.V.

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

Following receipt of the required approvals and authorizations from the competent regulatory authorities, the transaction enters into its final stage. The next steps in its implementation are completion of the procedures for securing part of the financing through own funds (raised from share capital increase), securing the debt part of the financing by closing the negotiations and respectively executing the relevant financing agreements for the borrowed capital, and respectively carrying out the corresponding transfer of the shares.

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

The funding of the above-described acquisition of CEZ's assets in Bulgaria, including the minority stake in the two public listed target companies, will be secured through own funds (raised from share capital increases) and borrowed capital provided by leading global investment banks. The financing mechanism is presented in detail in item 5.7.2. "Description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments and the method of financing." of this Registration Document.

4. ISSUED DEBANTURE (BOND) LOAN BY EUROHOLD BULGARIA AD

On November 26, Eurohold Bulgaria AD successfully placed a second issue of corporate bonds under the terms of an initial private placement with a commitment for subsequent admission of the issue to trading on a regulated market within 6 months from the date of registration with Central Depository AD.

The bond loan has a total nominal and issue value of EUR 30,000,000, divided into 30,000 number of common, registered, dematerialized, interest-bearing, secured, non-convertible and freely transferable bonds. The bonds are of the same class and give equal rights to their holders. The nominal annual interest rate is fixed at 3.25% and interest payments every 6 months

The purpose of the debenture loan is:

- reduction of the Issuer's indebtedness by repaying short-term and/or long-term liabilities of the Company in the approximate amount of up to EUR 20,000,000 (twenty million euro);
- support of the operational activity of the existing subsidiaries of the Issuer by means of:
 - increase of the share capital of a subsidiary, including additional payment in the subscribed but unpaid capital of the subsidiary Euroins Insurance Group AD amounting to EUR 9,588,532 (equal to BGN 18,753,538);
 - granting an interest-bearing loan to a subsidiary of the Issuer or to its subsidiary
- part of the funds raised, may be used by the Issuer for financing of the initial costs and expenses of the CEZ transaction, in the event of positive approval by all regulatory authorities;
- Providing of a working capital for the needs of the Issuer.

The Management Board of Eurohold Bulgaria AD has selected Financial House Ever AD for trustee bank of the bondholders of a second issue of corporate bonds with ISIN code of the issue BG2100013205. The selected trustee of the bondholders and the contract between the trustee and the issuer were confirmed by the bondholders at the First General Meeting of Bondholders held on December 18, 2020.

5. EUROHOLD BULGARIA, THROUGH ITS SUBSIDIARY EUROINS INSURANCE GROUP HAS FINALIZED A DEAL WITH ACQUISITION OF INSURER OF GERMAN ERGO IN BELARUS

On April 29, 2020 - Euroins Insurance Group AD (EIG), part of Eurohold Bulgaria AD, finalized an acquisition of the insurance company ERGO Belarus (now IC Euroins Insurance Company) after approval by the regulatory authorities in the country - Ministry of antitrust regulation and trade and the Ministry of Finance.

ERGO Belarus was a subsidiary of the German ERGO, one of the leading insurance groups in Europe, which in turn is owned by Munich Re, one of the leaders in world reinsurance.

ERGO Belarus specializes in the segment of non-life insurance (liability, property, medical, transport, accidents, travel assistance, etc.) and is the third largest private insurer in the country in a sector dominated by this stage of state-owned companies.

6. ACQUISITION OF SHARES FROM THE SHARE CAPITAL OF EUROINS INSURANCE GROUP AD

From January 1, 2020 to the present, Eurohold Bulgaria AD has acquired another 12,305,773 shares of the capital of Euroins Insurance Group AD, 8,390,300 of which were acquired in 2020. As a result of the acquisition, the participation in the capital of the subsidiary insurance sub-holding was increased to 96.67%, with which the total shares held by Eurohold Bulgaria currently amount to 525,371,935 shares.

The acquisition is carried out in accordance with an agreement signed by Eurohold Bulgaria AD in 2018 for the acquisition of the minority share of the other shareholder in Euroins Insurance Group AD - Basildon Holding S.A.R.L., the special investment company of the equity fund South Eastern Europe Fund LP (SEEF), managed by the Greek investment company Global Finance. The company agreed to repurchase the share of the fund in the amount of 10.64% of the capital as of the date of concluding the repurchase agreement. After the finalization of the transaction, Eurohold will own 100% of the capital of Euroins Insurance Group AD.

7. CAPITAL INCREASE OF IC EIG RE EAD

The capital of IC EIG Re EAD was increased in 2020 with BGN 2,800 thousand. On January 15, 2020, in addition to its decision of September 11, 2019, the Board of Directors of Euroins Insurance Group AD, in its capacity as sole owner of the capital, decided to increase the capital of IC EIG Re EAD by BGN 2,800 thousand. Part of the procedure for increasing the capital of IC EIG Re EAD is a reorganization of the capital structure of the company by transformation through payment of a subordinated liability in the amount of of BGN 600 thousand, representing a subordinated debt with creditor Euroins Insurance Group AD, into paid-in ordinary share capital, which was approved by the Financial Supervision Commission with Decision № 1326-O3 of 23.12.2019. The voted capital increase of IC EIG Re EAD was paid by Euroins Insurance Group AD on 19 February 2020. The capital increase of IC EIG Re EAD was entered in the Commercial Register on 28 February 2020, following which the capital of the company amounts to BGN 19,112,000, divided into 19,112,000 registered, dematerialized, non-preferred voting shares, with a nominal value of BGN 1 each.

8. CAPITAL INCREASE OF IC EUROINS LIFE EAD

The capital of IC Euroins Life EAD was increased in 2020. by BGN 1,250 thousand. On January 3, 2020, in addition to its decision of September 13, 2019, the Board of Directors of Euroins Insurance Group AD, in

its capacity as sole owner of the capital, decides to increase the of the capital of IC Euroins Life EAD by BGN 1,250 thousand. Part of the procedure for increase of the capital of IC Euroins Life EAD is reorganization of the capital structure of the company, by transformation by payment of a subordinated liability in the amount of 1,250 thousand BGN, representing a subordinated debt with creditor Euroins Insurance Group AD, in paid-in ordinary share capital, approved by the Financial Supervision Commission with Decision № 1327-Ж3 of 23.12.2019. The voted capital increase of IC Euroins Life EAD was paid by Euroins Insurance Group AD on February 17, 2020. The capital increase of IC EIG Re EAD was entered in the Commercial Register on February 27, 2020, after which the capital of the company already amounts to BGN 11,375,070, distributed in 1,137,507 registered, dematerialized, non-preferred voting shares, with a nominal value of BGN 10 each.

9. CAPITAL INCREASE OF IC EUROINS AD

The capital of IC Euroins AD was increased in 2020. with BGN 8,500 thousand. On December 9, 2019, the Management Board of IC Euroins AD decided to increase the capital of the company to BGN 8,700 thousand. Part of the capital increase procedure of IC Euroins AD is a reorganization of the capital structure of the company by transformation through payment of a subordinated liability in the amount of BGN 8,500 thousand, representing a subordinated debt with creditor Euroins Insurance Group AD, in paid-in ordinary share capital, approved by the FSC. Within the term for exercising the pre-emptive right of the shareholders, Euroins Insurance Group AD has subscribed and paid in full on January 13, 2020. his due part of the newly issued shares in the amount of 8,500 thousand shares. After the expiration of the terms for subscription and payment of shares from the increase, no other persons and / or shareholders subscribed and paid for newly issued shares, due to which the capital of IC Euroins AD was increased by BGN 8,500 thousand. The capital increase of IC Euroins AD was entered in the Commercial Register on February 21, 2020, after which the capital of the company now amounts to BGN 40,970,000, divided into 40,970,000 registered, dematerialized, non-preferred voting shares, with a nominal value of BGN 1 each, and after the completion of the capital increase procedure, the participation of Euroins Insurance Group AD amounts to 40,410,171 shares, representing approximately 98.63% of the company's capital after the increase.

10. CAPITAL DECREASE OF EUROLEASE GROUP AD

On 28.01.2021 in the Commercial Register was entered a decision of the General Meeting of Shareholders of Eurolease Group AD dated 29.12.2020 for restructuring the structure of the share capital of the company and its reduction, as a result of which the share capital is changed of 27,241,488 (twenty-seven million two hundred forty-one thousand four hundred eighty-eight) shares with a nominal value of BGN 1 (one) each for BGN 19,296,054 (nineteen million two hundred ninety-six thousand fifty-four) with a nominal value of BGN value 34 (thirty four) levs. During the transformation procedure, a reserve was formed in the amount of and covering accumulated losses from the Reserve Fund BGN 7,945,434 (seven million nine hundred forty-five four hundred thirty-four) BGN, which covered the accumulated loss of the company from previous years in the amount of BGN 6,857,956.55 (six million eight hundred and fifty-seven thousand nine hundred and fifty-six levs and 55 stotinki).

11. CAPITAL INCREASE OF EUROLEASE – RENT A CAR EOOD

With a decision of 09.12.2020 of the Board of Directors of Eurolease Group AD, the capital of the subsidiary Eurolease - Rent A Car EOOD has been increased by BGN 1,600,000 thousand, namely by BGN 1,335,000 to BGN 2,935,000. The capital increase was entered in the Commercial Register on 21.12.2020.

12. CAPITAL INCREASE OF SOFIA MOTORS EOOD

With a decision of 27.05.2020 of the Board of Directors of Eurolease Group AD, the capital of the subsidiary Sofia Motors EOOD has been increased by BGN 300 thousand, namely from BGN 310,000 to BGN 610,000. the capital was entered in the Commercial Register on 09.06.2020.

13. CAPITAL INCREASE OF MOTOBUL EAD

On June 18, 2020, the Board of Directors of Avto Union AD, among other decisions, took a decision to increase the capital of the subsidiary Motobul EAD by increasing the nominal value of the shares in the company. Thus, the total authorized capital of Motobul EAD increases from BGN 1,600,000 to BGN 2,000,000.

14. CAPITAL DECREASE OF MOTOBUL EAD

On 01.06.2020 the Board of Directors of Avto Union AD has decided to reduce the capital of the subsidiary Motobul EAD from BGN 3,000,000 to BGN 1,600,000, pursuant to Art. 200, item 1 of the CA by reducing the nominal value of the shares of the subsidiary. This action was performed in order to cover the

accumulated loss from previous years in the company, in order to overcome the decapitalization of the company and in connection with the requirements of the CA.

15. SALE OF A SUBSIDIARY COMPANY

On 01.12.2020 the Board of Directors of Avto Union AD in its capacity as sole owner of the capital of Auto Italia EAD decided to enter into an agreement to transfer ownership of the shares held in Auto Italia - Sofia EOOD. On 30.12.2020 Auto Italia EAD concluded a Contract for purchase and sale of company shares, by virtue of which it sold all company shares forming the capital of Auto Italia - Sofia EOOD.

Historically, important events concerning the assessment of the solvency of the Issuer and its group are the capital investments made within the group. In the process of fulfilling its strategic goals for development of the business activities and increase of the market share on local and international markets, the Issuer and its subsidiaries have invested funds in capital increase, establishment and purchase of companies. In item 5.7. "Investments" The following is information on capital investments in the Eurohold Group for the historical period under review.

5.4. STRATEGY AND OBJECTIVES**Description of the Issuer's business strategy and objectives, both financial and non-financial (if any).**

Since its foundation, Eurohold Bulgaria AD has focused its activities on finding good investment opportunities in order to achieve maximum return and moderate risk for its investors. From a strategic point of view, regulated markets have always been the most attractive option, due to their nature of sustainable cash flow predictability and low impact of economic volatility. Due to these facts, the Issuer's investment strategy is focused mainly on this type of segments. In addition, a factor important for the choice of such an investment strategy is the fact that the expressed and effective control exercised by the regulatory authorities over the businesses of this nature creates security and confidence in the investors.

STRATEGIC OBJECTIVES FOR ENTERING NEW REGULATED BUSINESS SECTORS THROUGH ACQUISITION OF ASSETS

Currently, the investment portfolio of the Eurohold Group is characterized by concentration in the insurance sector and car distribution. Given this circumstance, as well as the cyclical nature of some of the markets in which the Group companies operate (for example, the new cars sales market), the Group's management considered it appropriate to implement an investment strategy in the medium and long term aimed at increasing the diversification of the investment portfolio of the Issuer. In order to implement the adopted strategy, the management of the Group focused its efforts on exploring appropriate investments to achieve this strategic goal.

The energy sector, as part of the public service sector, is characterized by a high degree of functional regulation aimed at protecting and guaranteeing the rights of service users in a competitive and freely functioning market economy. In this sense, investments in the energy sector correspond to the set goals for diversification of the Issuer's investment portfolio by entering regulated business sectors, new for the Issuer's Group. After in-depth analysis of market opportunities and with a view of the Issuer's capital opportunities energy sector were identified as an attractive opportunity to achieve the above objectives. The entry and strategic expansion in the medium term in the energy sector of Bulgaria and Southeast Europe would have an effective impact, both on reducing the concentration of the group in the insurance sector and on increasing the sustainability of the Group's revenues in economic crises and recessions, observed currently worldwide, as a result of the the COVID-19 pandemic.

2019 provided a good opportunity for the Group to implement the above investment strategy by moving to a lower risk portfolio of investments. After analysing the market situation in the country and the region, it was ascertained that the Bulgarian energy business, owned by the Czech energy group CEZ, provides good prospects for achieving the medium and long-term goals of the Issuer, namely diversification of the investment portfolio, reduction of market risk and the risk of economic cyclicality, by entering new regulated markets, providing an opportunity to improve the predictability of cash flows and offering new opportunities for growth and thus more stable profitability.

In view of the implementation of the above strategy, on April 1, 2019 Eurohold Bulgaria AD made a binding offer for the acquisition of CEZ's Assets in Bulgaria, and on June 20, 2019 the contract for acquisition of CEZ's Bulgarian business was signed. The transaction has received the necessary approvals and permits from the

relevant regulatory authorities - the Commission for Protection of Competition and the Water and Energy Regulatory Commission, in accordance with applicable law.

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

Evident from the above, the companies subject to acquisition include, among others, the electricity distribution company and the power supply utility company. Energy Act (EA) provide for the geographical scope of the issued licenses for carrying out activities of electricity distribution and supply, as the territory of a country is conditionally divided into three geographical regions. In this sense, the markets for electricity distribution, on which CEZ Distribution Bulgaria AD operates and on electricity supply, on which CEZ Electro Bulgaria AD operates, have a natural monopoly character in the geographical scope of the respective licenses. Taking into account these specifics of the organization of the energy market, CEZ Distribution Bulgaria AD is the only operator of the electricity distribution network on the territory of the respective license, and CEZ Electro Bulgaria AD, as a final supplier and supplier of last resort (as defined in EA) is the only operator in the territory of the respective license. As a result, the CEZ Group in Bulgaria is realized as the largest distributor of electricity in the country, covering an area of about 40,000 square kilometers, serving over 3 million customers.

The existence of functional regulation in the Energy sector, the scope and volume of activities carried out by the acquired companies, as well as the significant customer base, determine the strategic interest of Eurohold in the acquisition of CEZ's Assets in Bulgaria. The investment in the companies of the CEZ Group in Bulgaria fully complies with the adopted investment strategy, and its implementation will achieve the strategic goals for diversification of the Issuer's investment portfolio, as well as reducing market risk and the risk of economic cyclicality by entering in new regulated markets, which improve the predictability of cash flows and offer new opportunities for growth and therefore stable profitability.

In the context of the above, the investment in the **purchase of CEZ's assets in Bulgaria constitutes a strategic investment for Eurohold**, which is important for the strategic positioning of the Holding and its subsidiaries.

Based on the 20 years of experience in the acquisition, integration and management of companies, through the realized over 30 acquisitions of businesses from different sectors of the economy, the Group's management has taken into account that entering a new economic sector may be accompanied by certain challenges in the integration process.

Considering this, the Issuer has prepared a step-by-step strategy for ensuring the responsible management of the assets acquired by CEZ in Bulgaria and implementing its strategy in the medium and long term to transform the acquired companies into leading utility companies in Bulgaria and Eastern European Electric Company B.V. in a leading regional company for the provision of services of public interest, in terms of sustainability, customer satisfaction and compliance with ethical standards.

In order to ensure the implementation of the above intentions, Eurohold Bulgaria AD intends to retain key persons from the management of the companies of the CEZ Group in Bulgaria for the purpose of smooth integration. For the smooth realization of its strategic goals, the Issuer will also rely on an established energy board (advisory board) of experts with extensive experience in the energy sector in Central and Eastern Europe. The main task of the Advisory Board is to build a long-term strategy aimed at contributing positively to the development of the company, to implement innovations aimed at improving and modernizing the electricity distribution network, reducing technological losses and improving customer service. the introduction of more effective management systems. With the help of the Advisory Board, Eurohold Bulgaria AD aims to optimize the operational processes of the companies of the CEZ Group in the country to achieve maximum efficiency in line with global standards and practices in the sector. Regarding the developed strategy for the operational activity of CEZ in Bulgaria, Eurohold intends to manage and follow the existing business plans of the acquired companies. The issuer undertakes a clear commitment to investments in technology, digitalization of processes and comprehensive improvements in various aspects of the activities of these companies. The intention is to invest within the investment program approved by the EWRC, following the strategic direction in the main business areas.

The main directions of the developed strategy in the short and medium term include the following measures:

- Development and extension of intelligent systems for remote control and metering of electricity meters - AMM / advanced metering management / and AMI / advanced metering infrastructure /, in

order to improve in the field of information communication, dispatch centers, control and invoicing of end users. The aim is to develop and improve the process of accounting for electricity consumption and its effective management. The reliability and improvement of these systems will lead to more time, resources and attention to improving the quality of customer service, as well as reducing errors and inaccuracies in data entry due to the long chain of service processes from reporting to billing.

- Introduction of new technologies for detailed diagnostics of the built infrastructure, such as drones with integrated thermal cameras and GPS for tracking and mapping of assets. This will help in earlier and timely diagnosis of potential problems in the electricity distribution network.
- Introduction of new "smart" technologies for management of medium voltage (MV) and low voltage (LV) networks, which will help to
 - Improving the quality of electricity supply (smaller number and shorter interruptions);
 - Control of the processes related to the distributed energy sources (mini and micro power plants (photovoltaic, wind, biomass) connected to MV and LV).
- Introduction of new technologies for storage of electricity in the electricity distribution network.
- Introduction of new technologies in the field of energy efficiency and informing and stimulating consumers for their use
 - - development of electronic platforms for consumer information, specific ideas and recommendations from everyday life, which lead to the improvement of the quality of life and efficient use of resources - incl. energy; in strategic terms: platforms and online portals for energy efficient products with incentives for their use and application
 - - other platforms for calculation and calculation of consumption, including innovative devices for monitoring consumption in each home / office / building, etc ..

The introduction of all these elements will lead to a reduction in electricity losses on the electricity distribution network, a reduction in abuses (i.e. illegal adherence to the network and diversion of electricity) by consumers and inefficient use of energy resources. The implementation of the investment strategy according to the investment programs approved by the EWRC will be distributed over time in a way that does not lead to an increase in the electricity distribution element of electricity prices.

The implementation of the acquisition of CEZ's Assets in Bulgaria will have a positive effect on both the profitability of Eurohold Bulgaria AD and the long-term credit rating of the company, which will lead to an improvement in the financial condition and risk profile of the Issuer. The consolidated results of Eurohold Bulgaria AD are directly dependent on the results of its subsidiaries and in this sense the integration of the business of CEZ (Bulgaria) into the current portfolio of businesses will lead to economic benefits for Eurohold Bulgaria AD.

STRATEGIC OBJECTIVES IN EXISTING BUSINESS INVESTMENTS

In spite of the forthcoming acquisition of the assets of the energy group CEZ in the country, Eurohold Bulgaria AD retains its intentions aimed at its existing business units. At present, the Issuer owns investments in the sectors "insurance", "cars", "leasing" and "investment intermediation and asset management".

The strategic goals of Eurohold Bulgaria AD in relation to the existing business areas are based on the group strategy of Eurohold Bulgaria AD, built over the years, aimed at maintaining high financial stability, ensuring adequate return on shareholders; supporting the growth of subsidiaries; stimulating innovation and increasing customer satisfaction of subsidiaries; providing the necessary conditions for continuous improvement of cross-sales between business units and maintaining high trust in their relations with customers, employees and shareholders.

The insurance business is the largest business structure in the group of the Issuer and carries the largest share of consolidated revenues and results, which in itself requires the greatest time, management and technical resources in need of rapid transformations in business processes. Euroins Insurance Group AD uniting the insurance companies in the Eurohold group owns 11 companies, of which 3 (three) on the territory of Bulgaria and 8 (eight) companies operating on the markets of CEE / SEE / CIS.

After the outbreak of the COVID-19 pandemic, all companies in the insurance group have taken rapid and flexible measures to successfully deal with the unprecedented situation and ensure business continuity. Apart from that, more global decisions have been made for the transformation of business processes in relation to the changes in the macro and micro environment by developing plans for the introduction of innovative and digital technologies and building new modern software for insurers (according to the specific needs of companies). This will allow for ongoing awareness and rapid analysis, both at individual and consolidated level of the processes, the impact of external risks and factors and making timely and flexible decisions to overcome them. As a result of these factors in the short term, the Issuer's strategy is to focus primarily on the development of insurance companies part of the subsidiary group Euroins Insurance Group AD. The aim of Eurohold Bulgaria AD is to focus efforts on sustainability and organic growth of the market positions of

insurers by developing new products, both in existing classes of insurance and in the development of new combined insurances in order to diversify the insurance portfolio, meeting the changed customer expectations and in line with the changed business environment, strengthening processes for the exchange of know-how in management, business and corporate practices between companies, as well as focusing on the digitalization of the entire system and online product offering.

Although the Issuer in the medium term will focus on the integration of the energy business (after its acquisition), as well as diversification and digitalization of the insurance business, each of the other business structures of the Issuer with its support will continue to pursue its goals and strategies. , to create opportunities for product development and growth of its market positions, as well as continuation of the successful business line "cars - leasing - insurance".

5.5. DEPENDANCY ON PATENTS OR LICENCES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS OR NEW MANUFACTURING PROCESSES

The Issuer registered a combined trademark, SOMO 5670591 "EUROHOLD", on October 17, 2008 in the Patent Office of the Republic of Bulgaria, covering services of class 36 according to the Nice classification, which contains an image element and a word element EUROHOLD.

Euroins Insurance Group AD, Eurolease Group EAD and Avto Union AD have also registered and currently use trademarks in their daily activities, including the name "EUROINS MEMBER OF EUROHOLD" and various logos.

Several companies in the Avto Union AD group have the right to use in their activities the trademarks of car manufacturers exclusively with regard to the implementation of distribution agreements signed with such manufacturers and in strict compliance with the manufacturers' instructions regarding the use of these brands. in the agreements.

The activity of Eurohold Bulgaria AD is not subject to patents, licenses or other special agreements, while the activity of some of the subsidiaries is subject to licensing or can be performed only with certain permits listed in the below table:

Company	License, Ageement
IC Euroins AD	License for general insurance activity
Euroins Romania Reasigurare S.A.	Asigurare License for general insurance activity
Euroins Osiguruvanje AD	License for general insurance activity
IC Euroins Life EAD	The company has a license for life insurance activity № 1601 Ж3 / 12.12.2007 issued by the Financial Supervision Commission.
IC EIG Re EAD	License for general insurance activity
IC Euroins Ukraine	License for general insurance activity
PJSC IC Euroins Georgia	License for general and life insurance activities
PJSC European Travel Insurance	License for general insurance activity
PJSC IC Euroins, (former PJSC IC ERGO), Belarus	License for general insurance activity
Russian insurance company Euroins OOD (associated participation)	License for general insurance activity
Euro-Finance AD	Full license to operate as an investment intermediary in the country and abroad
N Auto Sofia EOOD	Dealership agreement with Renault Nissan, France, for the sale of Nissan, Renault and Dacia cars
Bulvaria Varna EOOD	Dealership agreement with General Motors, for the sale of Opel and Chevrolet cars
Bulvaria Sofia EAD	Dealership agreement with General Motors, for the sale of Opel and Chevrolet cars, spare parts for them and their servicing.

Star Motors EOOD	Contract with Mazda Austria for the import and sale of Mazda cars, spare parts for them and their servicing.
Auto Italia EAD	Contract with FIAT Auto SPA, for import and sale of FIAT, FIAT Professional, Alfa Romeo, Lancia and Maserati cars spare parts for them and their servicing.
Eurolease Auto EAD	Registration with the BNB as a non-bank financial institution
Eurolease Auto, Romania	Registration in the register of the National Bank of Romania as a non-bank financial institution
Eurolease Rent a Car EOOD	Franchise agreement with Zodiac Europe Limited, England for car rental and leasing under the trademark "Budget"
Amigo Leasing EAD	Registration with the BNB as a non-bank financial institution

The activity of Eurohold Bulgaria AD is not seasonal, it is related to management, acquisition and sale of shares of subsidiaries. The Issuer's subsidiaries are also not characterized by seasonal nature.

The activity of the companies from the group of Eurohold Bulgaria AD does not depend on patents, industrial contracts or new production processes.

However, the activities of some subsidiaries in the Group may be dependent on individual contracts for the supply or sale of goods or services (dealer contracts concluded by car companies).

Also, the activity of the companies from the insurance group, from the leasing sub holding offering financial leasing and the activity of the investment intermediary Euro-Finance AD is performed under a licensing regime

Regulation of the Issuer's activity:

„Eurohold Bulgaria AD as a public company within the meaning of LPOS, whose shares are registered for trading on the main market of BSE AD with stock exchange code EUBG and of Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG is a supervised person of the Commission for Financial Supervision.

Regulation of the main activity of the subsidiaries by areas:

Regulation in the insurance sector

All subsidiaries of Euroins Insurance Group AD are subject to regulation by the regulatory authority of the respective country in which they are registered. The insurance companies have a license issued by the regulatory body for carrying out insurance activity in which they specialize, respectively general insurance; life insurance; reinsurance. All insurance companies from the Issuer's group operating in EU member states apply the capital and risk management requirements applicable to insurance and reinsurance companies under Solvency II “.

Regulation in the leasing division

The subsidiaries of Eurolease Group EAD operating in the field of financial leasing on the Bulgarian market are subject to supervision by the Bulgarian National Bank, which is responsible for the supervision of compliance with the regulatory framework. They are also subject to regulation by the Consumer Protection Commission, the National Social Security Institute, the State Agency for National Security.

Eurolease Auto EAD Skopje is subject to supervision by the Ministry of Finance of Macedonia, as the company is licensed by the Ministry of Finance under the Leasing Act and is a supervised entity of the National Bank of Macedonia..

A. Regulation of automotive

Sales of cars on the markets in which the Auto Union Group AD operates are not subject to licensing. The prices at which Auto Union AD sells cars depend on the agreement with the respective car manufacturer or importer. In order to carry out their activity, the car companies are dependent on the conclusion of a contract for exclusive representation or dealership..

B. Regulation investment and asset management sector

Euro-Finance AD is a licensed investment intermediary operating in accordance with the legislation of the European Union (EU). Euro-Finance AD is licensed and regulated by the Financial Supervision Commission. He is a member of the Bulgarian Stock Exchange AD and the only Bulgarian member of the Deutsche Börse Group and is registered to perform investment intermediation activities in Germany. The company is also licensed to operate as an investment intermediary in the UK and Romania.

Euro-Finance AD is regulated by European legislation, as the company is a member of a number of institutions, exchanges, associations and unions.

As a licensed investment intermediary in an EU country, Euro-Finance AD fully complies with the regulations and requirements related to transactions with financial instruments within the EU - Directive 2014/65 / EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92 / EC and Directive 2011/61 / EU.

5.6. COMPETITIVE POSITION

The companies from the economic group of the Issuer operate in a highly competitive and dynamic environment, with potential for development and opportunities for growth. In this regard, Eurohold Bulgaria AD has built a sustainable business model through which companies create new innovative, competitive and combined products and services, while constantly monitoring consumer behaviour to meet all the needs of stakeholders.

The natural connection between the businesses of the companies of the Eurohold group and their strong integration results in unique for the region competitive advantages over other market participants and in an ever-increasing loyal customer base.

Over the years, Eurohold Bulgaria AD has become increasingly successful in integrating and optimizing its operations and complementary businesses, which provide significant opportunities for rapid growth of market shares of companies in the holding structure. The issuer and its companies with their clean and integrated business model are in a position to take full advantage of the strong growth prospects characterizing the region and the sectors in which the Group operates..

Group business strategy focused on the clients and the competitiveness of the Eurohold Group

- Maintaining a leading position in the region of Central and Southeast Europe in the field of insurance.
- Promoting customer satisfaction and a diverse customer base by offering innovative and competitive products.
- Diversification of distribution channels in order to create multi-channel distribution of products, including a well-developed direct channel, as well as development of a customer service model.
- Promoting synergies and cross-selling in all business segments by centralizing and optimizing operations, marketing and business processes.
- Optimizing profitability by increasing sales volume, combined with optimizing inventory management.
- Expanding organically and through expansion of the markets in which it operates and increasing the market shares of each subsidiary.
- Retention of highly qualified managers and employees by providing opportunities for professional development and implementation of performance-based compensation schemes for key personnel.
- Establishing common goals in each business segment regarding the negotiation of better conditions for suppliers, advertising and participation in public tenders.

The sustainability strategy is based on the corporate culture in the Eurohold Group and the contribution of employees. It is essential for gaining, maintaining and increasing trust in our business, our companies and the group as a whole, which helps us become a "leader" in the main markets in which we operate.

All divisions of the Issuer use the highest technologies and in most of the companies are fully developed (and in others the process is not yet fully completed) online platforms available on the websites of the companies in order to meet the needs of customers through this an important digital channel so that their digital presence shifts from a "product-oriented" to a "customer / needs-oriented segment". The COVID-19 crisis has further accelerated this need.

Therefore, companies need to find the right balance between digital presence, traditional distribution and physical distribution channels. Their goal is to become more customer-oriented and more responsive to customer needs and feedback. They also aim to become more active in managing their reputation and brand, both online and offline. Make digital services simpler and more accessible to end customers through direct sales and a digital customer portal.

A. INSURANCE

The main advantage of Euroins Insurance Group AD is the well-developed distribution network, covering the territory of each of the countries in which the subsidiaries of the Group operate. The network includes a

combination of different sales channels (agencies, brokers, franchisors and insurance agents), which allows maximum flexibility and access to end customers. An important aspect of the competitiveness of Euroins Insurance Group AD is the centralization of reinsurance and investment management activities, information technology, etc..

The insurance group Euroins Insurance Group AD at the end of 2020 includes a total of eleven insurance companies, three of which are registered in the Republic of Bulgaria, and the rest with headquarters outside it (in Romania, Greece, North Macedonia, Russia, Ukraine, Georgia, Belarus).

The main advantage for all insurance companies is the opportunity to take advantage of the opportunities offered by the Issuer's group, namely the interaction and exchange of experience with other insurers in the group. In the last 5 years, Euroins Insurance Group AD has made acquisitions of insurers in CEE / SEE / CIS by several major Western and international leaders in the industry, taking advantage of their successful experience and innovative approach. In this way, Euroins Insurance Group AD received the opportunity to acquire valuable know-how and best practices combined with experienced management and staff. Apart from that, in order to meet the new conditions and needs, the insurance group monitors the market environment in the sectors and countries in which it operates and continuously improves its business model and the way it delivers value to customers using experience, product development and know-how. of the different countries in which it operates. In this way, the group implements the best practices of some companies in others and manages to create new products, a strong distribution channel, a strong customer base and good interaction.

The stability of the EIG insurance group and the business orientation that it imposes in all its companies, namely, leads to a convincing competitive advantage of the insurance companies.:

- Well diversified and balanced portfolios along the main lines of business with a high level of reproducibility.
- Financial stability and provided reinsurance protection by reinsurers with high rating.
- Flexible structure, allowing quick response to market trends.
- Good territorial coverage and expansion trends in CEE.
- Highly qualified and experienced staff, which guarantees the quality of the performed risk assessment when offering coverage and tariffs to meet customer needs for insurance protection.
- The constant monitoring and maintenance of the insurance premium according to the market levels in the target group of the Company's clients.
- Retaining direct customers.
- Well-developed own sales network.
- Offering insurance products of all business classes and a wide range of insurance coverage.

□ „IC EUROINS“ AD

„IC Euroins AD is a dynamic company, which in recent years has been constantly expanding its activities. The company offers a full range of insurance products. In 2019 and 2020 the company reports an increase of 41% and 23% of gross written premiums, respectively, as the main reason for this is the organic growth in direct insurance, both in Bulgaria and in Greece, through an existing branch. from the beginning of February 2019 and Poland, Spain, Italy and the United Kingdom, in accordance with the principle of freedom to provide services within the European Union. There is a continuous improvement of the quality of services in these countries, relying on increasing the partner and customer network of the Company, improved IT capabilities and opportunities for market analysis and segmentation.

One of the main advantages of IC Euroins AD is its close cooperation with the other companies of the Eurohold group, of which the insurer is a part. The business model built by Eurohold Bulgaria AD is based mainly on cross-selling.

Taking advantage of its advantages, IC Euroins AD, which is traditionally strong in the car insurance segments, using the accumulated know-how and experience, has taken steps to diversify its product portfolio and distribution channels, which in turn contributes to increase the company's revenues and market share.

The company competes mainly with the general insurance companies in the country occupying the top 7 places in terms of gross written premiums. Some of them are ZK Lev Ins AD, Bulstrad Vienna Insurance Group Insurance Company, DZI General Insurance EAD and Armeec Insurance Company AD.

□ „IC EIG RE“ AD

Developing its activity, ZD EIG Re AD aims to be competitive on the insurance market, occupying a leading position in it with predictable growth, market share and profit. In order to fulfill these goals, ZD EIG Re AD observes the main parameters set in the strategy, to which the organization of the company's activity is subordinated: achieving growth in the premium income, ensuring profit of the company. For the realization of the strategic goals between the separate structural units there are certain interrelations for bringing the company processes to a controlled state and their optimization in accordance with the market requirements and the company goals. Directly related to the strategic goals of the Company are the operational goals to which the organization of the activity of concluding insurance contracts is subordinated - ensuring sufficient premium income and improving the quality of the insurance portfolio, which are realized in the processes of the insurance activity insurance benefits.

In addition to all the advantages provided by the EIG Group, ZD EIG Re AD takes advantage of the proximity and success of IC Euroins AD and follows in its footsteps, increasing its market share every year.

□ „IC EUROINS LIFE“ EAD

The main competitors of IC Euroins Life EAD in terms of core and business are companies with foreign participation. This gives the Company the advantage of making fast and flexible decisions in contrast to the more cumbersome procedures of companies with headquarters in other countries.

The process and system for online administration of credit insurance sales developed by the company give the company a competitive advantage and make it a preferred partner for non-bank financial institutions, as they minimize investment in additional improvements in their systems and significantly speed up the process of starting sales.

In 2018, a process of transforming the company's business model from a traditional Life Insurer operating mainly with an agency network and direct sales into a digital and B2B insurer started.

In 2019 and 2020 the Company continued to work in this direction and by the end of 2020 80% of the premium income of Euroins Life Insurance EAD came from sales made through the company's partners operating in the Financial Sector.

In cooperation with IC Euroins AD, the company successfully sells Credit Protection insurance to loans with included unemployment risk. In 2020, the company launched a 100% online conclusion of this type of insurance in partnership with one of the market leaders in consumer loans granted by non-bank financial institutions.

The online form for filing claims of the company is in the process of updating and bringing in compliance with the requirements of the LMML, and with the launch the company will close the process of fully digital customer service..

□ „EUROINS ROMANIA INSURANCE – REINSURANCE “ S.A.

The main competitive advantages of the company are a high level of focus and loyalty to customers, current and affordable insurance products, digitalization in order to simplify the process of concluding contracts, as well as the process of settling insurance claims.

The company also competes successfully based on the following factors:

- Extensive national presence in Romania.
- Large number of individual clients.
- Young but experienced team.
- New top management team.

„Euroins Romania Insurance - Reinsurance “S.A. works continuously to improve its products to meet current demand by seeking to develop new products that are innovative for the local market (e.g., Motor Hull with the principles of "pay while you drive").

Although many of the company's internal processes are digitized or partially digitized, the company continues the process of automating and optimizing internal workflows. Some of these processes are:

- implementation of a decision for real-time collection of documents from insurance intermediaries.
- implementation of an e-commerce site through which insurance products will be sold.
- diversification of the portfolio of non-motor insurance products.
- improving the customer experience by offering the opportunity to purchase and pay for insurance products online.
- the ability to create new tools for improved communication and customer information.

- Digitization of all insurance policies (although currently over 95% of the company's portfolio is issued online, there are some technical insurance products that are still issued in writing).
- Migration to cloud services for the company's vital IT resources
- Implement a solution to prevent data loss
- Development of the application "Online claims" and implementation of new functionalities to finalize the application of online processing of files for claims for damages.

„Euroins Romania Insurance - Reinsurance “S.A. As the second in terms of market share on the Romanian market competes with the companies in the top 5 in terms of gross written premiums and their share in the total market, these are: CITY INSURANCE S.A., ALLIANZ - TIRIAC ASIGURARI S.A., OMNIASIG VIG and GRUPAMA ASIGURARI S.A..

□ EUROINS OSIGURUVANYIE AD, NORTH MACEDONIA

The main competitive advantages are a loyal and expert team, a good brand position, good customer service and professional cooperation with suppliers (distribution channels).

The company's strategy is in line with the Group's strategy for sustainable growth and constant profit margins.

In 2020, Euroins Insurance AD received all the missing business line licenses in order to prepare for the development of new products and cooperation on the local market. Cooperation with new distribution channels has been developed. Digitalization is in progress - an online travel insurance platform has been developed, as well as a platform for online payments for current customers.

The main competitors of the company / within its segment are in the agricultural segment is Halk Insurance, in the health segment - Halk Insurance and Croatia, in the motor segment it competes with all companies.

□ PJSC IC EUROINS UKRAINE

The main competitive advantages of the company are:

- Professional market service.
- Good reputation and positive image of a reliable, transparent and stable company.
- International aid.
- Qualified personnel.
- 28 years of work experience in the market.

The main competitors in the compulsory motor insurance, whose share in the structure of the company's portfolio is nearly 50%, are: TAS, ORANTA, UPSK, KNIAZHA VIENNA Insurance Group, USI, PZU Ukraine and VUSO.

□ PJSC EUROPEAN TRAVEL INSURANCE

The company's priority is to maintain the level of cooperation with leading partners (which provide the company with about 69% of sales), but at the same time the emphasis should be on expanding cooperation with other partners and attracting new ones in order to reduce the share of each partner, regardless of its current sales volume. In order to gain a leading position in the field of travel insurance, the company sees the potential in the development of new insurance products, the professional development of employees in order to attract other tourism entities as partners..

Among the company's plans for digitalization of processes are:

- Further development of the daGama project, including the development of an online sales module for partner websites.
- Integration of the daGama system in other services of the company - accounting system (for example, automatic recognition and distribution of payments, etc.);
- Implementation of business continuity management policy.
- Implementation of CRM system and "intranet" - internal portal for implementation of electronic document management system Sharepoint.
- In connection with the conduct of several mass hacker attacks against Ukrainian companies, the key task of the IT system is to ensure the continuity of the company and protection from external interference in company systems

□ JSC EUROINS GEORGIA

Currently, the main competitive advantage of the company is its own employees, their skills and knowledge in this field. This generates a strong reputation and a positive image of a reliable and stable company. For

further development it is necessary to implement technological tools and advanced software that help in the daily processes of management, administration and control.

New products such as accident, property insurance and liability were launched to change the diversification of the portfolio. The company is currently working with a number of banks to implement insurance products that banks will offer to customers.

The main competitors of the company are: Ardi, Irao, Unison, New Vision, Hualing Insurance. Of these companies, ARDI is one of the leading competitors.

□ EUROINS CLAIMS M.I.K.E., GREECE

Euroins Claims M.I.K.E. is the first claim processing company in Greece to use the most innovative remote expertise via a smartphone called YOUCIT®, which is an Austrian application operated by DAT Hellas. Euroins Claims M.I.K.E. has introduced a special category of claims dealing with claims, called Fast Track, which are claims without spare parts and are corrected within 48 hours, as all documents are collected through DAT Hellas. This gives a fast and unique customer processing process.

Euroins Claims M.I.K.E. there is a technical department of 6 experienced technicians who can easily and quickly calculate receivables through DAT Hellas. DAT Hellas allows at all stages of the calculation to check the original or spare parts of spare parts and the commercial value of the vehicle.

Through the cooperation with Europe Assistance and an innovative portal, we can immediately receive a real-time claim notification and at the same time automatically send information to a third insurance company.

Penetrating the market for processing claims for rent and leasing in Greece with quality and organization, the insurance company has the opportunity to provide services to foreign countries with the best cost and efficiency. The main purpose of the company is to consider claims for damages of other insurance companies, leasing companies and the fleets of car rental companies.

□ RUSSIAN INSURANCE COMPANY EUROINS OOO

SOGAZ is the market leader in Russia in terms of written premiums with a 23.1% share. Market leaders are also Alfa Strakhovanie, Ingosstrakh and RESO-Garantia, Rosgosstarh, Sberbank Insurance, VSK.

At the end of 2020, the first TOP-10 companies represent 71.3% of the signed premium market against 68% in 2019.

The main competitors of Russian Insurance Company Euroins within its segment are Zetta Insurance, ABSOLUT INSURANCE, PARI, Sovcombank Insurance.

Main competitive advantages of the company

- Agents and partners.
- Operational sales support.
- Convenient IT product for agents.
- Wide range of services.
- Reliable reinsurance protection.
- Extensive network of representations and fast settlement of losses.
- Online purchase of basic types of insurance.
- Personal manager.
- Financial stability (more than 20 companies leave the insurance market annually).

Clients of Russian Insurance Company Euroins LLC are state organizations, small and medium business and individuals. The main types of insurance for legal entities are voluntary medical insurance, cargo insurance, collective accident insurance, property risks and liability insurance. For individuals - car insurance, motor insurance, medical insurance, travel insurance, property insurance, accident insurance. New insurance lines that the company has developed are marine insurance and agricultural insurance.

Russian Insurance Company Euroins LLC is actively increasing its customer base for various types of insurance. The product line is expanded in accordance with the needs of the insurance market.

The company pursues a policy aimed at building long-term partnerships with its customers. The company implements and improves the following services:

- online interaction with the client and agents.
- round-the-clock connection with clients.
- personalization of the service.

- reduction of service time.
- extension without visiting the office.
- maximum satisfaction of the client's needs.

The company currently works for:

- automation of business processes of sales, servicing of insurance products and settlement of insurance events
- improving the level of service
- building a dynamic model for risk monitoring.
- improvement of existing and introduction of new information technologies.

B. AUTOMOBILES

According to the statistics published by AAP (Association of Automobile Manufacturers), the Auto Union AD Group has a market share of 11.8% of the new car market in Bulgaria, based on the number of cars sold in 2020.

The Auto Union AD Group competes with other sellers of Nissan, Dacia, Renault and Opel cars, as well as with sellers of other car brands with various business models, similar to the Auto Union Group AD, such as Toyota Balkans. EOOD (Toyota and Lexus), Moto-Pfohe EOOD (Ford, Volvo, Jaguar and Land Rover) and Porsche BG EOOD (Volkswagen and Audi). The group also competes with authorized and unauthorized car repair shops for its service services.

Although the automotive market generally has no legal or administrative barriers to market entry, competitive and profitable operations require significant investment in infrastructure as well as working capital. Profitability is often achieved only after the sale of a large number of cars. Achieving the necessary levels of sales in turn is a challenge, especially for small regional companies in a market environment of shrinking sales and selective buyers. As a result, the automotive market will continue to be dominated by leading integrated companies offering several car brands that have their own established sales network.

In general, market competitiveness is determined by pricing and offering discounts.

In order to improve its competitive position, Auto Union AD focuses on:

- increase in car sales and follow-up services offered, namely repair and service.
- expanding the portfolio of offered brands and models of cars.
- continuous monitoring of market trends, sales and customer requirements for various services, in order to improve the quality and scope of the activities offered and customer satisfaction.

Key growth factors of the Auto Union AD group, influencing the competitiveness:

- Diversified product portfolio - with a wide range of brands (9 cars, 4 scooters and mopeds) "Auto Union" AD covers all segments of the automotive market in Bulgaria, offering adequate solutions to both corporate and individual customers; brand diversification also protects the Group from vulnerability to force majeure that could affect certain brands (for example: Toyota's 'global crisis' in 2009/2010; the globally announced new coronavirus pandemic - COVID 19);
- Auto Union AD maintains, as a main competitive advantage, the affiliation of individual traders (by brands) to a holding company, which allows for more efficient implementation of activities, through unified management, unification of technical service, generally agreed deliveries, exchange of staff and management experience.
- Each company in the Group is certified according to the international quality management standards ISO 9001: 2008, and apart from that it is responsible for meeting the requirements of manufacturers / dealers of individual brands for equipment condition, staff qualification and way of work. Trainings for mechanics and car dealers are held regularly.
- Cross-selling - strong ties with IC Euroins AD and Eurolease Auto EAD allow Auto Union AD to offer many competitive solutions and products to its customers by offering packages that significantly facilitate the purchase of a new car.
- Optimized group costs - pooled budgets for the purpose of optimizing the costs of marketing, research, bulk advertising, etc.

C. LEASING

Eurolease Group AD, as a company uniting the leasing activities of Eurohold Bulgaria AD, is in a favorable position to strengthen its market position and increase its market share in the individual business areas in which the Issuer's subsidiaries operate.

The mission of the Issuer is to offer its clients a fast and complex service - a simplified procedure for application and approval for one day, a profitable insurance package and a personal approach to each client.

The subsidiaries of Eurolease Group AD take advantage within the Group of the opportunity to provide a full range of:

- Financial leasing,
- car rental services, operating leasing and car rental,
- sale of used cars,

of individuals and legal entities and corporate clients, thus, the Issuer manages to cover the full range of potential customers and create competitive advantages.

The strategic goal of Eurolease Group AD is to become one of the leading lessors in each country in which it operates, and for this purpose it strives to build a strong and sustainable brand based on the provision of high quality and comprehensive services, to increase its reputation as an innovative and flexible partner and offer new, specific products and services in cooperation with the insurance and automotive companies of the Eurohold Group. This model makes it possible to generate flexible products with a better end result in the complex price compared to competing companies offering lower interest rates.

The main factors influencing the market in which the companies of the Eurolease group operate are:

- the number of new and used vehicles sold on the relevant local or foreign market.
- the free financial resources of the clients.
- economic activity in the market.

All these factors are economic factors that companies cannot influence, they depend on the current state of the economy and are the same for all competitors.

Another group of factors are those that companies can influence and depend on their ability and capabilities. The most significant main factors influencing the competitiveness of the leasing group are the following:

- access to external financing.
- the cost of financing the companies of the Group.
- the support of a large economic group (the Eurohold group).
- access to corporate clients.
- flexibility in determining a complex price in public procurement, tenders and offers for corporate clients.
- access to second-hand cars with proven origin and serviced in authorized repair shops.
- the ability of the Issuer's companies to take advantage of the opportunities for cross-products with the other business areas of the Eurohold group to which they belong and to attract customers through unique and flexible products.
- the ability of the management of the companies to digitalize the processes creating conveniences, ease and speed in managing the offered services.

The competitiveness and the main competitors of Eurolease Group AD can be considered in the following sectoral segments:

□ Financial leasing

In the financial leasing segment, competitors in the country are other leasing companies in the region, especially those specializing in the leasing of new cars and vans. The main competitors of the companies from the Eurolease group are mainly companies from large financial groups that have direct access to low interest rates in financing, such as Interlease EAD, Raiffeisen Leasing Bulgaria EOOD, Unicredit Leasing EAD and OTP Leasing Ltd., and to a lesser extent importer of cars that offer their own leasing.

On the other hand, banking subsidiaries offering leasing services are sometimes subject to stricter regulatory requirements, which makes it difficult to make flexible decisions.

Over the years, Eurolease Auto EAD has established itself as a leading non-bank leasing company on the Bulgarian market. Experience, established relationships with suppliers and an expanding customer base allow the company to report a stable positioning in the leasing market, supported by the ability to offer joint products and even more attractive leasing conditions to its customers.

In 2017, the company Amigo Leasing EAD was established, which offers financial leasing to individuals in the segment of used cars with an average age of 5 years. - 15 years the only competitor of the company in this segment is Mogo Bulgaria OOD. Amigo Leasing EAD has competitive financing and applies the experience and imposed good practices of Eurolease Auto EAD.

The leasing operations of Eurolease Group AD focus on the development of products offering flexible repayment plans and interest rates that are consistent with the risk profile of the client.

The leasing market in North Macedonia is relatively small and underdeveloped. At present, banks still offer car loans, which limits the business opportunity for leasing companies. However, the general trend is for banks to stop offering such products, making leasing companies the main players in financing car purchases. The banking sector in the country as a whole is underdeveloped and offers room for significant growth in the coming years. The leasing market is expected to develop in parallel with the banking sector, which offers excellent opportunities for growth.

▣ **Short-term rental (car rental) services and long-term rental (operating lease) of cars**

„Eurolease Group“ AD provides services for renting cars and fleets through the companies Eurolease - Rent A Car EOOD and Sofia Motors EOOD.

Eurolease - Rent A Car Ltd. is the official representative for Bulgaria of the world famous and trusted American brands - Avis and Budget, owned by the American public company Avis Budget Group Inc., which has more than 11,000 retail locations in approximately 180 countries worldwide.

The Avis and Budget brands are well known to Bulgarian consumers due to the fact that they have been present on the market of car rental services in the country for many years - Avis since 1991, and Budget - since 1995. In view of the established high company standards of the American company (which operates on the European market through its unit based in the UK), a conditional segmentation of the services offered has been established in order to achieve higher and overall customer satisfaction. Therefore, the Avis brand has established itself as a symbol of high-end premium cars suitable for use by business customers. While the Budget brand is targeted at a wider range of consumers who use car rental services mainly when traveling for tourism.

Given the fact that the two brands are represented and well known in countries around the world, the American company - holder has established contacts and partnerships with a number of major airlines, brokers and tour operators, which benefit from individual licensees locally, among which is also "Eurolease - Rent A Car" Ltd. The company has many years of experience in providing car rental services - not only in terms of "car rental" (through the brands Avis and Budget), but also in terms of providing operating leasing services, where it partners with a number of large foreign companies operating on the Bulgarian market.

An important competitive advantage for Eurolease - Rent A Car EOOD is the long-term use of retail outlets located at the three largest airports in the country - Sofia Airport, Varna Airport and Bourgas Airport.

In 2020 Eurolease Group AD has started expanding the portfolio of services offered within Sofia Motors EOOD. Inspired by the emerging trend of "car as a service", the company offers its customers rental with full service of the car, a personal assistant who takes care of it, as well as service management through a mobile application. The development of the company will continue in the future to meet the desire of the modern consumer for maximum convenience without wasting time for maintenance, repair, technical inspections and filing damages, which actions must be performed in case of possession of car.

The main competitors in the car rental business are Hertz Rent a Car and Sixt Rent a Car.

▣ **Sale of used cars**

„Eurolease Group“ AD sells used cars through the company Autoplaza EAD. These are mainly cars that have been the subject of financial or operating lease agreements, purchased by official importers and representatives for the country and serviced in authorized repair shops.

In the last few years, Autoplaza EAD has managed to establish itself as a recognizable supplier of used cars with proven origin and quality and comprehensive service.

In the segment of used car sales there is a lot of competition due to the presence of many car dealerships, but nevertheless it can be said that the main competitors of Autoplaza EAD are the official representatives of cars for Bulgaria offering used car sales.

In order to build high competitiveness, Autoplaza EAD puts in the centre the convenience and security of its customers, to whom it offers:

- **Security:** Cars with guaranteed origin and full-service history, certified by DEKRA through 100-point DEKRA check + extended warranty for each car owned by Autoplaza EAD.
- **Convenience:** Each car is registered, which saves time and money for customers, they also get - the opportunity to test drive the selected car, the opportunity to drive the car to a customer service selected for a full inspection, easy financing and digital signing of the lease, delivery of the car to a convenient location for the client after signing the lease agreement.
- **Fleet with a large selection of leasing cars:** Autoplaza EAD has access to a wide range of used cars of guaranteed origin, subject to leasing agreements through the related companies Eurolease Auto EAD and Amigo Leasing EAD, as such objects of operating lease or offered for short-term rent through the related companies Eurolease Rent A Car EOOD and Sofia Motors EOOD.
- **Cars with guaranteed origin:** The used cars offered by the company are purchased from the official representations of the given brand, and most of them are leased with a factory or extended warranty and with the service history of each car. This guarantees the origin of the cars and the peace of mind of the customers in their choice.
- **Replacement and repurchase of a car:** The company offers evaluation, repurchase and replacement of the old car.
- **Part of the large structure of Eurohold Bulgaria AD:** The close cooperation with the car companies of the Eurohold group is a plus, because most of them are official importers and dealers of most car brands. This guarantees speed, convenience and security for customers.
- **Assistance in preparing documents:** Free preparation of all documents necessary for the transfer of ownership of the car selected by the customer.

Key growth factors affecting the competitiveness of the leasing group is based on the following factors:

- Offering comprehensive services.
- Negotiating a stable financial resource at a competitive price.
- Flexibility in products to meet customer needs and expectations.
- Fast and high-quality service.
- Increasing the levels of new business while taking reasonable levels of risk.
- Full digitalization of the processes.
- Positioning and promotion of new products and services developed by the companies: "SIMPL", "Ready to go", "DriveSimpl", "DriveSimpl App", "Simpl Ready 2 Go" and "Reverse Leasing".
- Reaching a larger number of users through advertising on social channels.
- Ongoing analysis of consumer attitudes and adaptation of products to them.
- Negotiating new long-term partnerships with foreign and local companies.
- High customer satisfaction with the services offered.
- Competitive and affordable offers, promotions and packages related to the services offered by the company.
- Qualification and training of all employees and retention of staff in the companies.

D. Investment intermediation and asset management

„Euro-Finance AD meets significant competition from local and international competitors. The company competes on the basis of various factors including products and services offered, depth of customer relations, innovation, reputation and price. Euro-Finance AD competes mainly in the activity of asset management with commercial banks, private banking companies, investment intermediation companies and brokerage houses. In addition, any trend towards the consolidation of the global financial services industry can create stronger competitors with more developed ranges of products and services, greater access to capital and greater efficiency and power in pricing. The main competitors of the company in the investment intermediation are ELANA Trading AD, Karol AD, Kapman AD, BenchMark Finance AD, First Financial Brokerage House EOOD and others.

As of the date of this Prospectus, there are 59 active investment intermediaries on the Bulgarian market, including 16 banks, 41 non-bank financial institutions, and 2 branches of investment intermediaries from EU Member States (according to FSC data). According to the statistics published by the Bulgarian Stock Exchange AD, Euro-Finance AD is in second place with Euro-Finance AD in terms of turnover from all investment intermediaries in the country.

Both in 2020 and in 2021 the activity of EURO-FINANCE AD is aimed at finding the optimal balance between the measured risk and the liquidity of the investments.

Euro-Finance as an investment intermediary operates on the capital market in Bulgaria. The company offers direct access to the Bulgarian Stock Exchange through its EFOCS platform, as well as to the Frankfurt Stock Exchange - Deutsche Börse Xetra.

Euro-Finance AD offers a wide range of investment products - stock trading, fixed income instruments, derivatives, FOREX transactions, contracts for differences (CFDs), repo transactions and more. Euro-Finance AD maintains long-term relations with a number of international financial institutions. The company is the first Bulgarian licensed investment intermediary, a full member of the Frankfurt Stock Exchange.

As an investment intermediary, Euro-Finance AD offers its clients activities such as brokerage services, asset management, investment banking, consulting on mergers and acquisitions, and other investment services for corporate and institutional clients. It also offers individual portfolio management, mainly to individual and institutional investors based in Bulgaria. These portfolios are based on the risk characteristics of the client and the structure of the assets, which are actively managed by the company in accordance with the specific needs of the client, and these assets usually include investments in stocks, bonds, alternative investments and cash.

After signing a contract with Eurotrust Technologies AD in 2020 - a company providing qualified certification services, Euro-Finance AD integrates in the company's corporate website a complete solution for remote identification and signing of electronic documents, which effectively optimizes the process of concluding contracts with new clients remotely. The management of the company sees both the short-term benefit of this solution in the conditions of social distancing, and the long-term - overall optimization of the internal company processes.

Work continues on updating and modernizing the company's corporate website, and efforts will be focused on adding new sections and features. Special attention will be paid to expanding the presence of Euro-Finance AD in the Internet space and reaching a wider range of potential clients by promoting the products and services of the investment intermediary, including but not limited to using the services of influencers and advertising specialists.

In 2020 Euro-Finance AD has expanded the range of services it offers to its individual and institutional clients, entering into a strategic partnership with Europe's leading asset management company - Amundi Asset Management. Through Euro-Finance AD, investors can subscribe for units and savings plans from a wide range of funds managed by Amundi Asset Management. In order to reach the widest possible range of potential customers and in order to maximize sales, the company's management is considering in 2021 to sign contracts with the so-called. tied agents to start "pilot" offering the funds of Amundi, and subsequently the other services provided by Euro-Finance AD.

Following the motto "Making capital markets more accessible", Euro-Finance AD continues to work on the project for developing a mobile application of the e-commerce platform EFOCS. It is expected that in 2021 the application will be offered in a version for Android, and in early 2022 - for iOS. The management team of Euro-Finance AD believes that the combination of competitive trading conditions on the Bulgarian Stock Exchange (BSE) and FWB Xetra and an easy-to-use mobile trading application will help to significantly increase the share of the intermediary in servicing individual clients in the field of financial services in the local market.

The management team of Euro-Finance AD plans to focus efforts on attracting new institutional clients and partners through meetings with large investors and contacts with potential issuers interested in financing opportunities for their business through listing on the BEAM market, organized from the BSE.

Key growth factors influencing development trends and competitiveness:

- Full license to offer the full range of financial products that exist in European financial markets.
- Over 25 years of experience in the financial markets.
- Highly qualified management and operational staff - brokers and investment advisers, licensed by the FSC, Bulgarian Stock Exchange AD and the Frankfurt Stock Exchange (FSE).
- Access to all important international securities markets.
- The only Bulgarian financial institution member of FSE.
- Use of modern software systems.
- High capitalization as a guarantee in periods of economic downturn.

5.7. INVESTMENTS

5.7.1. DESCRIPTION, INCLUDING THE AMOUNT OF THE ISSUER'S MATERIAL INVESTMENTS FOR EACH FINANCIAL YEAR FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION UP TO THE DATE OF THE REGISTRATION DOCUMENT.

Since its establishment, Eurohold Bulgaria AD has made numerous capital investments in its subsidiaries. At the same time, the Issuer's subsidiaries have invested in their own subsidiaries (operating companies).

The below tables provide information on the capital investments made by Eurohold Bulgaria AD and its subsidiaries for the period covered by the historical financial information in this document until the date of the Registration Document:

Description of the investment	Number of shares	Capital expenditures (BGN)	Investor
Capital investments of Eurohold Bulgaria in 2017			
Euroins Insurance Group AD Capital increase	70 528 260	70 528 260	Eurohold Bulgaria AD
Euro-Finance AD Capital increase	6 500	6 500 000	Eurohold Bulgaria AD
Total		77 028 260	
Investments of subsidiaries in 2017			
IC Euroins AD Capital increasea	18 562 742	19 052 706	Euroins Insurance Group AD
Russian insurance company Euroins OOD Acquisition of participation	42 502 300 units	2 627 441	Euroins Insurance Group AD
Bulvaria Varna EAD Establishment of a company	25 000	250 000	Avto Union AD
Star Motors DOOEL Capital increasea	100 000	195 583	Avto Union AD
EA Properties OOD Capital increasea	35 700	35 700	Avto Union AD
Eurolease Auto Retail EAD (currently Amigo Leasing EAD) Establishment of a company	1 000 000	1 000 000	Eurolease Group AD
Eurolease Auto, DOOEL Skopje Capital increase	1 000	97 792	Eurolease Group AD
Totla		23 259 222	

Source: Eurohold Bulgaria AD

Description of the investment	Number of shares	Capital expenditures (BGN)	Investor
Capital investments of Eurohold Bulgaria in 2018			
Euroins Insurance Group AD Capital increase	36 963 169	36 963 169	Eurohold Bulgaria AD
Euroins Insurance Group AD Shares purchase from Basildon Holding	12 305 771	10 981 985	Eurohold Bulgaria AD
Total		47 945 154	
Investments of subsidiaries in 2018			
IC Euroins, Bulgaria Acquisition of interest	17 926	18 661	Euroins Insurance Group AD
Euroins Claims MIKE Establishment of a company	3 300	6 454	Euroins Insurance Group AD
IC Euroins Ukraine Acquisition of company	7 149 354 125	1 929 159	Euroins Insurance Group AD
PJSC European Travel Insurance Acquisition of company	9 472 988	2 453 688	Euroins Insurance Group AD

IC Euroins Georgia Acquisition of company	1 620 352	3 813 868	Euroins Insurance Group AD
Russian insurance company Euroins OOD Acquisition of interest and capital increase	80 000 000 units	3 442 131	Euroins Insurance Group AD
Auto Italia EAD Capital increase	8 000 000	8 000 000	Avto Union AD
Bulvaria Sofia EAD Establishment of a company	129 000	129 000	Avto Union AD
Amigo Leasing EAD Capital increase	200 000	200 000	Eurolease Group EAD
Sofia Motors EOOD Capital increase	300 000	300 000	Eurolease Group EAD
Eurolease Rent-a-Car EOOD Capital increase	210 000	210 000	Eurolease Group EAD
Total		20 502 961	

Source: Eurohold Bulgaria AD

Description of the investment	Number of shares	Capital expenditures (BGN)	Investor
Capital investments of Eurohold Bulgaria in 2019			
Euroins Insurance Group AD Capital increase	3 950 000	3 950 000	Eurohold Bulgaria AD
Euroins Insurance Group AD Shares purchased	13 983 831	12 324 508	Eurohold Bulgaria AD
Total		16 274 508	
Investments of subsidiaries in 2019			
Daru Car EAD Acquisition of interest	20	9 900	Avto Union AD
Benzin Finance EAD Acquisition of interest	105 000	1 082 917	Avto Union AD
Auto Italy Sofia EOOD Establishment of a company	100	100	Auto Italia EAD
IC Euroins, Bulgaria Acquisition of interest	2 666	3 466	Euroins Insurance Group AD
Euroins Claims, Greece Acquisition of interest	1 700	1 173 498	Euroins Insurance Group AD
IC Euroins Ukraine contribution to additional capital		801 890	Euroins Insurance Group AD
Russian insurance company Euroins OOD Acquisition of interest	121 500 000 units	1 417 829	Euroins Insurance Group AD
Eurolease Rent-a-Car EOOD Capital increase	400 000	400 000	Eurolease Group EAD
Total		4 889 600	

Source: Eurohold Bulgaria AD

Description of the investment	Number of shares	Capital expenditures (BGN)	Investor
Capital investments of Eurohold Bulgaria in 2020			
Euroins Insurance Group AD Purchased shares	8 390 300	7 402 926	Eurohold Bulgaria AD
Euroins Insurance Group AD Capital increase	41 050 000	41 050 000	Eurohold Bulgaria AD
Total		48 452 926	
Investments of subsidiaries in 2020			
ERGO Belarus (currently PJSC IC Euroins, Belarus) Acquisition of company (93.12%)	19 590	3 432 784	Euroins Insurance Group AD
IC EIG Re EAD Capital increase	2 800 000	2 800 000	Euroins Insurance Group AD
IC Euroins Life EAD Capital increase	125 000	1 250 000	Euroins Insurance Group AD
IC Euroins AD Capital increase	8 500 000	8 500 000	Euroins Insurance Group AD
Eurolease Ren-a-Car EOOD	16 000	1 600 000	Eurolease Group AD
Sofia Motors EOOD	300 000	300 000	Eurolease Group AD
Motobul EAD	20 000	400 000	Avto Union AD
Total		18 282 784	

Source: Eurohold Bulgaria AD

Description of the investment	Number of shares	Capital expenditures (BGN)	Investor
Capital investments of Eurohold Bulgaria in 2020			
Euroins Insurance Group AD Purchase of shares	3 915 473	3 472 467	Eurohold Bulgaria AD
Total		3 472 467	
Investments of subsidiaries in 2020			
Euroins Romania Asigurare REasigurare Capital increase – the contribution was made in 2020, the increase was entered in the TP on March 26, 2021. *	5 000 000	20 071 735	Euroins Insurance Group AD
Total		20 071 735	

Source: Eurohold Bulgaria AD

In 2020, the Issuer's subsidiary also invested in two capital increases of Euroins Romania Asigurare Reasigurare S.A. The majority shareholder of Euroins Insurance Group AD has subscribed and paid for all newly issued by Euroins Romania Asigurare-Reasigurare SA shares within the two procedures described in detail below.

*First capital increase - On 26.03.2021 the Trade Register of the Republic of Romania registered an increase in the share capital of Euroins Romania Asigurare-Reasigurare S.A. with 50,000,000 Romanian lei by means of issuance of 5,000,000 new shares with an issue value of 10 Romanian lei per share and a nominal value of one share 1 Romanian leu. The newly issued shares are fully subscribed and paid through a cash

contribution by Euroins Insurance Group AD. Following the completion of the registration procedure, the capital of Euroins Romania Asigurare-Reasigurare S.A. amounts to 537,823,413 Romanian lei, distributed in 537,823,413 registered shares with a nominal value of 1 /one/ Romanian leu each, of which Euroins Insurance Group AD holds 529,855,189 shares, corresponding to approx. 98.52% of the new share capital. The decision for the increase of the share capital was adopted on 17.09.2020 at the Extraordinary General Meeting of Shareholders of the Euroins Romania Asigurare-Reasigurare S.A. The Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiară, ASF) approved the capital increase by Decision N^o 342 / 11.03.2021.

Second capital increase - On 03.12.2020 the Extraordinary General Meeting of Shareholders of Euroins Romania Asigurare-Reasigurare S.A. adopted a resolution for the increase of the share capital of the Company with 76,642,614 Romanian lei by means of issuance of 7,664,261 new shares with an issue value per share of 10 Romanian lei and nominal value per share 1 Romanian leu. The newly issued shares are fully subscribed and paid through the conversion of receivables of the creditor Euroins Insurance Group AD. As of the date of P, the capital increase of the insurance company has been approved by the Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiară, ASF), and the increase should be announced and registered with the Trade Register of the Republic of Romania. Following the registration of the capital increase, the share capital of Euroins Romania Asigurare-Reasigurare S.A. will increase with 7,664,261 new shares and shall amount to 545,487,674 Romanian lei, distributed in 545,487,674 registered shares with a nominal value of 1 /one/ Romanian leu, of which Euroins Insurance Group AD holds 537,519,450 shares, corresponding to approx. 98.54% of the new share capital.

As the second capital increase of the Romanian company is currently not registered in its account in the Commercial Register of Romania, it will be reported as an investment on the date of its entry in the account of the Commercial Register of Romania. It is expected that the approval by the Romanian regulatory authority and the entry in the Commercial Register will be completed within May or by the end of the second quarter of 2021 at the latest.

The capital investments made by Eurohold Bulgaria AD and its subsidiaries are financed with own funds and partly with borrowed funds.

The funds raised from the capital increases are spent on supporting the operational activities of the companies, maintaining capital requirements, organic growth, as well as the creation or acquisition of new companies, mainly by the insurance subholding.

Other investments

In 2018, Eurohold Bulgaria AD executed an agreement for the acquisition of a minority share in the amount of 10.64% of the capital, as of the date of signing the agreement, of its subsidiary insurance holding - Euroins Insurance Group AD. Eurohold Bulgaria AD has agreed to buy the shares of the other shareholder in Euroins Insurance Group AD - Basildon Holding S.A.R.L., the special investment company of the South Eastern Europe Fund L.P. (SEEF), managed by the Greek investment company Global Finance. After the completion of the transaction, Eurohold Bulgaria AD will own 100% of the capital of Euroins Insurance Group AD. The acquisition is carried out through a phased purchase by Eurohold Bulgaria AD through a series of transfers of shares under a predetermined plan. The repurchase should be completed within the third quarter of 2021, in which period Eurohold Bulgaria AD will repurchase the remaining 12,865,125 shares with a total value of EUR 5,570,000. Due to the fact that the acquisition is carried out in stages, it does not create the need for additional financing to increase the indebtedness of the Issuer.

As a result of the acquisitions, conducted in stages, the share in the capital of the subsidiary insurance subholding was increased to 96.67% as of the date of this Registration Document, bringing the total shares held by Eurohold Bulgaria to 525,371,935 shares.

The companies belonging to the automobile group make periodic investments in fixed assets related to the purchase of service equipment, vehicles, investments in construction and improvements of showrooms and service centers. In general, these investments are inherently operating investments and the total investments in them do not represent significant cash affecting the solvency of the group, therefore they are not considered separately.

The other Eurohold business groups are not characterized by investments in tangible fixed assets.

5.7.2. DESCRIPTION OF ANY MATERIAL INVESTMENTS OF THE ISSUER THAT ARE IN PROGRESS OR FOR WHICH FIRM COMMITMENTS HAVE ALREADY BEEN MADE, INCLUDING THE GEOGRAPHIC DISTRIBUTION OF THESE INVESTMENTS AND THE METHOD OF FINANCING.

The significant investment for which as of the date of this document the Issuer has undertaken a commitment and the same is in the process of implementation is the acquisition of CEZ's Assets in Bulgaria. The execution of this investment implements the long-term investment strategy of the Issuer for entering new regulated business segments and diversification of its investment portfolio.

Investment in CEZ:

In June 2019, Eurohold Bulgaria AD executed an agreement for the acquisition of CEZ's Assets in Bulgaria.

According to the agreement, Eurohold Bulgaria AD will acquire the CEZ's Assets in Bulgaria through its subsidiary registered in the Netherlands - Eastern European Electric Company B.V., created specifically to consolidate the Issuer's energy business, whose sole owner is the 100% owned subsidiary of the Issuer - Eastern European Electric Company II B.V., Netherlands

Following receipt of the required approvals and authorizations of the transaction from the respective competent regulatory authorities - Commission for Protection of Competition and Energy and Water Regulatory Commission, currently Eurohold Bulgaria AD is in the process of securing the financing for the transaction.

Acquisition structure of CEZ's Bulgarian Assets transaction

The acquisition of CEZ's Assets in Bulgaria will be carried out in 2 stages.

Stage One includes the acquisition by Eastern European Electric Company B.V., the Netherlands of 67% of the share capital CEZ Electro Bulgaria AD (a power supply utility company and licences electricity trader) and CEZ Distribution Bulgaria AD (electricity distribution company), as well as of the acquisition of 100% from the capital of the licensed electricity trader CEZ Trade Bulgaria EAD, the IT services company CEZ ICT Bulgaria EAD (a subsidiary of CEZ Distribution Bulgaria AD), the photovoltaic (solar) park "Free Energy Project Oreshets" EAD, the company for production of electricity from biomass - Bara Group EOOD and CEZ Bulgaria EAD, which coordinates and manages the activities of all companies in the Czech group in the Bulgaria - at total of EUR 335 million in aggregate.

Stage Two includes the acquisition by Eastern European Electric Company B.V., the Netherlands of a minority stake (33%) in the public listed companies CEZ Electro Bulgaria AD and CEZ Distribution Bulgaria AD. Upon stage one of the acquisition is completed for Eastern European Electric Company B.V. arises the legal obligation to submit a mandatory tender offer (MTO) to the minority shareholders for the purchase of their respective minority stake (shares from the capital) in the two public listed companies - CEZ Electro Bulgaria AD and CEZ Distribution Bulgaria AD. Currently, the Issuer cannot make an estimation how many of the minority shareholders will accept the offer and sell their shares. Assuming all minority shareholders shall accept the offer, the Issuer estimates the necessary funds for this second stage of the transaction at approx. EUR 100 million.

Separately, apart from the acquisition of participations in the target companies, the investment also includes repayment to the current majority shareholder of shareholder's loans in total amount of EUR 45 million provided to some of the subsidiary target companies. Eurohold Bulgaria AD is not authorized to disclose the parameters of these loans, including date of execution, maturity and purpose. However, these parameters are irrelevant for the future assessment of the Issuer's solvency, given that the loans are subject to repayment in stage one of the transaction execution.

The total value of the investment, including the costs incurred in the acquisition process, amounts to EUR 490 million.

Transaction Financing

Eurohold Bulgaria AD will finance the acquisition of CEZ's Assets in Bulgaria through a combination of equity (through the current increase in the Issuer's capital) and borrowed capital raised by the company specially created for the acquisition of CEZ's Assets, namely Eastern European Electric Company "BV, the Netherlands (whose sole owner of the capital is the 100% subsidiary of the Issuer - Eastern European Electric Company II" BV, the Netherlands).

The financing structure provides for fund raising through three financing instruments:

First financing instrument - secured senior debt financing (senior loan facility) in the amount of approx. EUR 300 - 320 million, representing the core funding of the transaction, extended by leading global investment banks to the subsidiary Eastern European Electric Company B.V., the Netherlands. As of the date of the Prospectus, the Issuer has executed a mandate letter - an agreement with global banking institution for a leading and exclusive arranger of the secured debt financing (senior loan), as the

Second financing instrument – execution of a financing transactions on behalf of the subsidiary Eastern European Electric Company II B.V. in the form of any of or a combination of the following instruments: subordinated debt; perpetual non-convertible preferred shares with guaranteed dividend, issued by the subsidiary Eastern European Electric Company II B.V.; a mezzanine loan and/or another financial instrument with an economic effect similar to the effect of the listed instruments. The approximate amount of the funding raised under the selected financial instrument(s) shall be around EUR 100 million. The liabilities of the financed company towards its creditors/investors will be guaranteed by Eurohold Bulgaria AD, by providing corporate guarantee, with the following parameters: minimum value of EUR 50 000 000 (fifty million), including the corresponding return of the applied financing instrument for creditors/investors (e.g. interest, fixed dividend, nominal discount) and maximum value of EUR 150 000 000 (one hundred and fifty million), including the relevant return for creditors/investors (e.g. interest, fixed dividend, nominal discount) for a period of 3 to 10 years with purpose of the transaction - financing of part of the acquisition price for the CEZ's Assets in Bulgaria

The funds raised by Eastern European Electric Company II B.V. through the second financing instrument will be down-streamed to its subsidiary Eastern European Electric Company B.V. either through a capital increase, or through financing mechanism similar to the above-listed financing instruments and having a similar economic effect.

Third financing instrument – equity investment in a share capital increase of the subsidiary Eastern European Electric Company B.V. The capital increase will amount to approx. EUR 65 to 75 million and will be carried out in the following manner: first - Eurohold Bulgaria AD will increase the share capital of its subsidiary company Eastern European Electric Company II B.V.; and second, the Eastern European Electric Company II B.V. in turn will increase the share capital of its subsidiary Eastern European Electric Company B.V. Eurohold Bulgaria AD will fund the capital increase of its subsidiary with the proceeds from the current share capital increase of the Issuer.

Summary of the structure and financing of the transaction for the acquisition of CEZ's Assets in Bulgaria

Transaction costs specification	Value in EUR mln.	Financing	Amount in EUR mln.
Payment of Purchase Price by Eastern European Electric Company B.V.	€ 335	Secured debt financing - (senior loan) /First financing instrument/	€ 300 – € 320
Purchase by Eastern European Electric Company B.V. of a 33 % minority stake in the event MTO is accepted by all shareholders	approx. € 100	Combination of financing transactions /Second financing instrument/	approx. € 100
Repayment by Eastern European Electric Company B.V. of shareholder's loans to the current majority owner of the companies from the CEZ Group in Bulgaria	€ 45	Capital increase of Eastern European Electric Company B.V. /Third financing instrument/	€65 - € 75
Additional expenses incurred by Eastern European Electric Company B.V. in the course of the transaction	approx. € 10		
TOTAL transaction costs	approx. € 490	TOTAL financing*	approx. € 490

* The total amount of financing of the transaction and its distribution by financing instruments will be structured depending on the following factors - net amount of funds raised from the current share capital increase of the Issuer, and the amount of funding required for the acquisition of the minority stake in the two public listed energy companies - CEZ Electro Bulgaria AD and CEZ Distribution Bulgaria AD dependant

on how much of the minority shareholders have accepted the MTO. Due to the current uncertainty as to the value of these two main factors, the Company has undertaken steps towards organizing the financing in the most flexible and broad manner as detailed above. In any case, the total amount of the transaction financing will be structured in such a way that at any given moment it is at least equal to the total amount of the costs. The funds raised from the three financing instruments will be expended proportionally for all transaction costs, as detailed above, arising in in the course of the transaction.

Investment in Euroins Insurance Group AD:

In accordance with an share purchase agreement executed on 22.06.2018 by and between Eurohold Bulgaria AD and Basildon Holding S.A.R.L. for the acquisition of the minority share of 10,64 %, as at the date of the agreement, as of the date of the Prospectus Eurohold Bulgaria AD has acquired 38,595,375 shares of the capital of Euroins Insurance Group AD at a total value of BGN 34,181,886 and as of the date of the Prospectus the Issuer owns 96.67% of the capital of its subsidiary insurance sub-holding. The transaction is carried out in stages, according to an agreed schedule plan, due to which the intentions of Eurohold Bulgaria AD are the investment to be paid out with own funds generated by the activities of the Company. At present, the Issuer has purchased 38,595,375 shares as the remaining 12,865,125 shares at a total value of EUR 5,570,000 will be paid and transferred within the third quarter of 2021. Currently, Eurohold Bulgaria AD owns 525,371,935 shares representing 96.67% of the capital of Euroins Insurance Group AD.

Other investments:

In general, the commitments of the subsidiaries to their creditors and respective regulatory authorities to maintain good financial condition, incl. capital requirements and solvency capital requirements, as well as for the expansion of their activity can be considered as commitments (formal and informal) of Eurohold Bulgaria AD. These commitments may arise in connection with the occurrence of various factors influencing and having a direct or indirect impact on the activity. An example of the occurrence of such factors is the negative impact of the COVID-19 pandemic in early 2020 on the economy and businesses around the world, which necessitated significant investments in the capital of subsidiaries of the Issuer in 2020 (described in paragraph 5.7.1 above). The need to increase the capital of a subsidiary or to finance it in another way depends on commitments to comply with certain financial indicators and regulatory requirements, including changes in regulations affecting all or certain business segments. The presence of such factors and at what point they may occur depend on the macro and micro environment in which a company operates, on future decisions taken by European and local regulatory authorities, and last but not least on future decisions of the company's management. on new objectives and strategies that have not been set at the date of this document. The sources of financing of such commitments arising in the course of carrying out the activity cannot be specified in advance, and they can be own funds (including raised through capital increase), borrowed funds in the form of issued debt securities or a loan from financial or non-financial institution or other forms of borrowed funds, and may be a combination of own and borrowed funds. A decision on the source of financing can be made only after assessing some criteria such as - size, speed of securing funds, collateral, annual interest rate, maturity, possibility for rescheduling, etc. Characteristic of these criteria is that they must be assessed at the time of the need for financing, as they are variable and volatile, influenced by the economic, market and regulatory environment, so their profitability for the company can be determined only at the particular time of their review.

5.7.3. INFORMATION RELATING TO THE JOINT VENTURES AND UNDERTAKINGS IN WHICH THE ISSUER HOLDS A PROPORTION OF THE CAPITAL LIKELY TO HAVE A SIGNIFICANT EFFECT ON THE ASSESSMENT OF ITS OWN ASSETS AND LIABILITIES, FINANCIAL POSITION OR PROFITS AND LOSSES

As of the date of the Registration Document, the Issuer and the companies of the Eurohold Group do not have any investments in joint ventures.

5.7.4. DESCRIPTION OF ANY ENVIRONMENTAL ISSUES THAT MAY AFFECT THE ISSUER'S UTILISATION OF THE TANGIBLE FIXED ASSETS.

As of the date of the Registration Document for the Issuer and the companies of the Eurohold Group there are no problems related to environmental protection that could affect the use of tangible fixed assets by the Issuer.

VI. ORGANISATIONAL STRUCTURE

6.1. BRIEF DESCRIPTION OF THE GROUP AND THE ISSUER'S POSITION WITHIN THE GROUP

Eurohold Bulgaria AD is a holding company and together with its subsidiaries forms an economic group - the Eurohold group.

As of the date of the Prospectus the Company has direct participation in 5 subsidiaries and indirect participation in 34 companies. Eurohold Bulgaria AD carries out its activity according to the Bulgarian legislation in four directions - "Insurance", "Cars", "Leasing" (represented by the Issuer) and "Finance". In the structure of Eurohold Bulgaria AD there is a separate division - "Energy", which as of the date of the Registration Document does not operate.

At the same time, Eurohold Bulgaria AD is part of the economic group of its majority shareholder Starcom Holding AD. As of the date of this prospectus, the Issuer is the main and most significant investment of Starcom Holding AD. In this sense, Eurohold Bulgaria AD is the main business structure in the Group of Starcom Holding AD.

Majority shareholder in Eurohold Bulgaria AD holding as of the date of the Registration Document 50.08% of the capital is Starcom Holding AD, a company registered in the Republic of Bulgaria with UIC 121610851, with registered office and address of management - Sofia district, Etropole municipality, Etropole 2170, 191 Ruski Str. Starcom Holding AD carries out its activity in accordance with the Bulgarian legislation.

The majority shareholder in Starcom Holding AD is Asen Milkov Hristov - a Bulgarian citizen. Asen Hristov owns 51% of the voting shares of the capital of Starcom Holding AD and is the Executive Director of the company, exercising effective control over Starcom Holding AD.

Control over the Issuer. Dependence of the Issuer on other legal entities and individuals within the group

As of the date of this Prospectus, the majority shareholder Starcom Holding AD exercises direct control within the meaning of § 1, item 14, letter a) of the Additional Provisions of the Public Offering of Securities Act against the Issuer, as a person holding more than 50 percent of the votes in the general meeting of the Issuer.

Asen Milkov Hristov is a natural person who exercises control over the Issuer within the meaning of § 1, item 14, letter a) of the Additional Provisions of POSA, namely owns through its shareholding in Starcom Holding AD, over 50 percent of the number of votes in the general meeting of the Issuer.

In accordance with the requirements and within the meaning of the Anti-Money Laundering Measure Act (AMLMA), on its account in the Commercial Register, the Issuer has disclosed the following beneficial owners - individuals: Asen Milkov Hristov and Kiril Ivanov Boshov, each of them as a person or indirectly holds a sufficient percentage of the shares, stakes or voting rights, including by holding bearer shares, in accordance with §2, para. 1, item 1 of the additional provisions of the AMLMA.

Apart from the above-mentioned natural and legal person, there is no other legal entity, as well as no other natural person to exercise direct or indirect control over the Issuer, as a person who indirectly holds more than 50 percent of the votes in the General Meeting of the Issuer. § 1, item 14, letter a) of the Additional Provisions of POSA.

Detailed information about the owner of the Issuer's capital, its economic group and the control exercised over it is available in Section XII. MAJORITY SHAREHOLDERS

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

Information about the economic group of Eurohold Bulgaria AD as of 31.12.2020 - the date of the last prepared and disclosed interim consolidated financial statement (unaudited):

ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP OF STARCOM HOLDING AD AND
GROUP OF EUROHOLD BULGARIA AS OF 31.12.2020

STARCOM HOLDING AD (Bulgaria)					
Quintar Capital Limited Hong Kong - 100%		First Investment Bank, Russia - 92.10%			
Hanson Asset Management, Great Britain - 87.80%		Starcom Finance EAD, Bulgaria - 100%			
EUROHOLD BULGARIA AD, (?c.hd,rs) - 50.07%					
Business sectors	INSURANCE	LEASING	ENERGY	FINANCE	AUTO
Subsidiary companies:	Euroins Insurance Group AD, Bulgaria - 95.95%	Eurolease Group AD, Bulgaria - 90.01%	Eastern European Electric Company II B.V., Netherlands - 100%	Euro-Finance AD, Bulgaria - 99.99%; IC Euroins AD-0,01%	Avto Union AD, Bulgaria - 99.99%
Operating companies:	IC Euroins AD, Bulgaria - 98.63%	Eurolease Auto EAD, Bulgaria - 100%	Eastern European Electric Company B.V., Netherlands - 100%		Auto Italia EAD, Bulgaria - 100%
	Euroins Romania Asigurare-Reasigurare S.A., Romania - 98.51%	Eurolease Auto DOOEL, North Macedonia - 100%			N Auto Sofia EAD, Bulgaria - 100%
	Euroins Osiguruvanje, North Macedonia - 93.36%	Eurolease Rent-a-Car EOOD, Bulgaria - 100%			Espace Auto OOD OOD, Bulgaria - 51%
	IC EIG RE EAD, Bulgaria - 100%	Amigo Leasing EAD, Bulgaria - 100%			Auto Union Service EOOD, Bulgaria - 100%
	IC Euroins Life EAD, Bulgaria - 100%	Autoplaza EAD, Bulgaria - 100%			EA Properties OOD, Bulgaria - 51%
	PJSC European Travel Insurance, Ukraine, Ukraine - 99,99%	Sofia Motors EOOD, Bulgaria - 100%			Daru Car EAD, Bulgaria - 100%
	PJSC IC Euroins, Ukraine: - 92.62% direct; - 5.74% indirectly (through PJSC European Travel Insurance, Ukraine)	Eurolease Auro S.A., Romania: - 77.98% direct; - 20.45% indirect (through Euroins Romania)			Bulvaria Varna EOOD, Bulgaria - 100%
	Euroins Claims I.K.E., Greece - 100%				Bulvaria Sofia EAD, Bulgaria - 100%
	IC Euroins Georgia, Georgia - 50.04%				Star Motors EOOD, Bulgaria - 100%
	PJSC IC Euroins, Belarus - 93.12%				Star Motors DOOEL, North Macedonia - 100%
	Russian insurance company Euroins OOD, Russia - 48.61% (asocciated company)				Star Motors SH.P.K., Kosovo - 100%
					Motohub OOD, Bulgaria - 51%
					Motobul EAD, Bulgaria - 100%
					Bopar Pro S.R.L., Romania - 99%
					Benzin Finance EAD, Bulgaria - 100%
* the companies from the Energy segment as of the date of the Registration Document have no activity Source: Eurohold Bulgaria AD					

Changes occurred in the organizational structure of the economic groups of Starcom and Eurohold after the date of preparation of the last published consolidated interim financial report as of 31.12.2020 until the date of this Registration Document:

For the period from 31.12.2020 to the date of the Registration Document, the following changes have occurred in the Organizational structure of the economic groups of Starcom and Eurohold shown above, as follows:

- As of the date of the Prospectus Starcom Holding AD - the majority shareholder in the capital of Eurohold Bulgaria AD has increased its participation in the capital of its subsidiary to 50.08%;
- Eurohold Bulgaria AD has acquired another 3,915,473 shares of the capital of its subsidiary Euroins Insurance Group AD. As a result of the acquisition, the participation in the capital of the subsidiary insurance sub-holding was increased to 96.67%, with which the total shares held by Eurohold Bulgaria AD amount to 525,371,935 shares.
- As of February 11, 2021, Euroins Insurance Group AD is the sole owner of the capital of PJSC IC Euroins (Belarus), following a procedure for reduction of the capital of the Company in connection with a decision taken in January 202 by the General Meeting of the Company for invalidation of the shares held by the Company (repurchased shares in the amount of 1,448 shares) and respective reduction of the capital.
- Euroins Insurance Group AD has increased its participation in its subsidiary Euroins Romania Asigurare-Reasigurare SA to 98.52% after an increase in the capital of the company. On March 26, 2021 An increase in the capital of Euroins Romania Asigurare-Reasigurare SA by 50,000,000 Romanian lei has been entered in the Commercial Register of Romania by issuing 5,000,000 new shares with an issue value of 10 Romanian lei per share and a nominal value of one share 1 Romanian lei. The newly issued shares are fully subscribed and paid through a cash contribution from Euroins Insurance Group AD. Following the completion of the registration procedure, the capital of Euroins Romania Asigurare-Reasigurare SA amounted to 537,823,413 Romanian lei, distributed in 537,823,413 registered shares with a nominal value of 1 / one / lei, of which 529 855,189 shares, corresponding to about 98.52% of the capital held by Euroins Insurance Group AD. The decision to increase the capital was taken on 17.09.2020 at the Extraordinary General Meeting of Shareholders of the Company. The Romanian Financial Supervisory Authority (Autoritatea de Supraveghere Financiară, ASF) approved the capital increase by Decision № 342 / 11.03.2021.

There have been no other changes in the structure of the Issuer's economic group - Eurohold Bulgaria AD, as well as in the group of the majority owner of capital Starcom Holding AD.

Forthcoming change in organizational structure in connection with an increase in share capital

As of the date of the Registration Document, there is an forthcoming change in the capital of the Romanian insurance company, which is in the process of approval by the Romanian regulatory authority and entry in the Commercial Register.

In 2020, a second procedure was undertaken (after the one described above) to increase the capital of the Romanian insurance company, as Euroins Insurance Group AD as a majority shareholder subscribed and paid all newly issued by Euroins Romania Asigurare-Reasigurare S. And shares within the detailed procedure described below.

Capital increase – On 03.12.2020 The Extraordinary General Meeting of Shareholders of Euroins Romania Asigurare Reasigurare S.A. has decided to increase the capital of the Company by 76,642,614 Romanian lei by issuing 7,664,261 new shares with an issue value of 10 Romanian lei per share and a nominal value of 1 Romanian lei per share. The newly issued shares are fully subscribed and paid through the conversion of receivables with creditor Euroins Insurance Group AD. The current capital increase is in the process of being approved by the Romanian Financial Supervisory Authority (ASF), after which the above-described change in the authorized capital of Euroins Romania Asigurare Reasigurare S.A. should be announced and registered before the Commercial Register of the Republic of Romania. After the completion of the above procedures, the capital of the Company will be increased by 7,664,261 new shares and will amount to 545,487,674 Romanian lei, distributed in 545,487,674 registered shares with a nominal value of 1 / one / lei, of which 537,519,450 shares, corresponding to about 98.54% of the capital held by Euroins Insurance Group AD. It is expected that the approval by the Romanian regulatory authority and the entry in the Commercial Register will be completed within May or by the end of the second quarter of 2021 at the latest.

6.2. LIST OF THE ISSUER'S SIGNIFICANT SUBSIDIARIES, INCLUDING NAME, COUNTRY OF INCORPORATION OR RESIDENCE, THE PROPORTION OF OWNERSHIP INTEREST HELD AND, IF DIFFERENT, THE PROPORTION OF VOTING POWER HELD

The table below presents detailed information on the participations of Starcom Holding AD and Eurohold Bulgaria AD in the subsidiaries - included in the economic groups Starcom and Eurohold.

ECONOMIC GROUP OF STARCOM HOLDING

Starcom Holding	Place / Country of registration	Main activity	Number of shares / units	Nominal value per 1 share	% of participation in the share capital as of 31.12.2020 and as of the date of the Registration Document *
Parent					
Starcom Holding	Bulgaria	Holding company - acquisition, management, valuation and sale of shares in Bulgarian and foreign companies	669 000	100 BGN	Assen Christov - 51% Kiril Boshov - 34% Velislav Christov - 15%
Subsidiaries					
Eurohold Bulgaria AD	Bulgaria	Holding company - acquisition, management, valuation and sale of shares in Bulgarian and foreign companies	197 525 600	1 BGN	Starcom Holding - 50.07% (as at 31.12.2020); - 50.08% (currently)
First Investment Bank, Russia	Russia	Banking activity on the territory of the Russian Federation.	19 750 000	10 RUB	Starcom Holding - 92.09%
Quintar Capital Limited	Hong Kong	Asset management	7 900 000	1 HKD	Starcom Holding - 100%
Hanson Asset Management	United Kingdom	Asset management	15 082	1 GBP	Starcom Holding - 87.80% (as at 31.12.2020); - 88.56% (currently)
Starcom Finance EAD	Bulgaria	Financial lease, guarantee transactions, acquisitions of loan receivables and other forms of financing	1 050 000	1 BGN	Starcom Holding - 100%

Source: Eurohold Bulgaria AD

* There is no person in the Starcom group who has different voting rights than the shareholding held by the person.

ECONOMIC GROUP OF EUROHOLD BULGARIA AD

The information is presented by business sectors:

Insurance sector	Place / Country of registration	Main activity	Number of shares / units	Nominal value per 1 share	% of participation in the share capital as of 31.12.2020 and as of the date of the Registration Document *
Subsidiaries					
Euroins Insurance Group AD	Bulgaria	Holding company - acquisition, management, valuation and sale of shares in Bulgarian and foreign companies	521 456 462 (as at 31.12.2020)	BGN 1	Eurohold Bulgaria AD - 95.95% (as at 31.12.2020);
			525 371 935 (currently)		Eurohold Bulgaria AD - 96,67% (currently)
Operating companies:					
IC Euroins AD	Bulgaria	Insurance	40 970 000	BGN 1	Euroins Insurance Group AD - 98.63%

Euroins Romania Asigurare-Reasigurare S.A.	Romania	Insurance	532 823 413 (as at 31.12.2020)	RON 1	Euroins Insurance Group AD – 98.51% (as at 31.12.2020)
			537 823 413 (currently)		Euroins Insurance Group AD – 98.52% (currently)
Euroins Osiguruvanje AD, Skopje	North Macedonia	Insurance	7 600	511,29 EUR	Euroins Insurance Group AD – 93.36%
IC EIG Re EAD	Bulgaria	Insurance	19 112 000	BGN 1	Euroins Insurance Group AD – 100%
IC Euroins Life EAD	Bulgaria	Life Insurance	1 137 507	BGN 10	Euroins Insurance Group AD – 100%
PJSC European Travel Insurance, Ukraine	Ukraine	Travel insurance	9 473 000	1 UAN	Euroins Insurance Group AD - 99.99%;
PJSC IC Euroins Ukraine	Ukraine	Insurance	7 268 356 799	0,01 UAN	Euroins Insurance Group AD - 92.62%; PJSC European Travel Insurance, Ukraine – 5.74%
Euroins Claimes Mi.I.K.E.	Greece	Services for administration and liquidation of claims under the policies of Euroins Branch Greece	5 000	1 EUR	Euroins Insurance Group AD – 100%
IC Euroins Georgia,	Georgia	Insurance	3 238 284	1 GEL	Euroins Insurance Group AD – 50.04%
PJSC IC Euroins, (former IC ERGO)	Belarus	Insurance	21 038 (as at 31.12.2020)	443.95 BYN	Euroins Insurance Group AD 93.12% (as at 31.12.2020)
			19 590 (currently)		Euroins Insurance Group AD - 100% (currently)
Russian Insurance company Euroins OOO	Russia	Insurance	502 000 000 stakes	1 RUB	Euroins Insurance Group AD - 48.61% (associated participation)

Source: Eurohold Bulgaria AD

*In the group of Eurohold - insurance sector there is no person who owns different voting rights than the shareholding held by the person

Automotive sector	Place / Country of registration	Main activity	Number of shares / units	Nominal value per 1 share	% of participation in the share capital as of 31.12.2020 and as of the date of the Registration Document *
Subsidiaries					
Avto Union AD	Bulgaria	Holding company - acquisition, management, valuation and sale of shares in Bulgarian and foreign companies	80 008	BGN 500	Eurohold Bulgaria AD – 90.01%
Operating companies					
Auto Italia EAD	Bulgaria	Import, sale and service of cars	815 703	BGN 10	Avto Union AD – 100%
N Auto Sofia EAD	Bulgaria	Import, sale and service of cars	4 418 528	BGN 1	Avto Union AD – 100%
Espace Auto OOD	Bulgaria	Sale and service of cars	173 500	BGN 10	N Auto Sofia EAD – Espace Auto OOD 51.00%
Auto Union Service EOOD	Bulgaria	Sale, repair and maintenance of cars	50	BGN 100	Avto Union AD – 100%
EA Properties OOD	Bulgaria	Purchase and sale of real estate, development, public works and construction	50 000	BGN 1	Avto Union AD – 51.00%
Daru Car AD	Bulgaria	Trade in cars, components, spare parts, service	12 686	BGN 500	Avto Union AD – 100%
Bulvaria Varna EOOD	Bulgaria	Sale and service of cars	150 770	BGN 10	Avto Union AD – 100%
Bulvaria Sofia EAD	Bulgaria	Sale and service of cars	50 000	BGN 10	Avto Union AD – 100%

Star Motors EOOD	Bulgaria	Import, sale and service of cars	30 000	BGN 50	Avto Union AD – 100%
Star Motors DOOEL	North Macedonia	Import, sale and service of cars	550 000	EUR 1	Star Motors EOOD – 100%
Star Motors SH.P.K.	Kosovo	Import, sale and service of cars	40 000	EUR 1	Star Motors DOOEL – 100%
Motohub OOD	Bulgaria	Import, purchase and service of scooters, motorcycles and mopeds.	200	BGN 1	Avto Union AD – 51.00%
Motobul EAD	Bulgaria	Import, sale of motor oils, Spare parts sales and car tires	100 000	BGN 20	Avto Union AD – 100%
Bopar Pro S.R.L.	Romania	Spare parts sales and accessories / currently not operating /	100	RON 10	Motobul EAD – 99.00%
Benzin Finance EAD	Bulgaria	Card operator for refueling	105 000	BGN 10	Avto Union AD – 100%

Source: Eurohold Bulgaria AD

* In the group of Eurohold - automotive sector there is no person who has different voting rights than the shareholding held by the person.

Leasing sector	Place / Country of registration	Main activity	Number of shares / units	Nominal value per 1 share	% of participation in the share capital as of 31.12.2020 and as of the date of the Registration Document *
Subsidiaries					
Eurolease Group AD	Bulgaria	management of participations in subsidiaries	567 531	BGN 34	Eurohold Bulgaria AD – 90.01%
Operating companies					
Eurolease Auto EAD	Bulgaria	Financial leasing activity	20 000 000	BGN 1	Eurolease Group AD – 100%
Eurolease Auto S.A., Romania	Romania	Financial leasing activity	383 650	RON 10	Eurolease Group AD – 77.98%; Euroins Romania Asigurare-Reasigurare S.A., Romania –20.45%
Eurolease Auto DOOEN, Skopje	North Macedonia	Financial leasing activity	2000	EUR 50	Eurolease Group AD – 100%
Eurolease Rent-a-Car EOOD	Bulgaria	car rental	29 350	BGN 100	Eurolease Group AD – 100%
Autoplaza EAD	Bulgaria	sale of used cars	750 000	BGN 1	Eurolease Group AD – 100%
Sofia Motors EOOD	Bulgaria	rental of motor vehicles	610 000	BGN 1	Eurolease Group AD – 100%
Amigo Leasing EAD	Bulgaria	Financial leasing activity	1 200 000	BGN 1	Eurolease Group AD – 100%

Source: Eurohold Bulgaria AD

* In the group of Eurohold - leasing sector there is no person who has different voting rights from the shareholding owned by the person.

Investment activities sector	Place / Country of registration	Main activity	Number of shares / units	Nominal value per 1 share	% of participation in the share capital as of 31.12.2020 and as of the date of the Registration Document *
Subsidiary:					
Euro-Finance AD	Bulgaria	Investment intermediation in the country and abroad, asset management	14 100 002	BGN 1	Eurohold Bulgaria AD – 99.99%; IC Euroins AD – 0.01%

Source: Eurohold Bulgaria AD

* In the group of Eurohold - investment sector there is no person who has different voting rights from the shareholding held by the person.

Energy Sector	Place / Country of registration	Main activity	Number of shares / units	Nominal value per 1 share	% of participation in the share capital as of 31.12.2020 and as of the date of the Registration Document *
Subsidiary					
Eastern European Electric Company II B.V.	Netherlands	Holding company - participation, management, control and financing of companies	1 000	EUR 1	Eurohold Bulgaria AD - 100%
Operating company					
Eastern European Electric Company BV	Netherlands	Holding company - participation, management, control and financing of companies	1 000	EUR 1	Eastern European Electric Company II B.V. - 100%

Source: Eurohold Bulgaria AD

* In the group of Eurohold - energy sector there is no person who has different voting rights from the shareholding held by the person.

CONTROL OVER THE ISSUER. DEPENDENCE OF THE ISSUER ON OTHER LEGAL ENTITIES AND INDIVIDUALS WITHIN THE GROUP

► Direct control

Exercised direct control over the Company - Eurohold Bulgaria AD is not directly dependent on other entities within the group, except for the majority owner of the capital - Starcom Holding AD, which owns 50.08% (as of the date of preparation of this report) of the capital of Eurohold Bulgaria AD.

► Indirect control

Indirect control within the meaning of § 1, item 14, letter a) of the Additional Provisions of the Public Offering of Securities Act on the company is exercised by the natural person, namely:

- Assen Milkov Christov, who exercises indirect control over the Company, insofar as the person owns 51% of the capital of Starcom Holding AD.

Eurohold Bulgaria AD is indirectly dependent on natural persons - beneficial owners - within the meaning of § 2, para. 1, item 1 of the Additional Provisions of the Law on Money Laundering (Law on Measures against Money Laundering), namely:

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

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

Eurohold Bulgaria AD has not entered into arrangements with other parties, nor is aware of such arrangements which may result in a future change of the control over the Company.

VII. OPERATING AND FINANCIAL REVIEW

7.1. FINANCIAL CONDITION

The following information examines the financial condition of the Issuer for the period covered by the historical financial information. The Issuer prepares annual and interim non-consolidated financial statements, as well as annual and interim consolidated financial statements.

The data in this document are presented on the basis of consolidated financial statements, including the results of the financial condition of the Issuer and its subsidiaries.

The consolidated financial statements have been prepared in accordance with applicable international accounting standards. The information in this section includes data from the annual audited consolidated financial statements of Eurohold Bulgaria AD for 2017, 2018 and 2019, as well as from the updated interim unaudited consolidated financial statements as of 31.12.2020.

NOTE 1: Eurohold Bulgaria AD prepared on 12.04.2021 an Updated Activity Report and unaudited consolidated financial statements of the Eurohold Group, in connection with important events for the activity of the Company, as well as available audited financial statements of most of subsidiaries for 2020. The data for 2020 in this Prospectus are extracted from the unaudited interim financial statements as of 31.12.2020 prepared on 12.04.2021 and containing updated financial data on the results and financial condition of the companies in the Eurohold Group.

NOTE 2:

- during the preparation of the audited consolidated financial statements of the Issuer for 2018, an accounting error concerning the audited comparable information for 2017 was discovered and eliminated.

In this regard, the audited annual consolidated financial statements of the Issuer for 2018 reflect the correction of an error concerning the audited data for the comparable period - 2017 and this adjusted information is marked with a "*";

- during the preparation of the audited consolidated financial statements of the Issuer for 2019, an accounting error concerning the audited comparable information for 2018 was discovered and eliminated.

In this regard, the audited annual consolidated financial statements of the Issuer for 2019 reflect the correction of an error concerning the audited data for the comparable period - 2018 and this adjusted information is marked with a sign "***";

Due to this circumstance for the purpose of presenting true and accurate information, throughout this Prospectus the financial data concerning audited annual financial information for 2017 and 2018 are derived not only from the audited consolidated financial statements for 2017 and 2018 but also from the recalculated (adjusted) data for 2017 and 2018 available in the audited annual consolidated financial statements of the Issuer for 2018 and 2019, respectively, where they are shown as recalculated (adjusted) comparable financial information and are marked with a "*" and "***".

Users of this Prospectus should note that throughout this Prospectus, the recalculated (adjusted) financial information for 2017 and 2018 marked with an "*" and "***" is available in the audited annual consolidated financial statements for 2018. and 2019 as comparable information and the same was not subjected to an independent financial audit procedure, but was reviewed by the responsible auditor upon confirmation of the opening balances of the balance sheet items as of 01.01.2018 and 01.01.2019, incl. the equity.

➤ **Correction of an error concerning the audited financial information for 2017 recalculated in the comparable information of the audited annual consolidated financial statements for 2018.**

In 2018, a technical error was found in the subsidiary IC Euroins AD in the calculations of the Reserve for filed but unpaid claims in the financial statements for 2016 and 2017. As a result, the costs associated with the Reserve for Claims but Unpaid claims and related liabilities were underestimated. The error was corrected by recalculating each of the objects affected in the financial statements for the previous reporting periods.

Since the adjustment does not have a material effect on the Information In the consolidated statement of financial position at the beginning of the previous period, the Group does not present two comparative periods In the consolidated statement of financial position.

➤ **Correction of errors concerning the audited financial information for 2018 recalculated in the comparable information of the audited annual consolidated financial statements for 2019.**

b) Reported in 2018 liabilities and expenses related to the operations of the Branch of IC Euroins AD in Greece. In 2018, in connection with the start of operations of the branch of IC Euroins AD in Greece on the basis of the right of establishment (Freedom of Establishment) in another country of the European Union, Euroins Insurance Group AD has used services in relation to certain activities related to the opening of the Branch in Greece. Their amount was BGN 489 thousand. As a result of the performed procedures expenses for hired services for the comparable period are recalculated to BGN (14,655) thousand from BGN (14,166) thousand.

c) Reported in 2018 liabilities and expenses related to the liquidation activity of the IC Euroins AD in Greece. In the process of reviewing the operations of IC Euroins AD in Greece (until January 31, 2019 - operating on the basis of Freedom of Services within the European Union, and then - operating through its branch based on Freedom of Establishment) and as a result of the transfer of its liquidation activities to another company of the Group, not reported expenses were identified in the period 2018. Due to the nature of the expenses and their tax effect as a result of subsequent inspection by the tax authorities, Euroins Insurance Company AD is obliged to accrue additional moratorium interest amounting to BGN 207 thousand. . As a result of the performed procedures . As a result of the performed procedures Other operating expenses for the comparable period are recalculated to BGN (28,248) thousand from BGN (27,379) thousand and the effect recognized in the statement of profit or loss and other comprehensive income amounts to BGN 869 thousand.

As a result of the adjustments under points **b)** and **c)** the "Other liabilities" are increased for the comparable period from BGN 12,145 thousand to BGN 14,143 thousand or a total of BGN 1,998 thousand.

d) Reporting the investment in the associate in Russia using the equity method. The investment in the associate of Euroins Insurance Group AD in Russia was presented for the comparable period as at December 31, 2018 at cost amounting to BGN 6,070 thousand. When applying the equity method, its value should be BGN 3,414 thousand. "Other Financial Assets" are reduced by BGN 2,656 thousand and the difference is reported for the comparable period as an increase of "Investment expenses" from BGN (16,024) thousand to BGN (18,680) thousand.

e) Deferred tax asset adjustment by Euroins Romania Insurance-Reinsurance SA. In 2018, the reported deferred tax asset of Euroins Romania Insurance-Reinsurance SA was increased by BGN 1,593 thousand. The adjustment leads to a decrease in "Deferred tax assets" and an increase in "Tax expense" by the same amount.

f) The value of the "Non-controlling interest" in IC Euroins Georgia AD is recalculated from BGN 441 thousand to BGN 2,998 thousand for the comparable period as at December 31, 2018. In 2018, after the acquisition of the controlling interest in IC Euroins Georgia AD, an initial assessment of the noncontrolling interest in the subsidiary was performed. In 2019, after an internal review by the Management of the Group, an inaccuracy was identified in the assessment amounting to BGN 2,547 thousand, for which a decision was made to report as a reclassification in the comparative period, because of the limited impact due to its purely representative characteristics.

g) Recognized insurance expense in Eurolease - Rent a Car EOOD. In 2018 expenses for insurance by Eurolease - Rent a Car EOOD were increased by BGN 130 thousand. Their adjustment leads to a decrease in the balance sheet item "Other receivables" and an increase in "Other operating expenses / Expenses on hired services" with the same amount.

The effect on the consolidated financial statements of the Group of the adjustments made for 2017 and 2018 are presented in tabular form in item 18.1. "Historical Financial Information".

INFORMATION FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF Eurohold Bulgaria AD FOR THE PERIOD FROM 2017 TO 31.12.2020

7.1.1. FAIR REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE ISSUER'S BUSINESS AND OF ITS POSITION

CONSOLIDATED ASSETS

ASSETS	2017	2017 *	2018** / 2017*	2018	2018**	2019 / 2018**	2019	31.12.2020	2020 / 2019
(thousands BGN)	audited data	restated data	change % #	audited data	restated data	change % #	audited data	unaudited data	change %

Cash and cash equivalents, time deposits with banks	57 116		22,0%	69 697		54,2%	107 477	98 845	-8,0%
Share of reinsurers in technical provisions	361 247		13,0%	408 377		13,6%	463 829	572 125	23,3%
Receivables from insurance operations	87 941		13,1%	99 448		28,5%	127 796	150 208	17,5%
Trade receivables	27 474	43 397*	-13,5%	37 518		25,7%	47 151	45 785	-2,9%
Other receivables	30 822		21,9%	39 262	37 586**	37,7%	51 765	67 336	30,1%
Machinery, equipment and facilities	44 630		15,3%	51 467		3,3%	53 150	46 703	-12,1%
Intangible assets	2 198		49,0%	3 274		8,3%	3 546	4 358	22,9%
Inventories	59 125		2,5%	60 622		-30,4%	42 168	26 632	-36,8%
Financial actives	327 053		-11,0%	290 023	291 196**	-10,1%	261 899	335 388	28,1%
Deferred tax assets	13 184		-0,8%	14 676	13 083**	-0,2%	13 061	11 513	-11,9%
Lands and property	20 090		-25,1%	15 043		258,3%	53 906	53 246	-1,2%
Investment property	12 698		59,2%	20 209		-22,3%	15 703	9 652	-38,5%
Investments in associates and other enterprises	4 724		112,6%	12 698	10 042**	80,4%	18 113	10 849	-40,1%
Other financial investments	2 391		0,5%	2 403		135,1%	5 650	1 861	-67,1%
Non-current receivables	85 908	69 985*	14,1%	79 826		-32,1%	54 199	51 212	-5,5%
Goodwil	189 813		0,3%	190 458		0,0%	190 397	190 397	0,0%
TOTAL ASSETS	1 326 414		4,8%	1 395 001	1 390 249**	8,6%	1 509 810	1 676 110	11,0%

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

*,2017 restated data"; **,2018 restated data" - represent recalculated (restated) data for 2017 and 2018, respectively resulting from of recalculation made in connection with the correction of an error in the comparable financial information during the preparation of the audited annual consolidated financial statements for 2018 and 2019 (see item 18.1.)

the percentage change is calculated on the basis of recalculated data, in order to provide correct and accurate comparable information

Assets

The consolidated assets of the Eurohold Group increased by 11% at the end of December 2020, amounting to BGN 1.676 billion at the end of the reporting period compared to BGN 1.510 billion as of 31.12.2019.

At the end of the reporting period, the Eurohold Group had free cash and deposits with banks in the amount of BGN 98.8 million, marking a decrease of BGN 8.6 million, representing a decrease of 9.4%. For comparison, at the end of 2019 cash and deposits with banks amounted to BGN 107.5 million.

Receivables increased by BGN 33.6 million, reaching BGN 314.5 million, of which current receivables amounted to BGN 263.3 million with an increase of BGN 36.6 million compared to the end of 2019.

- The largest share of current receivables have receivables from insurance operations, amounting to BGN 150.2 million as of December 31, 2020 compared to BGN 127.8 million as of December 31, 2019.
- Non-current receivables amount to BGN 51 million, noting a decrease of BGN 3 million. They represent mainly financial leasing receivables amounting to BGN 50.5 million, while at the end of 2019 the amount of financial leasing receivables was BGN 51.9 million

The share of reinsurers in the technical reserves of insurance companies from Euroins Insurance Group at the end of 2020 increased by BGN 108 million and amounted to BGN 572 million, marking an increase of 23%.

As of December 31, 2020, the financial assets held by the companies of the Eurohold Group reported an increase of BGN 73.5 million compared to the end of 2019, as their book value amounted to BGN 335.4 million.

The inventories of the companies participating in the consolidation amount to BGN 26.6 million and for the last reporting period they decrease their amount by BGN 15.5 million, for comparison at the end of 2019 their value was BGN 42.2 million.

In the interim consolidated financial statements as of 31.12.2020 the group has presented the assets with the right of use in one position with similar ones, as detailed information on own and leased assets is given in the notes to the financial statements. The value of the owned lands and buildings decreased from BGN 53.9 million to BGN 53.2 million, as as of December 31, 2019 the group owned acquired (leased) assets - lands, buildings and structures with the right of use in the amount of BGN 40 million. BGN, while at the end of 2020 their amount is BGN 38.7 million.

CONSOLIDATED LIABILITIES

LIABILITIES	2017	2017 *	2018**/ 2017*	2018	2018**	2019/ 2018**	2019	31.12.2020	2020/ 2019
(000'BGN)	audited data	Restated data	change %	audited data	Restated data	change %	audited data	unaudited data	change%
Share capital	197 526		0,0%	197 526		0,0%	197 526	197 526	0,0%
Repurchased own shares	(77)		0,0%	(77)		1657,1%	(1 353)	(97)	-92,8%
Premium reserves when issuing securities	49 568		0,0%	49 568		0,0%	49 568	49 568	0,0%
General reserves	7 641		0,0%	7 641		0,0%	7 641	7 641	0,0%
Revaluation and other reserves	(57 203)		0,7%	(55 632)	(57 616)*	-8,1%	(52 943)	(68 449)	29,3%
Retained earnings / (uncovered loss)	(44 825)	(45 055)*	2,2%	(44 781)	(46 036)*	-12,5%	(40 279)	(36 535)	-9,3%
Current profit	18 174	18 103*	-49,7%	14 385	9 105*	-131,7%	(2 885)	(43 658)	1413,3%
Equity attributable to owners of the parent company	170 804	170 503*	-6,1%	168 630	160 111*	-1,8%	157 275	105 996	-32,6%
Non-controlling participation	43 702	43 606*	-7,2%	38 692	40 464*	-17,4%	33 423	29 225	-12,6%
Total capital	214 506	214 109*	-6,3%	207 322	200 575*	-4,9%	190 698	135 221	-29,1%
Subordinated debt	26 058		-24,9%	19 558		0,0%	19 558	76 985	293,6%
Liabilities									
Loans from banks and non-bank financial institutions	99 245		43,2%	142 167		-1,0%	140 735	174 341	23,9%
Debt loan liabilities	150 757		4,5%	157 564		0,1%	157 664	163 342	3,6%
Non-current liabilities	30 087	26 412*	-6,3%	24 745		-6,1%	23 242	14 380	-38,1%
Current liabilities	25 587	29 262*	27,6%	35 330	37 328*	17,6%	43 891	54 230	23,6%
Trade and other liabilities	102 192		6,0%	108 308		29,0%	139 749	124 617	-10,8%
Liabilities under reinsurance operations	81 863		-71,6%	23 265		12,6%	26 193	46 855	78,9%
Deferred tax liabilities	284		38,4%	396	393*	1,0%	397	342	-13,9%
Liabilities	490 015		0,8%	491 775	493 770*	7,7%	531 871	578 107	8,7%
Insurance reserves	595 835	596 232*	13,4%	676 346		13,5%	767 683	885 797	15,4%
Total liabilities, reserves and subordinated debt instruments	1 111 908	1 112 305*	7,0%	1 187 679	1 189 674*	10,9%	1 319 112	1 540 889	16,8%
TOTAL LIABILITIES AND EQUITY	1 326 414		4,8%	1 395 001	1 390 249*	8,6%	1 509 810	1 676 110	11,0%

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

*,2017 restated data"; **2018 restated data" - represent recalculated (restated) data for 2017 and 2018, respectively resulting from of recalculation made in connection with the correction of an error in the comparable financial information during the preparation of the audited annual consolidated financial statements for 2018 and 2019 (see item 18.1.)

the percentage change is calculated on the basis of recalculated data, in order to provide correct and accurate comparable information

Equity

The total equity of Eurohold Bulgaria amounts to BGN 135.2 million, decreasing by BGN 55.5 million compared to December 31, 2019. Including the capital belonging to the parent company amounts to BGN 106 million, while the capital belonging to the non-controlling interest amounts to BGN 29.2 million. For comparison, at the end of 2019 the capital belonging to the parent company amounted to BGN 157.3 million and the capital belonging to the non-controlling interest, amounts to BGN 33.4 million.

Subordinated debts

In support of equity, the Group has subordinated debt instruments in the amount of BGN 77 million, which increase compared to December 31, 2019 by BGN 57 million. In order to strengthen the capital structure of the group at the end of 2020, Eurohold has contracted and converted part of its loan obligations as of 31.12.2020 in the form of subordinated debt (unissued) capital, representing tier 1 capital, according to the applicable provisions of the current Bulgarian and Community law with a total value of 33 million. BGN and has an indefinite term for repayment, but not earlier than 5 years, and with an interest rate of 6.5%, paid at the end of each quarter and due to Starcom Holding AD - major shareholder in Eurohold Bulgaria AD. The remaining BGN 24 million represent new subordinated debt (unissued) tier 1 capital of the insurance group.

As of 31.12.2020 the total amount of equity and subordinated debts amounts to BGN 212 million, as of 31.12.2019 their amount was BGN 210 million. The negotiated subordinated capital contributes to maintaining the stable capital position of the group .

Liabilities

The consolidated liabilities of the Eurohold Group amount to BGN 578 million, reporting an increase of 8.7% compared to the comparable period, when their value amounted to BGN 531.9 million.

The main part of the liabilities are liabilities on loans to banks and non-bank financial institutions and bond loans. The total amount of liabilities under borrowed funds amounts to BGN 337.7 million after an increase of BGN 39.3 million compared to December 31, 2019, when they amounted to BGN 298.4 million. The non-current part of these liabilities at the end of 2020 is in the amount of BGN 258.8 million, respectively the current part amounts to BGN 78.8 million.

The amount of other non-current liabilities at the end of 2020 amounts to BGN 14.4 million, decreasing by BGN 8.9 million compared to 2019. Non-current liabilities mainly include non-current liabilities under financial leasing of motor vehicles and leasing in the total amount of BGN 11.9 million, respectively BGN 18.8 million for the comparable period, as well as other non-current liabilities amounting to BGN 2.5 million (BGN 4.4 million as of the end of 2019).

Consolidated current liabilities increased from BGN 43.9 million to BGN 54.2 million. This item includes the Group's liabilities to personnel and insurance companies, tax and other current liabilities, current financial leasing liabilities, deferred income and provisions.

Trade and other payables amount to BGN 124.6 million compared to BGN 139.7 million as of 2019. Part of trade and other payables are liabilities of the group under leasing contracts - rights of use.

In connection with the growth of the insurance business, liabilities under reinsurance operations increased by 78.9%, from BGN 26 million to BGN 46.9 million as of 31.12.2020.

Insurance reserves

The amount of the allocated insurance reserves as of 31.12.2020 is BGN 885.8 million, as for the current reporting period they increase by BGN 118 million compared to the end of 2019. The significant increase in the set aside insurance reserves is due to the change of part of the accounting policy and the additional accrual of additional reserves of the Romanian insurance company, as well as a change in its reinsurance program in preparation for compliance with the new legal framework and regulatory requirements.

7.1.2. ISSUER'S LIKELY FUTURE DEVELOPMENT

Future development in new regulated market segments

In terms of significant events outside the segments in which the Eurohold Group currently operates, the acquisition of CEZ's Assets in the country will have a significant positive effect on the future development of the Eurohold Group and will contribute to improving the consolidated results of Eurohold Bulgaria AD, as well as realization of higher volumes of newly generated business, resp. Operating income. Management expects the acquisition of CEZ's Assets in Bulgaria to have a positive effect on the financial condition of the Eurohold Group, including significantly improved consolidated financial ratios and indicators of total liquidity, return on income, return on equity, and higher financial autonomy. The purchase of CEZ's assets in Bulgaria is a good market opportunity for the implementation of the medium and long-term plan of Eurohold Bulgaria AD, namely portfolio diversification, reduction of market risk and increase of the share of regulated markets, which will lead to higher precision in cash flow forecasting and more stable returns. In general, the acquired companies from the CEZ group are the largest distributor of electricity in the country, covering an area of about 40,000 square kilometers, serving more than 3 million consumers. Given the significant customer base of the CEZ Group operating in Bulgaria, this transaction is important for the strategic positioning of Eurohold Bulgaria AD, as well as its subsidiaries. It is important to note that the finalization of the acquisition of CEZ's assets in Bulgaria will have a positive effect on the long-term credit rating of the company, which will lead to an improvement in the financial condition and risk profile of Eurohold Bulgaria AD.

The financing of the transaction will be provided through own funds (raised from an increase in share capital) and borrowed capital from leading global investment banks (see item 5.7 "Investments").

Future development in existing market segments

Regarding the businesses existing at the end of 2020 and in this Prospectus, the main factor influencing the trends for their development in 2021 is the degree and speed of controlling the spread of COVID-19 infection, as well as the measures that governments will take in this connection.

Prolonged reduced economic activity as a result of coronavirus exposure could have an adverse effect on companies, lower revenues due to reduced customer activity, a disrupted supply chain, and could also affect the capital position and the liquidity of the group.

Restarting the economy may not be such an easy process, as it depends on consumer behavior and activity. Prolonged unemployment, job insecurity, as well as the effects of bankruptcies and a general lack of trust can slow down this process.

The pandemic has caused major disruption to organizations around the world, which has proved to be a huge challenge for business and has led to many changes in such a short period of time, including significant digital transformations that have taken place in a matter of months and made the market particularly dynamic. All this predetermines the flexibility and rapid response of the changing market to a key advantage for the development of companies in 2021.

Against this general global background, the companies of the Eurohold Group are working hard to deal with the unprecedented situation and are fully focused on flexible measures and solutions, the creation of new products and services and the overall digitalization of processes.

At present, despite the significant uncertainties in assessing the duration of the spread of coronavirus and its impact, the expectations of the management of Eurohold Bulgaria AD are that at the end of 2021 the process of full digitalization of processes in all companies in the group will be completed. This will lead to a positive direction for recovery and normalization of business activities, and companies will be ready to meet new challenges in the current unprecedented environment. Management will continue to assess the potential impact of the crisis. COVID-19 will assess the risk accordingly and take appropriate flexible actions in business management to limit the impact and mitigate potential effects.

No other trends, fluctuations, requirements, commitments or events are known that are reasonably likely to have a significant effect on the activities and financial condition of Eurohold Bulgaria AD at least for the current financial year in the segments in which it operates.

7.1.3. Activities in the field of research and development

Eurohold Bulgaria AD has not directly incurred expenditures for research and development. Similar activity is not performed in the companies in the Issuer's Group.

The group of Eurohold Bulgaria AD does not hold patents issued on the basis of research activity. Most of the activity is performed on a licensing regime, described in detail in item 5.5. "Dependence on patents and licenses, industrial, commercial or financial contracts, or new production processes."

7.2. OPERATING RESULTS

7.2.1. INFORMATION REGARDING SIGNIFICANT FACTORS, INCLUDING UNUSUAL OR INFREQUENT EVENTS OR NEW DEVELOPMENTS, MATERIALLY AFFECTING THE ISSUER'S INCOME FROM OPERATIONS AND INDICATE THE EXTENT TO WHICH INCOME WAS SO AFFECTED.

ANALYSIS OF REVENUES AND EXPENSES

Revenues, Expenses, Financial result	2017	2017*	2018**/2017*	2018	2018**	2019/2018**	2019	31.12.2020	2020/2019
(BGN'000)	audited data	restated data	change % #	audited data	restated data	change % #	audited data	unaudited data	change %
Operating revenues									
Revenues from insurance	1 005 026	1 005 026	-1,8%	987 201	987 201	34,1%	1 323 840	1 438 419	8,7%
Revenues from auto business	204 255	204 255	9,3%	223 332	223 332	9,6%	244 757	162 552	-33,6%
Revenues from leasing	25 374	25 374	-0,8%	25 180	25 180	0,5%	25 301	21 609	-14,6%
Revenues from asset management	3 882	3 882	11,3%	4 322	4 322	4,6%	4 521	7 934	75,5%
Revenues attributed to the parent	2 179	2 179	961,3%	23 125	23 125	-89,7%	2 390	3 027	26,7%

	1 240 716	1 240 716	1,8%	1 263 160	1 263 160	26,7%	1 600 809	1 633 541	2,0%
Operating expenses									
Expenses from insurance	(919 175)	(919 255)	1,4%	(928 424)	(931 949)	35,0%	(1 257 871)	(1 405 341)	11,7%
Expenses from auto business	(182 089)	(182 089)	6,6%	(194 093)	(194 093)	8,8%	(211 190)	(138 314)	-34,5%
Expenses from leasing	(4 325)	(4 325)	114,1%	(4 288)	(9 259)	-5,5%	(8 751)	(7 865)	-10,1%
Expenses from asset management	(2 749)	(2 749)	-7,6%	(2 539)	(2 539)	25,2%	(3 178)	(6 810)	114,3%
Expenses attributed to the parent	(859)	(859)	-32,9%	(576)	(576)	102,1%	(1 164)	(1 850)	58,9%
	(1 109 197)	(1 109 277)	2,6%	(1 129 920)	(1 138 416)	30,2%	(1 482 154)	(1 560 180)	5,3%
Operating profit	131 519	131 439	-5,1%	133 240	124 744	-4,9%	118 655	73 361	-38,2%
Other income / (expenses), net	(6 037)	(6 037)	-102,6%	(4 816)	155	-796,8%	(1 080)	2 438	-325,7%
Other operating expenses	(67 889)	(67 889)	16,6%	(78 528)	(79 147)	-5,7%	(74 642)	(72 302)	-3,1%
(Accrued) / Impairment loss on financial assets, net		-		913	913	-278,5%	(1 630)	(1 690)	3,7%
Profit before interest, depreciation and taxes	57 593	57 513	-18,9%	50 809	46 665	-11,5%	41 303	1 807	-95,6%
Financial expenses	(22 007)	(22 007)	5,3%	(23 182)	(23 182)	-14,1%	(19 908)		14,0%
Financial revenues	368	368	-54,9%	166	166	-32,5%	112	(22 702)	59,8%
Net effect of exchange rate changes	(1 173)	(1 173)	-152,8%	619	619	-148,9%	(303)	179	-563,7%
Profit before depreciation and taxes	34 781	34 701	-30,1%	28 412	24 268	-12,6%	21 204	1 405	-191,1%
Depreciation	(8 110)	(8 110)	30,0%	(10 541)	(10 541)	94,0%	(20 451)	(20 685)	1,1%
Profit before taxes	26 671	26 591	-48,4%	17 871	13 727	-94,5%	753	(39 996)	-5411,6%
Tax expenses	(2 256)	(2 256)	17,0%	(997)	(2 639)	-36,2%	(1 683)	(3 413)	102,8%
Net profit	24 415	24 335	-54,4%	16 874	11 088	-108,4%	(930)	(43 409)	4567,6%
Net profit attributable:									
The owners of the parent company	18 174	18 103	-49,7%	14 385	9 105	-131,7%	(2 885)	(43 658)	1413,3%
Non-controlling participation	6 241	6 232	-68,2%	2 489	1 983	-1,4%	1 955	249	-87,3%

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

*,2017 restated data"; **2018 restated data" - represent recalculated (restated) data for 2017 and 2018, respectively resulting from of recalculation made in connection with the correction of an error in the comparable financial information during the preparation of the audited annual consolidated financial statements for 2018 and 2019 (see item 18.1.)

the percentage change is calculated on the basis of recalculated data, in order to provide correct and accurate comparable information

Revenues

Eurohold Bulgaria AD reports revenues on a consolidated basis associated with the operating activities of its subsidiary sub-holding structures operating in the sectors: insurance, automotive, leasing and investment intermediation. The activity of the parent company on an individual basis is related to investing in subsidiaries and their management, in this regard the company does not carry out regular trading activity, and the amount of the reported revenues is based on the implementation of transactions in different reporting periods.

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According to the interim consolidated financial statement for the year 2020, the consolidated revenues from operating activities of the group Eurohold realizes growth of 2% compared to year 2019, with revenues amounting to BGN 1.643 billion in 2020 while for the comparable period they are reported at BGN 1.601 billion

In terms of segment performance, the largest increase in absolute value of BGN 115 million, representing an increase of 9%, was reported by the generated operating revenues from insurance line of business, as their total value at the end of the reporting period is BGN 1.438 billion. The Gross Written Premiums for 2020 (at a consolidated level after intragroup eliminations) amount to BGN 913.7 million compared to BGN 847.5 million as of 31.12.2019 realizing an increase by 8% on this financial indicator.

Globally, the automotive sector was one of the most affected business sectors by the Covid pandemic as many automobile producers and car traders/dealers suffered significant losses due to partial or full standstill of local economies, interruptions along the supply chain, decreased demand, etc.

In accordance with the global decline in sales and realized losses, the automotive division of Eurohold - Auto Union AD, despite its good performance at the beginning of the year, was also affected by the adverse effects caused by the measures taken to control the pandemic, and the reduced economic activity which led to a decline in revenues of 33.6%. The consolidated revenues from automotive activity for the reporting period amounted to BGN 162.6 million, while for the comparable period they amounted to BGN 244.8 million. Revenues from car sales, spare parts, oils and fuels decreased by 32.0%, while those from sales of services increased by 15.5%. Sales of new cars and vans sold by Auto Union subsidiaries amounted to 3,350 units compared to 5,468 units sold in 2019, which represents a decrease of 38.7%.

The main reason for the decline of sales is due to the fact that in 2019 the companies in Auto Union regularly closed large corporate fleet deals. During the reporting period, under the influence of the Covid Pandemic which led to the closing of many businesses, manufacturers and state borders for a longer period of time, the automobile dealers were inevitably negatively affected by the reduced activity not only from individual customers but from large percentage of corporate partners.

The leasing line of business reported on a consolidated basis a decline in revenues of BGN 3.7 million, which translates to a decrease of 14.6%. Part of the operations included in this line of business such as rent a car services, operating lease and sale of used card were affected by the corona crisis, which resulted in reduction of the revenues to BGN 21.6 million for the year, compared to BGN 25.3 million for 2019.

Investment intermediation (investment banking and asset management) recorded a significant increase by 75% with reported revenues of BGN 7.9 million compared to BGN 4.5 million.

Revenues realized by the issuer on an individual basis which are included in the consolidated financial report amount to BGN 3 million, compared to BGN 2.4 million for the previous period.

Consolidated operating expenses by business segments

In 2020 the consolidated operating expenses amount to BGN 1.560 billion, representing an increase by 5.3% for the current period compared to the previous.

Change in operating expenses by business segments

- In insurance operations in accordance with the growth of the business, the total operating expenses increase by the largest amount – BGN 147.5 million and at the end of the period amount to BGN 1.405 billion.
- The reported expenses for the automobile line of business decrease by a larger percentage than revenues, amounting to BGN 138 million, realizing a decrease of 34.5%.
- The leasing segment records in the consolidated group report for the current period a decrease of its operating expenses by BGN 886 million and at the end of the reporting period they amount to BGN 7.9 million. The reported interest expenses of the leasing sector for the period represent an operating expense due to the nature of their activity, hence they are related to the operating costs of these segments. The leasing business is accompanied by high levels of interest expenses due to the financing with attracted capital, as its size is proportionate to the size of the generated business for the particular period. For information for 2020, the leasing activity reports BGN 3.6 million in interest expenses, which is a decrease of 17% for this indicator.

- Expenses for investment intermediation activities rise by BGN 3.6 million. Interest expenses are reported as operating expenses because of their nature – they represent interest from intermediary activity and trading with securities and financial instruments, their amount is extremely small and insignificant at the group level, amounting to BGN 71 thousand for the last financial period.

Consolidated operating result (gross profit)

The reported consolidated gross profit by the group Eurohold is BGN 73.4 million, compared to BGN 118.7 million reported on 31.12.2019, translating to a decline by 38% for the period which is related to the increased operating expenses for the group.

Other operating income/expenses (net) for the group Eurohold decrease by 2% for the reporting period and amount to BGN (116.8) million. The significant expenses, included in this item are material expenses, external service expenses, remuneration expenses and other costs summarized under other operating expenses. For the reporting period the total amount of other income/expenses amounted to a total of BGN 71.6 million compared to BGN 77.4 million for the comparable period - a decrease of 5.8%.

Financial income/expenses include: financial income, financial expenses and the net effect of changes in foreign exchange rates. For 2020 their total net amount was BGN 21 million, reporting an increase of 5% compared to the same period in 2019.

Financial expenses summarize interest expenses, interest expenses on usable assets and other financial expenses.

Financial expenses:**- Interest expense**

he amount of interest expense includes the corresponding expenses of the insurance and automotive sectors, as well as the parent company. For the period from 1 January to 31 December 2020 the reported interest expenses amounted to BGN 20.2 million, increasing by BGN 2.6 million.

The largest interest expense is generated by the parent company in connection with the attraction of interest-bearing loans in order to carry out the expansion of the Group, incl. new acquisitions of companies from the insurance sub-holding in the region of Central and Eastern Europe. During the twelve months of 2020, the parent company reported interest expenses of BGN 14.2 million increasing by 8.8%. This is mainly due to an increase in the value of bank loan liabilities in connection with a new loan disbursed in 2020, as well as an issued bond loan in November 2020 in the amount of EUR 30 million.

The automotive group also uses borrowed capital for working capital and bank guarantees for deferred payment. The amount of these attracted funds is determined by the expansion of the automotive business, transactions with corporate customers, stock - cars and spare parts, etc. For the reporting period the interest expenses of the automotive group amounted to BGN 1.9 million.

The insurance business does not require borrowing, hence interest expense reported in this line of business represent a loan resource of the parent company of the insurance group - Euroins Insurance Group. For 2020, interest expenses reported by the insurance sub-holding amounted to BGN 4.2 million.

- Interest expense from usable assets

In the reporting period, in regard to the application of IFRS 16, the group reported interest expense from usable assets in the amount of BGN 1.7 million.

- Other financial expenses

Other financial expenses are reported in the current reporting period which amount to BGN 0.9 million, from which BGN 0.6 million belong to the automotive line of business and the other BGN 0.3 million to the parent company.

Financial income

Financial income includes interest income, but its amount is insignificant and amounts to BGN 179 thousand.

Net effect of exchange rate changes

The net effect of the change in exchange rates amounts to BGN 1.4 million and they are fully reported by the parent company.

Depreciation costs

Depreciation expenses of the Eurohold Group remain almost the same as they increase from BGN 20.4 million to BGN 20.7 million during the reporting period, from which the amortization expenses of usable assets amount to BGN 8.4 million.

Financial indicators on a consolidated basis

Indicator	2017	2017 *	2018**/ 2017*	2018	2018**	2019/ 2018**	2019	31.12.2020	2020/ 2019
(thousands BGN)	audited data	restated data	change % #	audited data	restated data	change % #	audited data	unaudited data	change %
1. Accounting profit / loss (before taxes)	26 671	26 591	-48,4%	17 871	13 727	-94,5%	753	(39 996)	-5411,6%
2. Net result belonging to the Group	18 174	18 103	-49,7%	14 385	9 105	-131,7%	(2 885)	43 658	-1613,3%
3. Revenue, total	1 240 716	1 240 716	1,8%	1 263 160	1 263 160	26,7%	1 600 809	1 633 541	2,0%
4. Total equity (including non-controlling interest)	214 506	214 109	-6,3%	207 322	200 575	-4,9%	190 698	135 221	-29,1%
5. Total liabilities, reserves and subordinated debt instruments	1 111 908	1 112 305	7%	1 187 679	1 189 674	10,9%	1 319 112	1 540 889	16,8%
6. Assets	1 326 414	1 326 414	4,8%	1 395 001	1 390 249	8,6%	1 509 810	1 676 110	11,0%
Financial autonomy ratio (4 : 5)	0,193	0,192	-12,4%	0,175	0,169	-14,3%	0,145	0,088	-39,3%
Debt ratio (5 : 4)	5,184	5,195	14,2%	5,729	5,931	16,6%	6,917	11,395	64,7%
Gross return on revenue (1: 3)	0,021	0,021	-49,3%	0,014	0,011	-95,7%	0,000	(0,024)	-5305,1%
Net return on revenue (2 : 3)	0,015	0,015	-50,6%	0,011	0,007	-125,0%	(0,002)	0,027	-1583,0%
Gross return on equity (1: 4)	0,124	0,124	-44,9%	0,086	0,068	-94,2%	0,004	(0,296)	-7590,7%
Net return on equity (2 : 4)	0,085	0,085	-46,3%	0,069	0,045	-133,3%	(0,015)	0,323	-2234,1%
Gross return on debt (1: 5)	0,024	0,024	-51,7%	0,015	0,012	-95,1%	0,001	(0,026)	-4647,1%
Net return on debt (2 : 5)	0,016	0,016	-53%	0,012	0,008	-128,6%	(0,002)	0,028	-1395,5%
Gross return on Assets (1 : 6)	0,020	0,020	-50,8%	0,013	0,010	-94,9%	0,000	(0,024)	-4884,6%
Net return on Assets (2 : 6)	0,014	0,014	-52,01%	0,010	0,007	-129,2%	(0,002)	0,026	-1463,1%

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

*,2017 restated data"; **"2018 restated data" - represent recalculated (restated) data for 2017 and 2018, respectively resulting from of recalculation made in connection with the correction of an error in the comparable financial information during the preparation of the audited annual consolidated financial statements for 2018 and 2019 (see item 18.1.)

the percentage change is calculated on the basis of recalculated data, in order to provide correct and accurate comparable information

7.2.2. Explanation of the reasons for the reported significant changes in net sales or revenue in the financial information for previous periods and the impact on the financial result

Analysis of the financial results of 2020 and the magnitude of influence of COVID-19 on the companies by business sector:

- **Insurance division – loss of BGN 28 million**

In connection with the deteriorating economic situation and increased uncertainty, Euroins Romania Asigurare-Reasigurare reviewed the models for estimating the reserves of insurance companies and

implemented changes with the aim to increase them, where necessary. This, in turn, has led to a one-off effect in regard to the change of the accounting policy of the Romanian insurance company.

Following the company's preparation for a Balance Sheet Review organized by the local regulator and a change in the current legal framework, the Romanian insurer has changed part of its accounting policy regarding the method of calculating technical reserves and has revised its reinsurance program. As a result of the updates made by the company in order to comply with the new legal framework and regulatory requirements, a significant loss was realized, representing a one-time effect of additional accruals (reserves). When reviewing the financial statements in connection with the company's audit for 2020 as a result of the changed part of the accounting policy regarding technical provisions (after the publication of market indicators related to their calculation) and a change in the reinsurance program, additional provisions were added. This, in turn, led to an increase in the loss compared to the preliminary interim financial report for the fourth quarter of 2020, which should be considered as a one-off effect.

- **Automotive division – profit of BGN 1.5 million**

Despite the reduced revenue of the automotive companies, the Auto Union Group managed to make a profit at the end of 2020. This is due to the efforts and measures taken by the management to minimize the negative impact of the pandemic, which include optimizing the staff structure and increasing the efficiency of the labour process, as well as centralization of supplies and further optimization of the costs.

- **Leasing division – loss of BGN 0.3 million**

The operations of the leasing division include the provision of financial and operational leasing, car rental services and the sale of used cars.

The activity of rent a car services worldwide has been severely affected by the outbreak of the coronavirus. The reason is that this sector is directly related to passenger transport (mainly airline traffics) and the tourism industry as the main income is generated by travellers for leisure, tourism or business. The reduced passenger flow through the main canals (the airports in the country) and the greatly reduced opportunities for tourism and business visits have had a negative impact on the sector in Bulgaria. This practically necessitated the closing of the company's offices at the three main airports in the country (Sofia, Varna and Bourgas) and stopped offering these services. Given the expectations for a weak summer season, oriented towards domestic consumption, the company decided to reject the cars it usually rents in order to meet the usual increased demand in the summer.

Operating leases were also negatively affected over the past year, with the main factors being the transition of our customers' employees to remote work in the home environment and the elimination of the need for company cars, as well as the optimization of costs in companies affected by the pandemic, including staff cutbacks. The use of cars in the form of operating leases is mainly by clients - legal entities and the market plans actions to reschedule (extend payment terms) and reduce due lease obligations to the company (at the expense of lower mileage or the elimination of additional services).

Financial leasing decreased in terms of new business, the main reason for which was the reduced customer activity in connection with the rising unemployment and the uncertainty of the spread of the virus, as well as the disrupted supply chain of new cars. During the summer period and at the end of the year, the companies offering financial leasing managed to reduce the negative impact of COVID-19 and realized the growth of new business, which led to an annual profit in this area.

The sale of used cars was accompanied by a significant reduction in customer activity, which led to a decline in revenues and the realization of operating losses.

- **Investment intermediation and asset management - profit of BGN 0.2 million.**

The impact of the corona crisis failed to have a negative impact on the investment intermediation and asset management line of business. Euro-Finance AD achieved huge growth in terms of turnover in 2020 and in terms of net revenues, ending the year with a profit.

- **Parent company (individual base) - loss of BGN 16.7 million.**

The holding company does not report regular sales revenues, in connection with which for 2020 it has realized a loss of BGN 16.7 million related mainly to interest expenses on borrowed funds used to support the activities of the subsidiaries.

VIII. CAPITAL RESOURCES

8.1. INFORMATION ON ISSUER'S CAPITAL RESOURCES

Ratios characterizing the debt and the equity show how the company is financed.

As of 31.12.2020 the share of equity in the assets of Eurohold Bulgaria AD is in the ratio of 8.07%, while at the end of 2019 this indicator was 12.63%, which shows that in the last reporting period the consolidated liabilities have taken advantage over equity by 4.56%. This is confirmed by the change in the ratio "Non-current liabilities / Equity" on a consolidated basis, which by 2020 is 2.59, showing the excess of long-term liabilities over the level of equity, for comparison in 2019 the same ratio is 1.49 .

The debt and financial autonomy ratios take into account the coverage of borrowed funds with equity and vice versa. The value of the financial autonomy ratio at the consolidated level is below one, decreasing to 0.09 in 2020, while at the end of 2019 it is 0.14. It should be noted here that the amount of liabilities includes the amount of insurance reserves, which serve as a reserve to cover costs related to the payment of benefits to customers and is of significant value (BGN 886 million at the end of 2020).

Indicator	2017	2017 *	2018**/ 2017*	2018	2018**	2019/ 2018**	2019	31.12.2020	2020/ 2019
(thousands BGN)	audited data	restated data	change % #	audited data	restated data	change % #	audited data	unaudited data	change %
1. Total equity (including non-controlling interest)	214 506	214 109	-6,3%	207 322	200 575	-4,9%	190 698	135 221	-29,1%
2. Non-current liabilities***	278 684	275 009	4,1%	286 800	286 404	-1,0%	283 575	349 872	23,4%
3. Current liabilities	833 224	837 296	7,9%	900 879	903 270	14,6%	1 035 537	1 191 017	15,0%
4. Total liabilities, reserves and subordinated debt instruments	1 111 908	1 112 305	7%	1 187 679	1 189 674	10,9%	1 319 112	1 540 889	16,8%
5. Assets	1 326 414	1 326 414	4,8%	1 395 001	1 390 249	8,6%	1 509 810	1 676 110	11,0%
Share of the Equity / Assets	16,17%	16,14%	-10,6%	14,86%	14,43%	-12,5%	12,63%	8,07%	-36,1%
Non - current liabilities / Equity	1,30	1,28	11,7%	1,38	1,43	4,1%	1,49	2,59	73,8%
Financial autonomy ratio (1 : 4)	0,19	0,19	-10,5%	0,17	0,17	-14,3%	0,14	0,09	-35,7%
Debt ratio (4 : 1)	5,18	5,20	14,4%	5,73	5,93	16,6%	6,92	11,40	64,7%

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

*, 2017 restated data"; **2018 restated data" - represent recalculated (restated) data for 2017 and 2018, respectively resulting from of recalculation made in connection with the correction of an error in the comparable financial information during the preparation of the audited annual consolidated financial statements for 2018 and 2019 (see item 18.1.)

***The sum of non-current liabilities includes subordinated debts.

the change (in percentages) is calculated on the basis of recalculated data, in order to provide correct and accurate comparable information

8.2. AN EXPLANATION OF THE SOURCES AND AMOUNTS OF AND A NARRATIVE DESCRIPTION OF THE ISSUER'S CASH FLOWS.

The Consolidated Statement of Cash Flows is composed of sections and articles in which cash flows are reflected according to the activity from which they originated, as they are combined into operating, investment and financial activities.

The Eurohold Group generates cash flows from the following activities:

- insurance activity;
- life insurance;
- travel insurance;
- leasing activity;
- rent a car;
- sale of cars;
- service activity;

- sale of spare parts;
- sale of lubricants for vehicles;
- fees from a card operator for refueling;
- investment intermediation;
- investment and securities operations;
- dividends;
- interest on loans granted to subsidiaries;
- services;
- financing through bank loans, issued bond loans;

Negative cash flows from operating activities are formed mainly by excess payments to customers and suppliers compared to their revenues. The main reason for this is the negative flows related to the nature of the leasing group's business. The lease portfolio is depreciated over an average of 50 months, and the repayment installments are recorded as a positive cash flow from operating activities in the following reporting periods.

CONSOLIDATED CASH FLOW

Consolidated Cash Flow	2017	2017 *	2018	2018**	2019	31.12.2020
	audited data	restated data	audited data	restated data	audited data	unaudited data
Net cash flows from operating activities	27 720	27 720	977	977	23 538	(5 526)
Net cash flows from investing activities	(94 367)	(94 367)	2 528	2 528	65 958	(86 905)
Net cash flows from financing activities	11 644	11 644	90	90	(47 346)	69 539
Net decrease / increase in cash	(55 003)	(55 003)	3 595	3 595	42 150	(22 892)
Cash at the beginning of the period	100 948	100 948	45 945	45 945	49 540	91 690
Cash at the end of the period	45 945	45 945	49 540	49 540	91 690	68 798

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

**,2017 restated data"; **2018 restated data" - represent recalculated (restated) data for 2017 and 2018, respectively resulting from of recalculation made in connection with the correction of an error in the comparable financial information during the preparation of the audited annual consolidated financial statements for 2018 and 2019 (see item 18.1.)*

the percentage change is calculated on the basis of recalculated data, in order to provide correct and accurate comparable information

During the periods under review, the companies of the Group generate sufficient and positive cash flow to carry out the normal course of their operating activities. The cash holdings of the Eurohold Group as of 31 December 2020 amounted to BGN 68.8 million, while as at 31 December 2019 they amounted to BGN 91.7 million.

8.3. INFORMATION ON THE BORROWING REQUIREMENTS AND FUNDING STRUCTURE OF THE ISSUER.

Need of external debt financing.

Eurohold Bulgaria AD is a holding company and as such part of its activity is related to the collection of borrowed resources necessary for the financing of its subsidiaries.

All funds raised by the Group through bank and bond loans are denominated in BGN and EUR. The table below presents information on the amount of the main bank exposures to each of the reporting periods considered in the Prospectus.

Attracted bank loans at the end of each of the considered historical periods and as of 31.12.2020 - the date of the last prepared interim unaudited consolidated financial statement. The table below shows information on the residual principal payments on each bank loan (long-term and short-term part, including interest due for the respective period)

Division	Amount in BGN'000 as at 31.12.2017	Amount in BGN'000 as at 31.12.2018	Amount in BGN'000 as at 31.12.2019	Amount in BGN'000 as at 31.12.2020
Eurohold Bulgaria AD, incl.				
Investment loans	34 095	44 802	36 040	55 390
Leasing sub-holding, incl.				
For financing of leasing activity	47 768	78 303	80 464	81 244

Automotive subholding, incl.				
Working capital loans	17 382	19 045	14 487	15 835
Insurance subholding, incl.				
Euroins Insurance Group AD - for financing the activity	-	17	9 744	21 872
TOTAL FOR THE GROUP	99 245	142 167	140 735	174 341

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

Liabilities to banking and non-banking financial institutions in the Issuer's group as of 31.12.2020 are BGN 174.3 million, and for comparison at the end of 2019 their amount was BGN 140.7 million. BGN 33.6 million is mainly due to agreed new financing of the Issuer, in connection with capital support of the insurance group as the increase of the utilized loans in 2020 amounts to BGN 19.3 million. The borrowed funds of the insurance subholding Euroins Insurance Group "AD is also growing as the change compared to 2019 is BGN 12 million.

Information on bank loans:

- External financing from financial institutions from Eurohold Bulgaria AD (the amounts presented are based on the amount of principal liabilities for the respective financial period)**

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at	Amount as at	Amount as at
							BGN'000	31.12.2019 BGN'000	31.12.2020 BGN'000	the Registration document BGN'000
Eurohold Bulgaria AD	International Investment Bank	18.12.2014	12.2021	Investment loan	6.0%+ EURIBOR	Pledge over shares of a subsidiary	29,337	17,846	10,561	7,135
	International Investment Bank	25.5.2018	3.2025	Investment loan	6.0%+ EURIBOR	Pledge over shares of a subsidiary	19,558	18,194	15,060	13,656
	International Bank for Economic Co-operation	28.7.2020	07.2022	Investment loan	6.5%	Pledge over shares of a subsidiary	39,117	-	29,337	29,575
Total bank loan obligations of Eurohold Bulgaria AD:							88,012	35,674	54,958	50,366

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

- The attracted funds from financial institutions from leasing group (the presented amounts are based on the amount of liabilities by principal as of the respective financial period)**

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at
							BGN'000	31.12.2019 BGN'000
Eurolease Auto EAD	Unicredit Bulbank AD	2018 – 2019	31.03.2024	ODI+2.2% /min. 2.30%	9,779	8,667	6,857	6,296
Eurolease Auto EAD	Eurobank Bulgaria AD	2018	30.11.2023	3m. Euribor+ 2.8%	6,845	4,160	3,020	2,759
Eurolease Auto EAD	DKS Bank AD	2016 – 2017	25.08.2021	1M Euribor + 3.5% /min. 3.5%	2,000	536	193	121
Eurolease Auto EAD	Eurobank Bulgaria AD	2018	21.12.2023	PRIME + 2.72% /min.2.72%	3,912	3,258	2,562	2,315
Eurolease Auto EAD	Eurobank Bulgaria AD	2017 – 2018	15.09.2022	Prime+ 2.72% /min 2.85%/	13,691	7,286	4,574	3,880
Eurolease Auto EAD	Eurobank Bulgaria AD	2017 – 2018	21.05.2023	PRIME + 2.85% /min.2.85%	978	616	464	415
Eurolease Auto EAD	Eurobank Bulgaria AD	2019 -till now	24.09.2026	Prime+ 1.72% /min 2.72%/	9,779	2,434	5,203	6,623
Eurolease Auto EAD	Bulgarian Development Bank AD	2018	20.02.2027	3m.Euribor+ 3.5% /min. 3.5%	20,036	17,096	15,428	14,819
Eurolease Auto EAD	Bulgarian Development Bank AD	2016 – 2019	20.10.2022	3m.Euribor+ 2.5% /min. 2.5%	8,117	5,818	3,788	3,266
Eurolease Auto EAD	Bulgarian Development Bank AD	2019 – till now	30.01.2025	3m.Euribor+ 2.5% /min. 2.5%	1,662	1,640	1,282	1,130

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at 31.12.2019	
								BGN'000	BGN'000
Eurolease Auto EAD	Bulgarian-American Credit Bank AD	2019 – till now	20.10.2025	3M EURIBOR + 2.75% / min 2.75%	9,779	1,990	7,986		8,773
Eurolease Auto EAD	Commercial Bank D AD	2018	05.12.2021	3m.Euribor+ 3.0% /min. 3%	723	495	255		193
Eurolease Auto EAD	Commercial Bank D AD	2015 – 2017	05.09.2022	3m.Euribor+ 3.5% /min.3.5%	5,085	1,778	837		545
Eurolease Auto EAD	Commercial Bank D AD	2019	05.05.2022	3m.Euribor+ 3.0% /min. 3%	446	364	208		173
Eurolease Auto EAD	Commercial Bank D AD	2019 – till now	27.11.2025	3M EURIBOR + 2.95%-3.5% / min 2.95%	9,779	987	4,562		5,358
Sofia Motors EOOD	Eurobank Bulgaria AD	2017 – 2018	15.10.2022	PRIME + 2.32% /min.2.32%	1,456	748	506		446
Sofia Motors EOOD	Eurobank Bulgaria AD	2018 – 2019	19.02.2024	PRIME + 2.85% /min.2.85%	1,956	1,799	1,403		1,282
Sofia Motors EOOD	Eurobank Bulgaria AD	2019 – till now	24.01.2025	Prime+ 1.85% /min 2.85 /	1,956	274	1,013		1,086
Sofia Motors EOOD	Eurobank Bulgaria AD	2018	30.09.2023	3M Euribor +2.8%	1,076	742	536		462
Sofia Motors EOOD	Bulgarian Development Bank AD	2020 – till now	08.06.2030	3M Euribor +3% /min. 3%	5,867	-	115		388
Autoplaza EAD	Bulgarian-American Credit Bank AD	2016 – till now	20.11.2022	6M Euribor +4.75% / min.4 .75%	2,054	1,894	1,358		1,379
Amigo Leasing EAD	Bulgarian-American Credit Bank AD	2018 – till now	20.06.2026	3M EURIBOR+ 5.25% /min 5.25%	3,912	3,490	2,884		2,803
Amigo Leasing EAD	Manucipality Bank AD	2019 – till now	20.04.2025	6m. Euribor + 5.25% /min. 5.25%	3,912	3,013	3,388		3,255
Eurolease Rent-a-Car EOOD ***	Eurobank Bulgaria AD	2017	21.06.2023	PRIME + 2.32% /min.2.32%	2,413	1,576	1,382		1,334
Eurolease Rent-a-Car EOOD ***	Eurobank Bulgaria AD	2018	21.05.2024	PRIME + 2.32% /min.2.32%	2,468	2,038	1,714		1,606
Eurolease Auto AD, Skopje	UNI Banka, Skopje	2008 – till now	31.12.2029	5.25%	8,801	6,985	8,360		8,249
Eurolease Auto AD, Skopje	Stopanska Banka AD, Skopje	2019 – till now	28.02.2025	1M EURIBOR + 4.25% /min. 4.25%	1,956	780	1,366		1,798
Total liability for bank loans of the Leasing Group					140,438	80,464	81,244		80,754

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

All loans of the leasing group are secured by a first special pledge on all current and future receivables arising from leasing contracts in connection with the leasing of cars, the purchase of which is financed with funds from the loans.

Companies from the leasing group operate mainly in the field of financial and operational leasing and car rental services, which predetermines high levels of capital, incl. own and attracted. The companies finance their activities through borrowed funds in the form of bank loans from local and international financing institutions, as well as through the issuance of debt instruments. In this sense, the growth of the business of the companies predetermines the growth of the attracted funds from banking and non-banking institutions and issued bond loans.

- **The attracted funds from financial institutions from the automobile group (the presented amounts are based on the amount of principal liabilities as of the respective financial period)**

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at 31.12.2019		Amount as at the Registration document	
								BGN'000	BGN'000	BGN'000	BGN'000
Espace Auto OOD	Raiffeizen Bank Bulgaria	21.3.2017	30.6.2023	working capital overdraft	1M EURIBOR + 2.00%	mortgage on real estate	4,890	4,884	4,889		4,103

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at 31.12.2019	Amount as at 31.12.2020	Amount as at the Registration document
							BGN'000	BGN'000	BGN'000	BGN'000
EA Properties OOD	Raiffeizen Bank Bulgaria	29.12.2014	10.12.2021	Purchase of property	1m EURIBOR +3.7%	mortgage	3,442	887	663	606
	Raiffeizen Bank Bulgaria	29.12.2014	10.12.2021	Construction of a showroom	1m EURIBOR +3.7%	mortgage	2,660	1,386	1,187	1,090
	Raiffeizen Bank Bulgaria	12.12.2019	10.12.2024	Purchase of land	1m EURIBOR +2.25%	mortgage	1,702	1,602	1,257	1,169
Motobul EAD	Bulgarian Development Bank	18.12.2015	20.4.2022	Working capital	3M EURIBOR +4%, but not less than 6%	Mortgage of goods in stock	469	466	407	349
	OBB factoring	20.4.2018	18.4.2021	Working capital	1M SOFIBOR + 1.8%	Pledge of receivables	1,000	520	370	351
	Allianz factoring	22.2.2019	22.2.2021	Working capital		Pledge of receivables	1,753	106	210	282
Auto Italia EAD	Unicredit Bulbank AD	9.12.2009	31.3.2021	Working capital	3m EURIBOR + 3.5%	Goods in stock	782	782	782	782
Bulvaria Varna EOOD	Unicredit Bulbank AD	21.12.2009	31.12.2021	Working capital	3m EURIBOR + 3.5% + 0.5% service charge	goods in stock and mortgage of properties of Bulvaria Holding and Bulvaria Varna	2,738	809	809	1,982
N Auto Sofia EAD							98	78	78	78
Auto Italia EAD							2,237	1,050	1,050	1,050
Bulvaria Sofia EAD	Unicredit Bulbank AD	7.2.2020	30.9.2021	Working capital	2,90%	land property of Auto Union Properties	978	760	760	420
Star Motors EOOD	Unicredit Bulbank AD	3.5.2018	30.4.2021	Working capital	2,90%	goods in stock	1,467	1,467	1,467	1,467
Star Motors DOOEL	Uni Bank	20.12.2014	21.12.2021	Revolving credit facility	5,25%	Working capital	285	188	195	53
AVTO UNION AD	Bulgarian Development Bank	15.12.2020	15.12.2021	Revolving credit facility	3,00%	Working capital	1,956	-	-	1,940
AVTO UNION AD	First Investment Bank	28.5.2020	31.5.2021	Revolving credit facility	AIR in EUR in FIB +3.76%, but not less than 3.95%	pledge of the shares of Euro Finance AD	2,347	-	2,286	2,258
Total liability for bank loans of Automotive Group:							28,804	14,985	14,312	17,980

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

All concluded contracts by the subsidiary automobile companies (financing their operational activity with attracted funds from banking institutions and bond issues), as in all cases the loan obligations are secured by real estate mortgages and / or guarantees; pledge under the SPA of receivables, goods in stock, including cars, spare parts, etc.

With regard to the bonds issued by the Issuer and its subsidiaries, the unsecured issues are of insignificant value, for the most part the issued bond loans are secured by a "Bond loan" insurance.

▪ Attracted funds from financial institutions by the insurance group

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at 31.12.2019	Amount as at 31.12.2020	Amount as at the Registration document
							BGN'000	BGN'000	BGN'000	BGN'000
Euroins Insurance Group AD	Mezzanine Facility	13.3.2019	12.2021	31.3.2025	6.0%+ EURIBOR	Pledge of shares of a subsidiary	19,558	9,593	19,163	19,163

Borrower	Lender	Date of the agreement	Maturity	Purpose	Interest	Security	Amount	Amount as at 31.12.2019	Amount as at 31.12.2020	Amount as at the Registration document
							BGN'000	BGN'000	BGN'000	BGN'000
Total liability for bank loans of the Insurance Group:							19,558	9,593	19,163	19,163

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

Apart from bank loans, the Group is also financed through several bond loans. Some of them are admitted to trading on the regulated market of the Bulgarian Stock Exchange AD. Accordingly, each investor can obtain additional information about the issuers and the traded securities from the prospectuses of the companies, published on the website of the Bulgarian Stock Exchange AD, as well as on the website of the respective issuing company.

Bond issues as at the end of each of the cover by the historical data and as of 31.12.2020 - the date of the last prepared interim unaudited consolidated financial statement. The table below shows information on the residual principal payments on each bond loan issued.

Company	Maturity	Interest	Security	Outstanding amount as at 31.12.2017	Outstanding amount as at 31.12.2018	Outstanding amount as at 31.12.2019	Outstanding amount as at 31.12.2020	As at the date of this document
				(000'BGN)	(000'BGN)	(000'BGN)	(000'BGN)	(000'BGN)
Eurohold Bulgaria AD /EMTN programme/	29.12.2021	8%	Surety	21,071	20,461	20,593	19,302	138,405
Eurohold Bulgaria AD /EMTN programme /	07.12.2022	6.5%	Surety	123,139	110,747	115,175	115,856	19 230
Eurohold Bulgaria AD	26.11.2027	3.25%	Insurance	-	-	-	58,675	57,548
Euroins Insurance Group AD	18.12.2021	9.75% + 3m Euribor	Guarantee	19,558	19,558	19,558	19,558	19,558
Eurolease Auto EAD	05.11.2019	7%	Pledge of receivables	11,735	11,735	repaid	repaid	repaid
Eurolease Auto EAD	27.07.2021	min 3,95%	Pledge of receivables	8,508	6,239	2,030	1,134	1,134
Eurolease Group EAD	03.02.2020	5%	Insurance	6,000	6,000	6,000	repaid	repaid
Eurolease Group EA	06.07.2023	3.75%	Unsecured	2,445	2,445	2,445	1,222	1,222
Eurolease Group EA	05.02.2025	4.0%	Insurance	-	-	-	6,000	6,000
Avto Union AD	10.12.2022	4.5%	Insurance	6,800	6,800	6,800	5,500	5,550
Motobul EAD	13.06.2028	3.85%	Insurance	-	8,800	8,800	8,800	8,800
Total for Eurohold Group				199,256	192,785	181 401	236,047	257,397

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

Eurohold Bulgaria AD owns 10,500 units of the repurchased own bonds from EMTN Program in EUR with ISIN XS1731768302 (as of 31.12.2019 - 10,500 shares from EMTN Program in EUR). As of 31.12.2019 the repurchased own bonds (10,500 pieces) were given as collateral in connection with a repo transaction with a closing date of 10.2020, as the contract was terminated by mutual agreement on 15.10.2020. In 2020 a new contract was concluded for acquisition of own bonds (10,500 pieces), which bonds were given as collateral in connection with a concluded repo transaction with closing date 31.10.2021. Liabilities for repurchased own bonds from Starcom Holding AD (10,500) have not been settled as of 31.12.2020 and 31.12.2019.

In November Eurohold Bulgaria AD issued a bond loan with ISIN: BG2100013205 in the amount of EUR 30,000,000 was registered by Central Depository AD on 26.11.2020. The issue is the second in a row of ordinary, registered, dematerialized, 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 EUR 1,000. The maturity date of the issue is November 26, 2027, and the principal is repaid once at maturity. Interest payments are made every six months, as of the date of registration of the issue (November 26, 2020), at a fixed nominal interest rate - 3.25% on an annual basis.

8.4. INFORMATION REGARDING ANY RESTRICTIONS ON THE USE OF CAPITAL RESOURCES THAT HAVE MATERIALLY AFFECTED, OR COULD MATERIALLY AFFECT, DIRECTLY OR INDIRECTLY, THE ISSUER'S OPERATIONS.

The Articles of Association of Eurohold Bulgaria AD and the Articles of Association of its subsidiaries do not provide for restrictions on the use of capital resources.

There are no other restrictions on the use of capital resources that have affected or could directly or indirectly affect the activities of the Issuer or any company in its group.

8.5. INFORMATION REGARDING THE ANTICIPATED SOURCES OF FUNDS NEEDED TO FULFIL COMMITMENTS REFERRED TO IN ITEM 5.7.2

As of the date of the prospectus for Eurohold Bulgaria AD, including its subsidiaries have not undertaken any other unconditional commitments to make investments other than those described in item 5.7.2. "A description of all significant investments of the issuer that are in progress or for which firm commitments have been made, including their geographical distribution and method of financing."

As of the date of preparation of this Prospectus, Eurohold Bulgaria AD is in the process of fulfilling the following capital commitments:

- Acquisition of CEZ's Assets in Bulgaria;
- Purchase of the remaining minority share from Euroins Insurance Group AD.

Detailed information on the structuring of the transaction for the acquisition of CEZ's Assets in Bulgaria and the expected sources of funds for the implementation of the transaction commitment are provided in detail in the above-cited item 5.7.2.

Information regarding the expected source of funds for financing the commitment to purchase the remaining minority share from the subsidiary Euroins Insurance Group AD is presented in detail in the above-cited item 5.7.2.

IX. REGULATORY ENVIRONMENT

9.1. A DESCRIPTION OF THE REGULATORY ENVIRONMENT THAT THE ISSUER OPERATES IN AND THAT MAY MATERIALLY AFFECT ITS BUSINESS, TOGETHER WITH INFORMATION REGARDING ANY GOVERNMENTAL, ECONOMIC, FISCAL, MONETARY OR POLITICAL POLICIES OR FACTORS THAT HAVE MATERIALLY AFFECTED, OR COULD MATERIALLY AFFECT, DIRECTLY OR INDIRECTLY, THE ISSUER'S OPERATIONS.

„Eurohold Bulgaria AD is a company registered in the Republic of Bulgaria and in this sense, it is dependent on all political, economic, tax and monetary policies that the country pursues.

The regulatory environment in which the Issuer's subsidiaries operate has a significant impact on its operations. Therefore, this section examines both the regulatory environment in Bulgaria and the more specific and influential policies on companies operating in other markets in Europe.

Regulatory environment in Bulgaria

The political situation in the country is relatively stable and at present there is no immediate risk of political and social upheaval.

According to the Constitution, Bulgaria is a republic with parliamentary government, a unified state with local self-government. All citizens are equal before the law, with no restrictions on rights or privileges based on

nationality, race, ethnicity, gender, origin, religion, education, beliefs, political affiliation, personal and social status or property status. State power is divided into legislative, executive and judicial. The country is governed by the supreme law - the Constitution adopted in 1991, and the laws of the country, and political life is based on the principle of political pluralism.

The economy in the Republic of Bulgaria is based on free economic initiative, it is market, open, with a developed private sector and a limited number of state enterprises. The Bulgarian economy is characterized by economic, political and financial stability. The country has a strategic geographical location and liberalized access to markets.

The economy of the Republic of Bulgaria is based on free economic initiative. It is market-based, open, with a developed private sector and a limited number of state-owned enterprises. Bulgaria has been a member of the World Trade Organization since December 1, 1996 and a member of the European Union (EU) since January 1, 2007, which makes it significantly more attractive for foreign investment and facilitates business in the country of foreign and foreign countries. -soon to European companies. As a member of the EU, Bulgaria is significantly more attractive for foreign investments and it is much easier for foreign companies and especially European companies to operate in the country. This applies especially to the financial services sector, due to the possibility of credit, insurance and other financial institutions licensed in other EU Member States to conduct business directly in Bulgaria under the conditions of free provision of services.

Bulgaria is a full member of the European Union and is obliged to observe the basic political and economic principles of the functioning of the Union and its legislation. The country's membership in the European Union and the stable macroeconomic framework favored the process of lowering interest rates in the country and reducing their difference with those of the euro area.

Government policy is aimed at maintaining fiscal sustainability and predictable and consistent fiscal policy, contributing to improving the business environment, encouraging investment, stimulating the labor market and sustainable economic growth.

Bulgaria, as a member state of the European Union is obliged to comply with European regulations, which ensures improving the quality of local legislation and unification of a large part of it with the normative practice of the European Union, and hence with the practices of more developed member states. EU.

Our country started the process of joining the monetary mechanism Our country started the process of joining the monetary mechanism ERM II (the so-called waiting room of the euro area) in July 2018, when a request for close cooperation of the BNB with the European Central Bank was submitted (ECB). The adoption of the euro is among the key, strategic and political tasks facing Bulgaria. According to the current legislation and the conditions of the Currency Board, as of the date of the Prospectus, the Bulgarian lev is fixed to the euro in the ratio of 1 euro for BGN 1.95583. On July 10, 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism, and the BNB entered the so-called close cooperation with the ECB, which is access to the banking union for non-euro area countries. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 levs. After a careful assessment of the adequacy and stability of the currency board in Bulgaria, 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 Monetary Mechanism II (CMM II) is accompanied by a firm commitment by the Bulgarian authorities to pursue prudent economic policies in order to preserve economic and financial stability and achieve a high degree of sustainable economic convergence.

In recent years, the Bulgarian government has maintained a strict fiscal policy and one of the smallest amounts of government debt of EU countries. The country has a good and predictable fiscal policy, which also supports the stability of the tax system. However, there is no guarantee that under the influence of political, economic or demographic factors in the future the taxation system will not change in a negative direction for businesses.

As of the date of the Prospectus, the tax system in Bulgaria is one of the most favourable for business in terms of the fixed corporate tax of 10% and the fixed personal income tax, which is also 10%. The favourable tax rate is one of the biggest advantages of the Bulgarian economy for attracting foreign investors and developing business in the country. In the medium term, low tax rates on corporate taxes and those on personal income are expected to remain, which aims to stimulate economic growth and labour supply and demand. The government's tax policy is also aimed at reducing the share of the informal economy, combating tax fraud and tax evasion.

Apart from the above factors related to the political, economic and tax policies pursued in the country, there are no other factors that have significantly affected or could significantly affect, directly or indirectly, the activities of the Issuer.

Description of any significant factors from the regulatory environment of the countries in which the issuer's insurance group has participations and which have significantly affected or could significantly affect, directly or indirectly, the activity of the issuer**Bulgaria**

There are no significant changes in the tax legislation, leading to economic and / or financial effect that would affect the insurance business in the country. Important topics from the point of view of the insurance companies from the group of the Issuer are - the review of the SII Directive and the proposals of EIOPA & ESRB; the adoption of regulations, part of the "Green Deal", their consistent application in view of other normative documents at EU level, including comparability of data and lack of preparation for achieving the necessary reliability; strengthening digitalisation in insurance, information technology and cyber security. From a political point of view, the potential change in the regulatory framework for insurers to adopt and implement measures envisaged by the EU Single Capital Market Policy Working Group (CMU) is key and would have an impact on the whole economy, especially given the impact of COVID -19, which is expected to be observed in the next few years. Specifically, at EU level, encouraging investment by insurers in the real sector will have its significant economic significance for the country.

Romania

The political situation in Romania is stable. There are no facts or events that lead to an unstable political situation. Upcoming changes in the regulations of the insurance market - Changes in the calculations of the liquidity ratio; Changes in local regulatory reinsurance; Amendments to the Motor Third Party Liability Act related to direct compensation for damages. No changes in tax legislation are expected to have a major impact on the insurance market. The revision of the SII Directive will also affect activities in Romania as a Member State.

Ukraine

Currently, the political environment in Ukraine is turbulent. National Bank of Ukraine (NBU) has become a regulatory body. Currently, the National Bank of Ukraine is adopting changes in a number of legal acts concerning insurance companies in order to bring their activities in line with European standards, and these changes are expected to have a positive effect on the Ukrainian insurance market. Also from 01.07.2020 came into force the provisions on regulatory requirements for solvency and capital adequacy of insurers on the Ukrainian market. Many regulatory changes have been adopted in Ukraine, including changes in tax legislation. However, these changes do not have a significant impact on the insurance business.

North Macedonia

There has been no significant change in the political environment in 2020, which can be described as stable. In 2020, the regulator of the insurance market in Macedonia, the Insurance Supervision Agency, adopted several regulations on the activities of insurance companies, which contain a challenge and significant compliance requirements, with different deadlines for final compliance. The new regulations will lead to financial costs for the company and a greater need for additional human resources. The new regulation covers the following acts: Rules for information system, Rules for settling claims, Rules for calculating technical provisions. There is also a new data protection regulation, which is harmonized with the EU GDPR regulation, with a deadline for full compliance by the end of August 2021. It should be borne in mind that North Macedonia, as a candidate for EU membership, efforts and is expected to bring its legislation in line with EU law, and the mentioned significant projects for Bulgaria and Romania at this level will be important for the insurance company in North Macedonia. There are no and are not expected significant changes in the tax legislation, leading to economic and / or financial effect on the activity of the Company.

Greece

There has been no significant change in the political environment in 2020. Greece is a member of the European Union and in this sense the regulatory framework is fully in line with European legislation. There are no and are not expected significant changes in the tax legislation, leading to economic and / or financial effect on the activity of the Company.

Belarus

The political situation in the country can be characterized as not very stable after the presidential elections held in August 2020. No significant regulatory changes are expected to have a significant effect on the Company's operations. There are no and are not expected significant changes in the tax legislation, leading to economic and / or financial effect on the activity of the insurance companies.

Georgia

In 2020, parliamentary elections were held in Georgia, as a result of which the political situation was uneasy. Therefore, all forthcoming changes in the legislation are delayed. In 2020, there were no significant legislative changes in Georgia, including those concerning insurance business operations. Insurance supervision

postponed the increase in the minimum required capital announced for the end of 2020 (GEL 7.2 million - EUR 1.8) for the next two years, in order to support the insurance market. There are some changes in the tax system in Georgia. One change that has affected the insurance business is the mandatory registration of insurance companies for VAT, although insurance operations are still without VAT, all other income will be subject to VAT.

Russia

There has been no change in the political environment affecting insurance companies. The main and quite strong effect on the financial stability of insurance companies will have from the partial introduction of Solvency II from 01.07.2021. The requirements of the Bank of Russia (the regulatory body) provide new methodological rules for determining the financial stability and solvency of insurers. The approach to the calculation of equity (equity) and the determination of capital adequacy is changing, taking into account the risk of changes in the value of assets and liabilities. These changes will lead to a series of mergers and acquisitions, as well as the withdrawal of many companies from the market. This potentially provides many opportunities for business development of the Russian Insurance Company Euroins Ltd. Tax policy remains unchanged in terms of interest rates and deadlines for payment of taxes, but the control and audits of the tax inspection are tightened.

THE MAIN NORMATIVE ACTS APPLICABLE TO THE ISSUER'S ACTIVITY:

„Eurohold Bulgaria AD is a public holding company that does not develop independent production and / or trade activity. In this sense, there is no special regulatory regime or legislation for the Issuer regulating its activity.

The main normative acts applicable to the public status of Eurohold Bulgaria AD are the following:

Normative acts

- Commercial Law (CA).
- The Public Offering of Securities Act (POSA).
- Law on the Financial Supervision Commission.
- The Law on Implementation of Measures against Market Abuse of Financial Instruments.
- Personal Data Protection Act.
- Anti-Money Laundering Measures Act.

Normative By-laws

- Ordinance № 2 of 17.09.2003 on the prospectuses for public offering and admission to trading on a regulated securities market and on the disclosure of information (amended and supplemented, SG No. 61 of 10.07.2020),
- Ordinance № 39 of 21.11.2007 on disclosure of shareholding in a public company,
- Ordinance on the minimum content of a power of attorney for representation of a shareholder at the general meeting of a company whose shares have been the subject of a public offering

Regulations

- Regulation (EU) № 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation),
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC (General Regulation on data protection), etc.

Specific normative acts relevant to the activity of insurance companies:

- operating in the territory of the European Union

The Insurance sector is a highly regulated environment, where regulatory and legal standards of conduct have increased significantly in recent years. Most of the major policies and legislative initiatives at EU level directly affect insurance companies. The legal and regulatory environment in the insurance sector is regulated in the following main acts, part of the European legislation and applicable / directly or through transposition / in Bulgaria, Greece and Romania, as well as partially through introduction in North Macedonia:

- Directive 2009/138 / EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).
- Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138 / EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).
- DIRECTIVE (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on the distribution of insurance products

- DIRECTIVE 2009/103 / EC of the European Parliament and of the Council of 16 September 2009 on insurance against civil liability in respect of the use of motor vehicles, and by monitoring the obligation to take out such insurance
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC (General Regulation on data protection)
- DIRECTIVE 2011/83 / EU of the European Parliament and of the Council of 25 October 2011 on consumer rights.
- DIRECTIVE (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 on better enforcement and modernization of consumer protection rules in the Union
- DIRECTIVE (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, amending Regulation (EU) N° 648/2012 of the European Parliament and of the Council and repealing Directive 2005/60 / EC of the European Parliament and of the Council and Commission Directive 2006/70 / EC (the act concerns mainly the life insurance company in the Group and limited to some of the non - life insurance companies).
- Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16 / EU as regards the mandatory automatic exchange of information in the field of taxation in relation to reported cross-border arrangements has been transposed into national law by 01.07.2020 / the act concerns only the life insurance company in the Group /.
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosures related to sustainability in the financial services sector, in force since 10.03.2021, will have a certain impact on the activity of the life insurance company in the Group. as well as Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (Taxonomy Regulation) - persons, again only the life insurance company appears.

In 2020, Commission Regulations (EU) 2020/2097, (EU) 2020/551, (EU) 2020/34 and (EU) 2020/1434 adopted amendments to IAS / IFRS effective from 01.01.2020. and from 01.01.2021. Directive (EU) 2019/2177 of the European Parliament and of the Council of 18 December 2019 amended Directive 2009/138 / EC (Solvency II), which is to be transposed in 2021.

Of a recommendatory nature, the European Insurance Supervisor - EIOPA, issues guidelines that companies apply in good practice.

- **Operating in Bulgaria**

The activity of the Bulgarian insurance companies, where the headquarters of both the insurance holding and the Issuer are located, is carried out in accordance with the provisions of the general legislation in connection with conducting commercial activity, maintaining accounting and disclosing annual financial statements and reports, consumer protection. and data, tax code and others. The following basic legal documents are a source of special regulations for insurers and insurance holdings:

- By-laws adopted by the Financial Supervision Commission, including:
 - Ordinance N° 53 of the FSC on own funds and on the solvency requirements of insurers, reinsurers and groups of insurers and reinsurers
 - Ordinance N° 51 of the FSC on the requirements for reporting, valuation of assets and liabilities and the formation of technical reserves of insurers, reinsurers and the Guarantee Fund
 - Ordinance N° 49 on the compulsory insurance under the Civil Liability Insurance of motorists and the Accident of passengers in public transport
 - Ordinance N° 54 of the FSC on the registers of the Guarantee Fund for the exchange and protection of information and on the issuance and reporting of compulsory insurance under Art. 461, items 1 and 2 of the Insurance Code
 - Ordinance N° 48 of the FSC on the requirements for remuneration;
 - Ordinance N° 31 on the terms and conditions for conducting an examination and for recognizing the legal capacity of a responsible actuary, for recognizing legal capacity acquired outside the Republic of Bulgaria, for the form of the actuarial certification, the form and content of the actuarial report and the references of the Insurance Code, which the responsible actuary certifies, as well as for the form and the obligatory content of the annual actuarial report under the Social Security Code;
 - Ordinance N° 15 of the FSC on the keeping and storage of the registers by the Financial Supervision Commission and on the circumstances subject to entry
 - Ordinance 3 Iz-41 of the FSC on the documents and the procedure for their preparation in case of traffic accidents and the procedure for information between the Ministry of Interior, the Financial Supervision Commission and the Guarantee Fund

Changes in the legal and regulatory environment are monitored and reported periodically by the Group's key compliance function.

- Operating outside Bulgaria

Some of the insurance companies in the Issuer's group are outside the territories of the European Union and have no obligation to apply the above standards in a harmonized manner. These insurers are regulated and managed in accordance with local law.

For the purposes of the Issuer and the insurance holding, the insurers operating outside the territory of Bulgaria and the EU, as a whole, adapt their reporting forms and report data in accordance with local requirements, building the necessary reporting lines and internal control environment to ensure consistent application of procedures, appropriate mechanisms for identifying and measuring all material risks, reliable reporting and accounting procedures for monitoring.

Legislation applicable to car companies

For the automobile companies from the group of Auto Union AD there are no specific normative acts regulating their activity. They work on the principle of a distribution contract with regard to the brands of cars they sell. Distribution agreements (or the official representation of the brand in the country) generally give the group the right to sell the brand, to develop dealer networks, to carry out marketing campaigns and activities, to set prices and trade conditions and to act as an ambassador of the brand in the agreed jurisdiction.

Normative acts related to leasing companies

- The Credit Institutions Act.
- Consumer Credit Act.
- Law on Measures against Money Laundering.
- Personal Data Act.

Normative acts related to the investment intermediary

- Directive 2014/65 / EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92 / EC and Directive 2011/61 / EU.
- Regulation (EU) N° 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) N° 648/2012 Text with EEA relevance.
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council as regards the organizational requirements and conditions for the conduct of business by investment firms and the definition of the objectives of that Directive.
- Regulation (EU) N° 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) N° 648/2012.
- Law on Markets in Financial Instruments.
- Ordinance N° 38 on the requirements for the activity of investment intermediaries.

X. TREND INFORMATION

10.1. INFORMATION ON THE MOST SIGNIFICANT RECENT TRENDS IN PRODUCTION, SALES AND INVENTORY, AND COSTS AND SELLING PRICES SINCE THE END OF THE LAST FINANCIAL YEAR TO THE DATE OF THE REGISTRATION DOCUMENT

Eurohold Bulgaria AD, as a holding company, is fully focused on the activities of its subsidiaries and their growth trends.

For Eurohold Bulgaria AD, 2019 was an extremely successful year with reported record revenues of BGN 1.6 billion, representing an increase of 27% which was also due to the growth of all companies in the group for the period.

However, the events in 2020 did not unfold in the same way for the group as a result of the coronavirus pandemic (COVID-19) that broke out earlier that year and the resulting global economic crisis. This circumstance had an adverse effect on the activity of some of the subsidiaries of Eurohold Bulgaria AD and with a greater negative impact on the performance of the automotive and leasing lines of business.

The main trends related to the activity of the Issuer's group after the last audited financial year (2019) until the date of the Registration Document are related only to the impact of the COVID-19 pandemic on the various business groups and countries in which the companies operate. The change in market conditions following COVID-19 and the anti-epidemic measures taken by governments affecting households, consumption, the supply chain, unemployment, border and travel closures, tourism are key factors affecting the group's business. Based on the measures taken in all countries where the Issuer operates, timely and adequate measures have been taken to limit the spread of the virus, the opportunity for continuing business operations was created and the home-office practice was widely accepted, alternative sources of sales through online applications and other digital tools have been found at the discretion of each company such that they remain as effective as possible.

The crisis caused by the COVID-19 pandemic posed new challenges to the Group and seriously affected our customers. The uncertainty over how the pandemic will unfold outlined persisting challenges for small and medium-sized businesses, which inevitably led to a decline in business levels throughout the second quarter of 2020 and a smooth recovery in the second half of the year.

For the period from the end of the last audited financial information (as of 31.12.2019) to the date of the Registration Document no other events or factors have occurred that have a significant impact on the revenues generated by the group.

All businesses of Eurohold are regulated by the relevant state regulatory authorities, even those businesses that do not have legal regulatory requirements - the subsidiaries of the automotive group "Auto Union" AD and the leasing group "Eurolease Group" AD also fall within the scope of regulated by the Commission for financial supervision persons in their capacity as issuers of debt securities. In this sense, both Eurohold Bulgaria AD and its subsidiaries have complied and continue to comply with all recommendations given by the relevant regulatory authority, reporting in their interim reports on a quarterly basis all the effects of the pandemic impact on business, revenue, and results from the activity.

The group actions and measures taken by Eurohold Bulgaria AD to limit the negative effects related to the economic consequences of the COVID-19 pandemic on the activities and business of the companies of the Eurohold Group are described in detail in Section III. "Risk factors" - "Risk of force majeure circumstances". Below is a summary of each company, part of the Issuer's economic group and the individual measures and actions taken by them to reduce the effects and impact on business, as well as the effects on revenues and products, on customers and employees, digitalization and the development of new products and services in the context of the changed environment and the new expectations of the consumers, etc.

Effects of COVID-19 on the activity of the Issuer's subsidiaries and actions taken to prevent the impact

In regard to the different magnitude of impact that the COVID-19 pandemic had on the business and the financial results of the companies which are part of the economic structure of Eurohold Bulgaria AD, the analysis performed here was prepared on the basis of business sectors and individual company.

a) IMPACTS AND EFFECTS ON THE INSURANCE BUSINESS

In general, in Bulgaria and in Europe, the non-life insurance business was not significantly affected by COVID-19 and remained stable, except for a few insurance products related to limited tourist and business travel and transport throughout Europe - "travel assistance" and "green card". , which marked a significant decline.

In life insurance, however, there is a downward trend in premium income and an increase in benefits paid compared to 2019, which can be explained by a period of economic uncertainty for a large part of the population.

In 2020, in connection with the circumstances of an emergency, significant attention was paid to retaining customers and preserving the commercial network while providing conditions for the commercial network to maintain its activity. A significant part of the sales of insurance products is realized through intermediaries, including brokers, which operate through their own online platforms.

Effect on recorded premium income – companies do not report a decrease in premium income for 2020 and most even note a maintenance or increase in this indicator

Effects on products – the following effects have been observed:

- strong competition in civil liability insurance in connection with which some insurers offer very low prices.
- decrease in the issued policies on the Bulgarian market for motor third party liability insurance during the lockdown and motor hull periods. The decline that is observed is mainly in the business through the mediation of brokers.
- the insurances related to the tourist branch are seriously affected - "Travel assistance", "Hotel guests".
- restrictive measures for movement between countries have led to a decline in freight transport and have had a direct impact on "Freight insurance during transport". Traditionally, these policies are subscription and there is a decline in declared shipments
- decline in insurance "transport and passenger transport" and "accident on the ground ".

Actions taken on effects on products and activities

1. focus on retaining the business and a high level of renewal as a result of which a high percentage of policy renewals and retaining loyal customers is found.
2. launching new functionalities for the sale of retail policies.
3. search for new intermediaries and sales channels.
4. constant monitoring of the motor vehicle premiums due to the strong competition and striving to keep them at the same level.
5. control over the conclusion of the Tour Operator's Liability Insurance.
6. increase in insurance premiums covering COVID-19.
7. controls its spending by seeking to reduce some of it, as well as reviewing the priority in its budget.
8. for the needs of isolation in particular and in compliance with the requirement for continuity of the process, remote access to work in the conditions of "home office" is provided, which is a result of the good information security of the activity.
9. a new portal for customer service and policy issuance and a new information website are being developed
10. There are no changes in the methodology for impairment of financial assets according to IFRS 9. Changes have been made only in the amount of the impairment itself, and they have increased due to the uncertainty caused by the spread of KOVID-19 in 2020 and 2021.

The rates for impairment of trade and other receivables vary between 0.33% and 10% depending on who the customer is (international corporate, local corporate, individual, related party) and whether the receivable is in the so-called. watchlist (presence of arrears). In the case of loans, the external rating of the borrower, the absence or presence of deterioration of its financial condition, the availability of collateral is important. Here the amounts of impairment are between 0.12% and 100%.

„IC EUROINS“ AD

The company does not report a negative impact of the pandemic on its revenues and operations as a whole. In 2020, the Company strategically takes into account the effect of the complicated epidemiological situation caused by the COVID-19 pandemic, examining the impact in the individual focus groups (stakeholder groups) and identifying the following specific strategic goals:

- Capital position retention / SCR over 115%
- Protecting the life and health of employees
- Renewal of existing policies and gradual registration of new business by the end of 2020, to ensure the achievement of sales volumes for 2019.
- Adequate distribution policy.
- Flexibility of the Company's pricing policy.
- Timely completion of the independent financial audit and disclosure of accurate, timely, reliable and complete information
- Ongoing monitoring and identification of potential risks and threats as a manifestation / impact of the COVID-19 Crisis.

In 2020, in connection with the circumstances of an emergency, significant attention was paid to retaining customers and preserving the commercial network while providing conditions for the commercial network to maintain its activity. A significant part of the sales of insurance products is realized through intermediaries, including brokers, which operate through their own online platforms. In view of the above, the management of IC Euroins AD did not consider the need to change the business model and impose digitalization in the sale and distribution of insurance products of the Company.

In June 2020, the expectations for 2020 were updated in accordance with the changes that occurred in the first half of the year worldwide, and new planning goals were set, which were also reflected in the update of the Company's Program for 2020-2024.

„IC EIG RE“EAD

Despite the complicated macroeconomic situation, ZD EIG Re EAD managed to maintain its stable position at the end of the reporting period, but the forecasts for the current 2021 on a national (and not only) scale are not positive.

Despite the above-described negative events that occurred in 2020, the Bulgarian non-life insurance market retains its characteristics from previous years,

The activity of IC EIG Re EAD is not directly affected by the epidemic situation that has occurred, both in terms of business volumes and workflow. The business model used by the company, as well as the number of staff, allow flexible and timely decision-making and ensuring the continuation of activities without complicating ongoing processes. The investment activity is more significantly affected, as the necessary measures for monitoring and management of the risks related to the reported impact have been taken. The company does not consider the risk that the impact will lead to a violation of prudential indicators or the need for own funds.

„IC EUROINS LIFE“EAD

The main type of insurance offered by the company is Life Insurance on Credit. In this sense, the trends in concluding this type of policy follow the trends in lending.

The company's activities were moderately affected by the impact of COVID-19. There was a main decline of 10% in premiums written through consumer lending companies, mainly in April and partly in March and May, after which the levels recovered and by the end of the year increased, which compensated for this decrease. During the year the Company optimized its process of online offering of this type of insurance through the platforms for online lending to its partners, and in 2021 it will continue to work in this direction. For 2021 it is expected to maintain these levels and depending on the health situation and the exit from the pandemic is expected a slight increase of about 5%.

Slightly higher levels of redemption of long-term savings policies were also reported again in April and May, after which these numbers returned to pre-pandemic levels. With the onset of the second wave at the end of the year, there was an increase of about 20% in the claims for death as a result of complications from COVID-19. The company closely monitors the market and is ready to make adjustments to the conditions of its products if the competitive environment allows it. At this stage, there is no restriction in the coverage of COVID-19 in the products of any of the life insurance companies in the country. The company also has agreements with its partners to adjust the financial parameters of the insurance if the situation requires it.

„Euroins Romania Asigurare Reasigurare“ S.A.

Effect on recorded premium income - Euroins Romania did not register significant reductions in terms of recorded premium income, on the contrary, there was a certain increase in specific insurances.

Effects in market development - Nationally, the trends in 2020 are related to digitalization, the growth of e-commerce, e-banking, door-to-door distribution.

Sales effects - with the exception of hotels, other economic segments did not register significant changes in sales.

Measures and actions to limit the effects:

- Recalculation of the Tariffs for Civil Liability
- Make changes to the segment structure in the company's portfolio by targeting more profitable vehicle and customer segments in the coming years, which would lead to a lower combined ratio (COR) for this business.
- Reduce the total number of policies in the portfolio by reducing the number of policies in the most profitable segments (personal cars for individuals and legal entities), while gaining more business in the profitable segments, thus obtaining a more balanced portfolio.
- The reduction of the weight of the claims is planned to be achieved by increasing the number of workshops under contract with the Company, thus obtaining a more predictable and controllable value of the expected claims.
- Launch a non-online application for self-assessment of claims for long-term rights (material damages only), starting from April 6. As of the end of May, about 30-35% of new Civil Liability claims are reported through this annex.

- Encourage remote work for employees, flexible working hours or rotation of office / home staff in teams. The company has purchased additional IT equipment so that more employees can work from home. During the state of emergency, approximately 60% of employees worked from home; starting the standby mode, the percentage dropped below 40%.

European Travel Insurance, Ukraine

The main activity of the company is related to an insurance product aimed at travel insurance. Due to the strong impact of COVID-19 on the tourism sector and travel restrictions imposed by governments, the activities of Chad European Tourism Insurance have been significantly affected.

Effect on recorded premium income - The amount of collected premiums for 2020 is 43% less than the total amount of collected premiums in 2019.

Effects on market development - In 2020, Ukrainian insurers were affected by the pandemic, and the impact on insurance classes of personal lines was particularly strong.

Effects in sales - Based on the data for 2020, published by the National Association of Insurers of Ukraine, GWP in the personal classes, where Chad European Travel Insurance operates, reduces: -37.6% for medical expenses, -8.9% for personal accident and -29.8% for other personal insurance.

Measures and actions to limit the effects:

- Affected new business - reduction for registered new business
- As a signatory to a single product, CHAD European Tourism Insurance was much more affected by COVID-19 than composite signatories, due to the severe travel reduction caused by the closure of national borders introduced by many of our neighbours, which were traditional holiday destinations and business trips for the company's clients. The decline in the recorded premium income from Chad European Tourism Insurance in 2020 is the steepest among all members of the National Association of Insurers of Ukraine.
- In 2020, the advertising budget was frozen, advertising is possible only in the most special cases and after approval by all members of the company's board of directors.
- The company's employees have worked remotely without interrupting business processes
- The largest debtor in the company's network of agencies is Ukraine International Airlines (the state carrier). We agreed with their proposed schedule for payment of their receivables in 2020.
- The Company made changes in the policy for impairment of financial assets in accordance with IFRS 9.

IC Euroins Ukraine, Ukraine

Effect on recorded premium income - Due to the timely implementation of anti-kovid measures, the Company was able to take control of the situation, so the pandemic COVID-19 and its consequences did not have a significant negative impact on financial results and financial condition of the Company even recorded growth of 36.1 % compared to 2019 of recorded gross premium income.

Measures and actions to limit the effects:

- set up staff to respond quickly to key staff in key areas of activity.
- a pandemic action plan was approved.
- the strategy was revised and the Company's targets for the second half of 2020 and 2021 were updated, taking into account the impact of the pandemic on both the global economy and the insurance market of Ukraine.
- as part of the updated strategy, the company modernized and expanded its product line, created mass products in the front-office system, established cooperation with new partners, brokers, strengthened the sales departments in the head office, continued to develop the regional network, increased the number of online partners, a staffing centre was established to focus on the development of insurance products. The company has launched an active campaign for positioning in online resources.
- The implementation of the updated strategy led to reorganization (including automation) of some of the business processes, urgent structural, organizational and other changes in the company. It should be noted that even in the period of intensified quarantine measures, the Company worked remotely without interrupting the work process.

- Therefore, the timely implementation of these measures allowed the Company to take control of the situation, so that the COVID-19 pandemic and its consequences did not have a significant negative impact on the financial results and financial condition of the Company.
- Due to the situation caused by COVID-19, the Management Board adopted and implemented an updated strategy, which led to reorganization (including automation) of some business processes, expansion of web services and their functionality, introduction of innovations in online sales of insurance contracts.
- Changes in the policy for impairment of financial assets according to IFRS 9 - there is no change in the methodology in case of partial application of IFRS 9, only according to the Group's recommendation, the expected credit loss ratio is increased for financial assets. But there was no significant impact on financial results.

IC Euroins, (former name IC ERGO), Belarus

Effect on recorded premium income - reduction of recorded new business in part of the offered insurance classes. COVID-19 has had a greater impact on travel health insurance revenues due to closed borders between most countries. But this decline in income was offset to some extent by income from travel cancellation insurance. "

Euroins Claims M.I.K.E., Greece

AI (Artificial Intelligence) Claim Processing and Claim Cost Technology - We use AI technology to identify vehicle damage and immediately through our system guidelines to obtain a damage calculation. This happens through serious specific photos, which with the help of a heat card recognize the percentage of damage. Again, we are pioneers in the Greek market using this technology. Our main goal is for this technology to be used by our assistance company, so from the first moment of the accident we will have a full view of the cost of the damage.

Innovative and customer-oriented claim processing - Through our core claim processing system called INFOPAD, we have created a unique claim tracking system that allows all departments and all users to have live tracking of their claims and upcoming their tasks. This allows us to always monitor and have alerts when a request or specific task is overdue. Our main goal is to create a portal called MY EUROINS, which will allow the client to upload documents related to his claim anytime and anywhere. Also, through this portal he will have information about all the entire process of processing the damage until it is paid.

Effect on the activity - There is a lower frequency of claims. Since the beginning of the pandemic, the frequency of claims for damages has dropped to around 2%.

Digitalization - From March 2020 our company was ready to work 100% digitally and remotely. This pandemic has shown us many opportunities for digitalization, such as remote experience and AI technology.

IC Euroins Georgia AD, Georgia

Effects on market development - Despite the pandemic, the Georgian market managed to stabilize. However, 2021 will be difficult due to the economic and political situation. The Georgian opposition is still boycotting the parliamentary elections, and an economic collapse could be possible in this situation.

Effects in sales - Despite the difficult business conditions, our team believes that sales growth will be achievable and the company will increase its share in the total insurance portfolio

Cost and revenue effects - In terms of the overall market trend, the main priority is the targeting and digitalization of IT. We incurred additional costs for infrastructure changes - to optimize the workplace of employees. Investment income decreases slightly. Interest rates on deposits are declining.

Affected new business - Slight decline in all areas of business except health insurance. Affected sales and revenues - Decrease in sales of motor vehicles (55%) and travel insurance (65%)

Changes in the policy for impairment of financial assets according to IFRS 9 - The only change in the methodology for impairment is the increased levels of impairment due to Covid 19, applied according to the group policy.

Euroins Osiguruvanyie AD, North Macedonia

In market development

As the COVID-19 crisis continues in 2021 and even the short-term forecast is difficult to deliver, the market is expected to be able to sustain the same slight increase in GWP in 2021 compared to 2020. Numerous new regulations with the entry into force from 2021 and 2022 will additionally burden all insurance companies and may divert them from market development.

Effects on sales and revenue - We can expect some increase in sales in some areas of business due to increased awareness of the insurance product and the latest growth in health insurance and in particular agriculture.

- decline in investment income, higher losses on valuation of financial assets and very low interest rates on deposits and government securities.
- Higher costs in the form of estimates of receivables from premiums (impairments).
- Higher costs for implementation and adaptation to the new regulations.

New business affected - total reduction of recorded new business

- Drastic drop in sales, premium income (green card, travel insurance and border insurance). The overall reduction in GWP for 2020/2019 is 10%.
- Decrease in investment income, higher losses on valuation of financial assets compared to the previous year, from MKD 14,712 thousand to MKD 40,713 thousand, as a result of a decrease in the market price of the shares

Russian Insurance Company Euroins OOO (associated participation), Russia

Effects on market development - The market does not develop in a negative scenario despite the pandemic. At the end of 2020, insurers showed an increase in gross premiums of + 4% for all types of business (where life insurance increased by 5%, property and liability insurance by 4%, compulsory personal insurance increased by 8% and MTPL by only 2%).

Market concentration continues to increase companies outside the TOP-50 already account for less than 4% of premiums, outside the TOP-100 - less than 0.4%. Low capital, difficulties in entering new markets, lack of funds for development lead to the expulsion from the market of not only small but also medium-sized players. The number of MTPL insurers is stabilizing: 44 companies are engaged in this type, 39 of them are in the TOP-100 companies. The leader of the segment for the fifth consecutive quarter is RESO-Garantia with a market share of 15.92%. The top 10 insurers represent 82% (in 2019 - 81.6%, in 2018 - 77.7%).

Effect on sales - The industry will recover in 2021. The market will be supported by government programs for preferential mortgages and preferential leasing, as well as growing interest in life insurance products as an alternative investment tool.

In 2020, the bank sales channel suffered the most, as the offices of credit institutions were partially closed, as well as travel and immigration insurance.

The structure of premiums by type of insurance changed to an increase in the share of types of property. The development of the property insurance segment will come at the expense of cheap products with low insurance amounts: insurance of property purchased on credit, insurance of finishing works, insurance of bank cards. Measures taken by the government to stimulate the demand for insurance of residential buildings and premises do not find adequate support at the local level. The Law on Emergency Housing Insurance, adopted in 2018, practically does not work; in many constituent entities of the Russian Federation the development of regional insurance programs has not yet begun.

Cost and revenue effects - Business support costs are increasing due to the automation of Solvency II, as well as the digitalization of sales channels.

Euroins Russia plans to show a positive effect on profitability from digitalization to the end of 2021.

Effects in the prices of insurance products - In car insurance (casco) there is a decrease in the average premium. Reduces the number of insured new cars, as well as a change in demand for cheaper insurance products with a reduced set of risks. In some cases, the price may be comparable to the price of Motor Third Party Liability. On the contrary, Civil Liability tariffs have slightly increased due to the weakening of the tariff corridor, now insurers can provide more personalized tariffs. In the case of voluntary health insurance, there is a slight increase in the average insurance premium due to the growing number of requests for treatment after obvious consequences. Property and liability insurance costs remain proportionate to the risk, but the set of risks covered by the insurer decreases, which affects the reduction of the average insurance premium.

New business affected - In 2020, the bank sales channel suffered the most, as the offices of credit institutions were partially closed, as well as travel and immigration insurance. However, new insurance products for COVID-19 have emerged, such as reimbursement of sick leave.

Affected sales and revenue - Due to the fact that travel insurance, insurance for immigrants, as well as insurance through a banking channel took more than 15% of the premiums of Euroins Russia, the pandemic

led to a reduction in the planned indicators. New guidelines such as: marine insurance and agricultural insurance have helped increase Euroins Russia's sales in 2020 compared to 2019.

Digitalization - Euroins Russia has developed its own personal system (B2B system for agents and partners) and by the end of 2021 will terminate contracts for external IT providers. Also in the plans for 2021 is the creation of a single platform for financial services: insurance, banking, medicine and legal aid.

b) IMPACTS AND EFFECTS ON THE AUTOMOTIVE BUSINESS

The effects of the COVID-19 crisis on the automotive industry worldwide were tangible, leading to a sharp reduction in the production and even the termination of the production process in some countries. As a result of the pandemic car manufacturers around the world realized significant losses. All of this had an adverse effect on the activity of the car and leasing businesses of Eurohold, which is directly linked to the automotive industry.

In 2020, the unexpected consequences of the COVID-19 pandemic had a negative impact on the automotive industry. The reduced economic activity has led to reduced demand for new cars and consequently reduces revenue. Because of the difficulties companies faced as a result of the restrictions caused by COVID-19, the automobile companies from the group of Eurohold Bulgaria AD also reported decline in sales.

AUTO ITALIA AD

After the government declared state of emergency, the number of cars sold by Auto Italia EAD for the second quarter of 2020 reported a decline of 80%. With the temporary removal of most of the restrictions in the third quarter of the year, the Company recovers the sales volume compared to the first quarter of 2020. The fourth quarter of 2020 is again affected by the measures introduced at the end of November (a decline of nearly 71% over the same period of 2019). As a result, the annual number of cars sold by Auto Italia EAD for 2020 reported a total decrease of 77.5% compared to the previous 2019.

Due to the COVID-19 crisis, the production capacities of the manufacturer were reduced, and the planned production was adjusted in the first days of the pandemic, as a result of which Auto Italia EAD drastically reduced its inventory. This, in turn, helped to minimize the risk of depreciation and obsolescence of goods.

During the period of sales of cars in inventory, due to reduced demand, sales prices fell dramatically, and as a consequence orders to the production plant were reduced, expecting adjustments of factory conditions. At the same time, the manufacturer decided to increase product prices by more than 10%, which in turn led to a further reduction in demand.

All of this has led to a drop in sales by nearly 80%. This is due to the reduced amount of car exports for Auto Italy EAD - by 84%, due to non-competitive prices compared to European ones. The domestic market also declined by almost 70% due to reduced demand and high producer prices.

The total generated revenues for 2020 realized a decline of 70% on an annual basis as a consequence of the reduced number of cars sold.

The operating expenses of the company also declined by 69% compared to 2019.

The Management board of the Group has taken other measures in order to minimize the negative impact of the coronavirus crisis, namely:

- optimization of staff structure and improvement of the effectiveness of the work process
- centralization of the deliveries and additional cost optimization
- maintaining active communication with the main suppliers, government and credit institutions about planned actions and policies on their side to alleviate the situation
- introduction of new products and services as well as new ways for doing business (digitalization), taking into account the new market environment

AUTO UNION SERVICE EOOD

Change in the number of service orders - after the declaration of the state of emergency, the number of service orders (number of repaired damages) by Auto Union Service EOOD, for the second quarter of 2020, reported a decrease of 30% compared to 2019. For comparison - in 2020 the number of service orders was 1,010, and in 2019 - 1,450. For the same period there is a decrease in the number of painted details, which is directly related to the activities of the Company. For comparison - painted details for the second quarter of 2020 - 1,950 details, and for the same period in 2019 - 2,550 details. With the temporary removal of most of the restrictions in the third quarter of the year, the Company restored the normal work volume compared to the same period of 2019. The fourth quarter of 2020 was affected, once again, by the measures introduced

at the end of November, although to a lesser extent (the decline is about 15% compared to the third quarter of 2019). As a result, the company reports a decrease in the annual number of repaired damages for 2020 by 11% compared to 2019.

Change in revenues - the total generated revenues for 2020 report a decrease of 6%, on an annual basis, as a result of a decrease in the number of service orders.

Change in other revenues - the total generated other revenues for 2020 report a significant increase, on an annual basis, in connection with the approval of the Company to participate in the State Aid Program "60/40". The received government compensations for keeping jobs amount to BGN 196 thousand.

Other additional measures taken by the Group's Management to minimize the negative impact of the Coronavirus pandemic are set out below:

- optimization of staff structure and improvement of the effectiveness of the work process
- centralization of the deliveries and additional cost optimization
- maintaining active communication with the main suppliers, government and credit institutions about planned actions and policies on their side to alleviate the situation
- introduction of new products and services as well as new ways for doing business (digitalization), taking into account the new market environment

As a result of the actions taken by the management to provide financing and the increased control over working capital, the Company has improved its indicators for short-term and medium-term liquidity.

Revenues may mark a temporary decline compared to 2019, but on the other hand, the cost optimizations offset this effect such that the Company maintains the level of the realized EBITDA. The forecasts and budgets prepared for the future development of the Company, in accordance with the possible changes in its commercial activity, show that the Company could continue its activity as normal and that the received financing is sufficient.

BULVARIA SOFIA EAD

Change in the number of cars sold - after the declaration of the state of emergency Bulvaria Sofia EAD reported a decrease in the number of new cars sold by 17% on an annual basis. Despite the negative result, the value of revenues decreased by only 2%. A factor influencing the reduction of revenue is the transition to a new import model.

Change in the number of service orders - on an annual basis, Bulvaria Sofia EAD reports an increase of 11% in service revenues. With the alleviation of most of the restrictions in the third quarter of the year, the Company restores the normal work volume compared to the 2019, which is one of the factors for the achieved results.

Change in other revenues - the total generated revenues for 2020 report an increase of 87% on an annual basis as a result of the Company's approval to participate in the State Aid Program "60/40" to maintain employment. The received government compensations in connection with the outbreak of COVID-19 pandemic amount to BGN 139 thousand.

Other additional measures taken by the Group's Management in order to minimize the negative impact of the Coronavirus pandemic at this stage of its occurrence are presented below:

- optimization of staff structure and improvement of the effectiveness of the work process
- centralization of the deliveries and additional cost optimization
- maintaining active communication with the main suppliers, government and credit institutions about planned actions and policies on their side to alleviate the situation

The management has taken the following significant measures to improve the financial condition of the Company:

- Bulvaria Sofia EAD pursues a policy of optimizing costs, inventories and other elements of the working capital, which will improve its liquidity position and working capital.

BULVARIA VARNA EOOD

Results for the current period

In 2020, the Company faced a number of difficulties arising from the COVID-19 pandemic and structural changes in the main partner - Opel Southeast Europe KFT. These factors led to a decrease in sales revenues in the two main areas of the company's activity:

- Sales of new cars - a decrease of 14%: in 2020 – 96 cars compared to 111 cars in 2019
- Revenues from after-sales services - a decrease compared to the previous year by 14%: in 2020 BGN 1,497 thousand compared to - BGN 1,732 thousand for 2019.

Change in the number of cars sold - until the declaration of the state of emergency in the first quarter of 2020, the number of cars sold by Bulvaria Varna EOOD increased by 27% compared to the corresponding period of 2019 /18 cars for 2019 and 23 cars for 2020 /. In the following quarters, as a result of the pandemic, the number of new cars sold decreased compared to the respective quarters of 2019, as follows: second quarter - 9%; third quarter - 29%; fourth quarter - 22%.

As a result, the annual number of cars sold by the Company for 2020 reported a decrease of 14% compared to the previous 2019.

Change in the number of service orders - in 2020 the number of performed service orders is 713. less, as of 4 097 pcs. for 2019. reduced to 3,384. for 2020, reporting a decline of about 17%;

Change in revenues - the total generated revenues for 2020 report a decrease of 14%, on an annual basis, as a result of a decrease in the number of cars sold and service orders.

Change in other revenues - the total generated other revenues for 2020 report an increase of 48%, on an annual basis, as a result of the approval of the Company to participate in the State Aid Program "60/40". The received government compensations for keeping jobs in connection with the outbreak of the COVID pandemic amount to BGN 204 thousand.

Cost optimization - Despite the fact that in 2020 additional costs for disinfection and personal protection were incurred, the administrative costs of the Company decreased by 10% on an annual basis, as a result of optimization undertaken by the Management.

Debt rescheduling - The Company has achieved reciprocal rescheduling of liabilities by its creditors in connection with the private moratorium announced by the Bulgarian National Bank, within the scope of the Guidelines of the European Banking Authority (EBA) on legislative and private moratoriums on loan repayments in connection with COVID-19 (EBA/GL/2020/02). As a consequence, the Company has improved its liquidity indicators.

Other additional measures taken by the Group's Governing Bodies to minimize the negative impact of the Coronavirus pandemic at this stage of its occurrence are presented below:

- optimization of staff structure and improvement of the effectiveness of the work process.
- centralization of the deliveries and additional cost optimization.
- maintaining active communication with the main suppliers, government and credit institutions about planned actions and policies on their side to alleviate the situation.
- introduction of new products and services as well as new ways for doing business (digitalization), taking into account the new market environment

The Company reports a loss for the period in the amount of BGN 72 thousand. The current liabilities exceed the current assets by BGN 854 thousand. As of 31.12.2020 the equity of the Company is below its registered capital. The net cash flow from operating activities is a positive and amounts to BGN 1,453 thousand.

DARU CAR EAD

The company reports a loss for the period in the amount of BGN 43 thousand and a negative cash flow from operating activities in the amount of BGN 238 thousand.

After declaring state of emergency in the country, the volume of activity of the Company marked a sharp decline. Measures have been taken to preserve the health and working capacity of employees, to ensure continuing business operations and activities related to regular duties and responsibilities. The company works at full employment and manages to maintain low and attractive prices in its service business and at the same time to provide quality service.

Other additional measures taken by the Group's Governing Bodies to minimize the negative impact of the Coronavirus pandemic at this stage of its occurrence are presented below:

- optimization of staff structure and improvement of the effectiveness of the work process
- centralization of the deliveries and additional cost optimization
- maintaining active communication with the main suppliers, government and credit institutions about planned actions and policies on their side to alleviate the situation;

EA PROPERTIES OOD

The company takes all necessary measures in order to preserve the health of its employees and to minimize the impact of the crisis at the current stage. The actions are in accordance with the instructions of the National Response Team and strictly follow the orders of all national institutions.

In general, the pandemic did not affect the company's activities, including the revenue and financial results.

ESPACE AUTO OOD

Total revenues generated for 2020 - revenues reported a single-digit decline of 6% on an annual basis, as a result of a decrease in the number of cars sold.

The number of cars sold after the declaration of the state of emergency by Espace Auto OOD for the second quarter of 2020 reported a significant decline of 54%, which was largely offset by increased sales in the third and fourth quarters.

Sales of spare parts and service orders marks a significant growth

The other revenues generated for 2020 reported a decline of 4% on an annual basis as a result of a serious decline in car rental revenues.

The company took the opportunity to participate in the State Aid Program "60/40". The received government compensations for keeping jobs in connection with the outbreak of the COVID-19 pandemic amount to BGN 564 thousand.

The administrative expenses of the Company are reduced by 5% on an annual basis as a result of optimization undertaken by the Management and the timely measures for optimization of the inventory and the related expenses.

Optimization of financial costs - In connection with the pandemic and the declared state of emergency, the Company received a temporary reduction in interest rates for delayed payments for cars in inventory under a factoring agreement, which eased the financial burden on these liabilities in 2020.

Staff optimization policy limits the hiring of new employees and in the event of employee's resignation, internal redistribution of responsibilities and duties is undertaken.

MOTOBUL EAD

Change in revenues - After the declaration of the state of emergency, revenues from oils sales decreased by 23% compared to 2019. As a result of the measures taken by the Management, this decrease was significantly compensated by the sales of protective equipment /accessories/ related to COVID-19. Revenues from the sale of these accessories amount to BGN 869 thousand.

Change in other revenues - Total revenues generated for 2020 report an increase of 9% on an annual basis as a result of the approval of the Company to participate in the State Aid Program "60/40" for the last quarter of the reporting period. The received government compensations for keeping jobs in connection with the outbreak of the COVID pandemic amount to BGN 78 thousand.

Cost optimization - The administrative costs of the Company are reduced by 10% on an annual basis as a result of optimization undertaken by the Management.

Debt rescheduling - The Company has achieved reciprocal rescheduling of liabilities by the Bulgarian Development Bank in connection with the private moratorium announced by the Bulgarian National Bank within the scope of the Guidelines of the European Banking Authority (EBA) on legislative and private moratoriums on loan payments in connection with COVID-19 (EBA/GL/2020/02). Consequently, the Company has improved its liquidity indicators.

MOTOHUB OOD

The company reports a loss for the period in the amount of BGN 101 thousand and a negative cash flow from operating activities in the amount of BGN 24 thousand.

The Company also implements a policy for optimizing the costs, inventories and other elements of the working capital. The expected result of these measures is a significant reduction in inventory levels, which will improve the liquidity position and working capital of the Company.

N AUTO SOFIA EAD

After the declaration of the state of emergency, the analysis of the activity shows the following results:

- the number of cars sold by N Auto Sofia EAD for the second quarter of 2020 reported a decrease of 70% compared to the second quarter of 2019.
- With the temporary removal of most of the restrictions in the third quarter of the year, the Company for the second quarter of 2020 reports a decrease of 10% compared to the second quarter of 2019.
- The fourth quarter of 2020 was once again affected by the measures introduced at the end of November, although to a lesser extent - 44%.
- As a result, the annual number of cars sold by N Auto Sofia EAD for 2020 reports a decrease of 40% compared to 2019.

Change in revenues - the total generated revenues for 2020 reported a decrease of 37% on an annual basis, as a result of a decline in the number of cars sold/service orders.

Change in other revenues - as a result of the approval of the Company to participate in the State Aid Program "60/40". The received government compensations for keeping jobs in connection with the outbreak of the COVID pandemic amount to BGN 182 thousand.

Cost optimization - the operating costs of the Company are reduced by 10% on an annual basis. Revenues may present a temporary decline compared to 2019, but on the other hand, the cost optimizations which were implemented offset this effect. The company increased its EBITDA indicator, and even reported an increase in net profit of BGN 90 thousand compared to 2019.

STAR MOTORS EOOD

Change in the number of cars sold - After the declaration of the state of emergency, the number of cars sold by Star Motors EOOD for the second quarter of 2020 reported a decrease of 50% compared to 2019. With the temporary removal of most of the restrictions in the third quarter of the Company partially recovered the volume of its business compared to 2019. The fourth quarter of 2020 was once again affected by the measures introduced at the end of November (decrease of about 49% compared to Q4 2019). the cars sold by Star Motors EOOD for 2020 reported a decrease of 53% compared to 2019.

Change in revenues - Total generated revenues for 2020 report a decrease of 35% on an annual basis as a result of a reduced number of cars sold and service orders.

Change in other revenues - for example, the total generated revenues for 2020 report an increase of 17% on an annual basis as a result of the Company's approval to participate in the State Aid Program "60/40". The received government compensations for keeping jobs in connection with the outbreak of the Covid pandemic amount to BGN 471 thousand.

c) IMPACT ON THE LEASING LINE OF BUSINESS

In 2020, the activity of the Issuer and its subsidiaries was not suspended, but the volume of new business of all companies in the group was affected, given the decline in demand caused by economic uncertainty, reduced purchasing power of consumers, increased unemployment and other factors.

The effects for the subsidiaries of Eurolease Group AD were the following:

- a noticeable decline in the levels of new business in all companies;
- actions for rescheduling of leasing obligations of clients;
- proportional rescheduling of the liabilities of the companies in the group to credit institutions financing the activity, as the companies have reached agreements with all their creditors and no liquidity difficulties are to be expected.

Information is presented below about the effects for each company of the Eurolease group, as well as the impact they have had on the Issuer's revenues at a consolidated level.

„Eurolease Auto“ EAD

The effects of COVID-19 on the activity of Eurolease Auto EAD:

- **Reduction of new business** - After the declaration of the state of emergency (mid-March 2020) the newly generated business of Eurolease Auto EAD decreased, which was influenced by the imposed state of emergency and the restrictive measures taken in the country in connection with the degree of infection from coronavirus. The strongest negative impact on business was in the second quarter, when the company registered a 40% decrease in new business compared to the same period in 2019, while in the third quarter due to the temporary removal of most of the restrictions managed to keep the volume of newly generated business compared to the comparable period. As a result of these cyclical factors for the whole of 2020, Eurolease Auto EAD reported a decline in newly generated business of 11% compared to the previous 2019.
- **Change in revenues** - The total generated revenues for 2020 amount to BGN 5,684 thousand, reporting a decrease of 17.54% on an annual basis (decrease by BGN 1,209 thousand) as a result of the decreasing portfolio of leasing receivables during the year, which is direct reflection of the reduction of new business. For comparison, for 2019 the total revenues generated by the company amount to BGN 6,893 thousand.
- **Cost optimization** - The administrative expenses of the Company report a decrease of 10% on an annual basis as a result of optimization undertaken by the Management, as well as in reflection of the reduced business of the company.
- **Digitization of the process of concluding a leasing contract** - Eurolease Auto EAD introduces the possibility for electronic signing of documents related to the application, conclusion and renegotiation of leasing transactions through the platform of Eurotrust Technologies AD.
- **Rescheduling of receivables from customers** - As a non-bank leasing company Eurolease Auto EAD does not fall within the scope of the private moratorium announced by the Bulgarian National Bank within the meaning of the Guidelines of the European Banking Authority (EBA) on legislative and private moratoriums on loan payments in connection with COVID-19 (EBA / GL / 2020/02). However, in order to retain its customers, the company's management decided that Eurolease Auto EAD would provide its customers with the opportunity to defer principal payments, following the guidelines of Mechanism № 2 of the Moratorium. As a result of these actions, as of 31.12.2020, the clients who have used the option to reschedule their leasing plans form less than 5% of the company's portfolio.
- **Debt rescheduling** - In connection with the rescheduled receivables from customers, the company has achieved reciprocal rescheduling of liabilities by financing institutions (creditors) in connection with which it does not experience liquidity difficulties.
- **Change in the Company's credit policy** - The declared state of emergency had the greatest impact on the tourism, hotel and restaurant, rental and car rental services, construction activities, whose activities were temporarily suspended and reduced the purchasing power of many customers. In this

regard, the management of the company temporarily accepted the use of a different from the hitherto used risk model for approval of individuals and legal entities as for companies operating in risky industries, as well as those with high indebtedness and relatively low equity, no funding is offered. . In addition, only customers with the highest ratings are approved according to the company's internal rating system. The same approach applies to individuals whose employment is in the sectors concerned. When considering an application for financing, the Risk Department also focuses on the property security of the clients, and if possible, a joint and several debtor is required. A significant part of the newly generated business in 2020 are transactions with long-term clients who have a good credit history.

- **Change in the Policy for Impairment of Lease Receivables and Other Financial Assets in accordance with IFRS 9 "Financial Instruments"** - Management considers possible short-term risks to the overall development of the economy, but also takes into account the general expectations for rapid recovery in 2021-2022 with expectations for return to the average projected growth rates before COVID-19 and on this basis decided to review its impairment model and update some of its expected. Management believes that some of the company's counterparties may be affected by the deteriorating economic situation, in connection with which it has taken action to update the parameters in the model. As as of December 31, 2020, sufficiently reliable both macroeconomic statistics and information on the medium-term levels of probability of default by counterparties are available, the management has increased the expected credit loss of the exposures, which are part of the full model of the company. for impairment (ie deposits, cash in banking institutions and lease receivables within the scope of IFRS 16).

„Eurolease rent-a-car“ EOOD

The effects of COVID-19 on the activity of Eurolease Rent A Car EOOD:

- **Reduction in new business by segments:**

„ **Short-term business "(rent-a-car):** In 2020, the unexpected effects of the COVID-19 pandemic had a negative impact on the car rental sector globally. The reason is that this sector is directly related to passenger transport (mainly air transport) and the tourism industry as the main income is generated by travelers for leisure, tourism or business. The ban on tourist travel, introduced on March 17, 2020 by order of the Minister of Tourism, followed by the closure of the company's offices at the three main airports in the country (Sofia, Varna and Bourgas) virtually stops the supply of these services and significantly reduces revenues from the activity of the company. The reduced passenger flow through the main canals (airports in the country) and the greatly reduced opportunities for tourism and business visits have had a negative impact on the sector in Bulgaria. Given the expectations for a weak summer season, oriented towards domestic consumption, the cars that the company rents in the summer period were rejected in view of the increased demand and increased traffic. Enhanced disinfection measures have also been introduced for the treatment of cars after the end of the lease. Against this background, the total decline in the company's revenues from the car rental division for the entire 2020 decreased by 58.61%, amounting to BGN 1,408 thousand compared to BGN 3,402 thousand for 2019.

Long-term business (Operating lease): Operating lease was also negatively affected in the past year, as the main factors were the transition of employees from business organizations in the country to remote work in the home environment and elimination of the need for company cars, as well as cost optimization. companies affected by the pandemic, including redundancies. The use of cars in the form of operating leases is mainly by clients - legal entities and the market monitors actions to reschedule (extend payment terms) and reduce due lease obligations to the company (at the expense of lower mileage or elimination of additional services to the contract). The forecast for the next few years is towards a mass reorganization of the labor process and a change in the habits and business strategies of the companies, including those that use the "Operational Leasing" service. Against this background, the company's revenues from the Operational Leasing division for the entire 2020 amount to BGN 3,520 thousand compared to BGN 3,973 thousand for 2019 or decreased by 11.40%.

- **Change in revenues** - The total revenues generated by Eurolease Rent a Car for 2020 amount to BGN 5,629 thousand, reporting a decrease of 31.33% on an annual basis compared to 2019 or a decrease of BGN 2,568 thousand. as a result mainly of the decrease in the revenues from the car rental business.
- **Debt rescheduling** - The Company has achieved rescheduling of liabilities from its creditors in this regard does not experience liquidity difficulties.
- **Increase of the share capital** - The sole owner of the company - Eurolease Group AD has increased in December 2020 the share capital of Eurolease Rent A Car EOOD by BGN 1,600,000 thousand, with

which the share capital of BGN 1,335,000 reaches the target of BGN 2,935,000. The purpose of the increase is to cover losses caused by the negative economic situation.

- **Rescheduling of receivables from clients** - Eurolease Rent A Car EOOD does not fall within the scope of the private moratorium announced by the Bulgarian National Bank within the meaning of the Guidelines of the European Banking Authority (EBA) on legislative and private moratoriums on loan payments in connection with COVID- 19 (EBA / GL / 2020/02). However, the company has entered into an agreement with one of its clients under a long-term operating lease, agreeing on an extended grace period of up to 90 days for each due monthly installment.
- **In accordance with its Policy for impairment of trade receivables** - the company increased the risk and at the end of 2020 recognizes expected credit losses in the amount of BGN 111 thousand.
- **Government programs providing liquidity funds for grants for preferential lending and investment measures** - The Company has benefited from state aid in the amount of BGN 202 thousand under the 60/40 scheme. Measure 60/40 is a short-term tool for urgent business support to maintain employment, but also to guarantee employee income.

„Autoplaza“ EAD

As a result of the restrictions imposed in 2020, reduced economic activity, the uncertainty created by the coronavirus pandemic and increased levels of unemployment have led to low interest in buying cars. As a result, the used car market has also suffered significant declines. The statistical analysis for 2020 shows that:

- Imported new and used cars in Bulgaria in 2020 are close to their bottom from the financial crisis 2009-2010, but still are about 5% above these lowest levels.
- The number of transactions with imported or resold cars registered in 2020 (those with a changed or new number, which the Traffic Police reports as new registrations) - is 241 thousand, or 20% less than the previous year.

The effects of COVID-19 on the activity of Autoplaza EAD:

- **Decrease in revenues** - As a result of the reduced economic activity, the generated revenues for 2020 amount to BGN 569 thousand, reporting a decrease of 29.14% on an annual basis compared to 2019 or a decrease in total revenues of BGN 234 thousand.
- **Decrease in gross profit margin** - The gross profit margin decreased by about 3.5% on an annual basis.
- **Reduction of the available cars in the fleet** - The available fleet at the end of 2020 has halved compared to the end of 2019 as a result of a low level of supply and demand for used cars.
- **Cost optimization** - As a result of optimization undertaken by the management, the operating costs of the company decrease by 18% on an annual basis.
- **In accordance with its Policy for impairment of trade receivables** - the Company recognizes expected credit losses at the end of 2020 in the amount of BGN 18 thousand.
- **Government programs** providing liquid funds for grants, preferential lending and investment measures - The Company has benefited from state aid in the amount of BGN 25 thousand under the 60/40 scheme. Measure 60/40 is a short-term tool for urgent business support to maintain employment, but also to guarantee employee income.

„Sofia Motors“ EOOD

The effects of COVID-19 on the activity of Sofia Motors EOOD:

- **Growth rate of leased assets** - At the end of 2020 the carrying amount of leased assets increased by 16.06% on an annual basis. This shows that the Company still manages to achieve growth in its portfolio, despite the imposed restrictions in the economy. The reported revenue growth for 2020 of 17.43% (BGN 977 thousand) is due to the great interest of customers in the new product "SIMPL" as a result of which for 2020 the company realized total revenues of BGN 4,311 thousand. compared to BGN 3,671 thousand for 2019.
- **Decrease in the operating profit margin** - The operating profit margin for 2020 decreased by about 65% compared to 2019.

- **Digitization of the process of concluding a leasing contract** - Sofia Motors EOOD introduces the possibility for electronic signing of documents related to the application, conclusion and renegotiation of leasing transactions through the platform of Eurotrust Technologies AD.
- **Rescheduling of receivables from customers** - The Company has entered into agreements with some of its customers, agreeing on an extended grace period of up to 90 days for each due monthly installment. The number of contracts with deferred payment agreements at the end of 2020 represents less than 5% of the total portfolio of the company.
- **Debt rescheduling** - The Company has achieved reciprocal rescheduling of liabilities by its creditors and does not experience liquidity difficulties.
- **In accordance with its Policy for impairment of trade receivables** - the company recognizes at the end of 2020 expected credit losses in the amount of BGN 74 thousand.
- **Change in the credit policy of the Company** - The declared state of emergency had the greatest impact on the branches of tourism, hotel and restaurant business, rental and car rental services, construction activities, the activity of which was temporarily suspended. The company uses a different risk model for approval of individuals and legal entities. At present, no financing is offered for companies operating in high-risk industries, as well as those with high indebtedness and relatively low equity. In addition, only customers with the highest ratings are approved according to the Company's internal rating system. The same approach applies to individuals whose employment is in the sectors concerned. When considering an application for financing, the Risk Department also focuses on the property security of the clients, if possible a joint and several debtor is required.

„Amigo Leasing“ EAD

The effects of COVID-19 on the activity of Amigo Leasing EAD:

- **Reduction of the new business** - As a result of the reduced economic activity the generated new business for 2020 is in reduction of 40% compared to the previous 2019. This is due to the fact that the company was established in mid-2017 and by the end of 2018. has gradually gained speed and financial resources to carry out its leasing activity. Thus, 2019 is the first active year of its existence, due to which it has made a sharp jump in newly generated business compared to 2018. In this regard, the reduction of new business in 2020 should not be indicative of the company's activity in terms of COVID-19.
- **Change in revenues** - The total generated revenues for the year not only do not report a decrease compared to 2019, but increase by BGN 977 thousand, amounting to BGN 2,909 thousand compared to BGN 1,932 thousand for 2019 or an increase of 50, 57% on an annual basis.
- **Rescheduling of receivables from customers** - As a non-bank leasing company, Amigo Leasing EAD does not fall within the scope of the private moratorium announced by the Bulgarian National Bank within the meaning of the Guidelines of the European Banking Authority (EBA) on legislative and private moratoriums on loan payments. with COVID-19 (EBA / GL / 2020/02). However, the Company offered its customers a deferral of principal payments. Deferred exposures at the end of 2020 represent less than 2% of the Company's portfolio.
- **Debt rescheduling** - the Company benefits from Mechanism 2 of the Moratorium announced in the country by negotiating a 50% reduction of the principal payments on the bank loan from Bulgarian-American Credit Bank AD for a period of 6 months, respectively extension of the deadline for repayment due. loan amounts by 6 months.
- **Change in the Policy for Impairment of Lease Receivables and Other Financial Assets under IFRS 9 Financial Instruments** - Management considers possible short-term risks to the overall development of the economy, but also takes into account the general expectations for rapid recovery in 2021-2022 with expectations to return to average forecasts. growth levels before Covid-19 (Coronavirus), and therefore decided to review its impairment model and update some of its expectations. Management believes that some of the Company's counterparties may be affected by the deteriorating economic situation and in connection with these expectations has taken action to update the parameters in the impairment model. As sufficiently reliable both macroeconomic statistics and information on the medium-term probability of default by counterparties are available as at 31 December 2020, the Management has increased the expected credit loss on exposures that are part of the full impairment model. (i.e. deposits, cash in banking institutions and lease receivables within the scope of IFRS 16).
- **Digitization of the process of concluding a leasing contract** - Amigo Leasing EAD introduces the possibility for electronic signing of documents related to the application, conclusion and renegotiation of leasing transactions through the platform of Eurotrust Technologies AD.

„Eurolease Auto“ DOOEL Skopje, North Macedonia

The effects of COVID-19 on the activity of Eurolease Auto DOOEL Skopje:

- **Reduction of the new business** - The new business of Eurolease Auto DOOEL Skopje in the Financial Leasing segment for 2020 reports a decline of 16%. Regarding the Operating Leasing segment - the reported decrease is weaker, namely - 9% on an annual basis.
- **Change in revenues** - Despite the decrease in new business in 2020, the company has managed to maintain the amount of total generated revenues (BGN 1,304 thousand) compared to 2019, reporting a decrease of only 0.38% or a decrease in total revenues for the whole of 2020 in the amount of BGN 5,000.
- **Rescheduling of receivables from customers** - In accordance with the Decree on the implementation of the Law on Leasing during a state of emergency, published in the Official Gazette of the Republic of North Macedonia № 19, the company approved the recommendations for a temporary moratorium on lease payments, thus introduces measures to support its clients, individuals and legal entities, through special conditions to facilitate the repayment of lease obligations. The approved temporary moratorium provides for the possibility to change the schedule for repayment of principal and / or interest on liabilities without changing the key parameters of the loan agreement, such as the already agreed interest rate. Deferral of liabilities for a period of up to 10 (initially 3) months until 31 January 2021 (initially 30 June 2020) has been approved. Eurolease Auto DOOEL Skopje provides its clients with the opportunity to reschedule the main payments on lease payments in accordance with the instructions of the Ministry of Finance. The rescheduled portfolio by the end of 2020 represents 40% of the total.
- **Debt rescheduling** - The Company has achieved reciprocal rescheduling of liabilities from its creditors (bank loans) as a result of which it does not experience liquidity difficulties.
- **Change in the company's credit policy** - The declared state of emergency had the greatest impact on the industries of tourism, hotels and restaurants, rental and car rental services, construction activities, the activity of which was temporarily suspended. The company uses a different scoring model for approval of individuals and legal entities. At present, no financing is offered for companies operating in high-risk industries, as well as those with high indebtedness and relatively low equity.

d) IMPACT ON THE INVESTMENT SERVICES BUSINESS LINE

The COVID-19 pandemic did not affect the revenues and financial results of the investment intermediary Euro-Finance AD, this is due to the fast and adequate measures taken by the management, which can be expressed in the following:

- All work processes related to customer service, namely: concluding contracts with clients, submitting orders for concluding transactions with financial instruments, submitting orders for money transfer, depositing and withdrawing money at the cash desk, inheritances, registration agencies, etc., continued to be carried out in its entirety and continuity. Euro-Finance AD continued to serve clients present on site in the company's office, in compliance with the sanitary and hygienic requirements and the implementation of enhanced anti-epidemic measures in the premises. In addition, Euro-Finance AD continued to apply the statutory methods for remote conclusion of contracts and remote submission of orders in strict compliance with all rules for proper customer identification. The possibilities for accelerating the processes of digitalization of the operational processes related to the remote establishment of relations and concluding contracts with clients were assessed. Actions were taken for timely, clear and accurate communication of the current situation and the measures taken to ensure business continuity with all current and potential customers and contractors of Euro-Finance AD;
- Tests were made on the electronic trading systems, which continued to operate as before the declaration of the state of emergency. The electronic trading systems provided by EURO-FINANCE AD - EFOX and EF MetaTrader 5, functioned normally and without interruption in accordance with the Special Terms of Use of EFOX and the Special Terms of Use of EF MetaTrader 5;
- In order for Euro-Finance AD to continue to fully perform all work processes and functions as it performed them until the declaration of the state of emergency in Bulgaria, while taking all necessary emergency measures to prevent the accumulation of many people in one place, some of the employees were provided with the opportunity to work from home. Secure remote access of these employees to the company's server, the Eurosia information and accounting system and the electronic trading systems with precisely defined access rights, which are necessary for the employees to perform their duties, have been created. In this regard, work machines were provided in a timely manner for employees who switch to home mode.
- Employees who are related to the so-called critical functions of the investment intermediary, such as acceptance and servicing of clients, concluding transactions with financial instruments, accounting closing of transactions, performed their duties in the office of Euro-Finance AD and, when possible in the presence of

two employees in the same position, on a rotating basis - certain days in the office, certain days' work from home.

➤ Given the extreme volatility and over-dynamics of the capital markets, it was decided that the Risk Management Unit should strengthen the monitoring, assessment and analysis of the risk factors to which the investment intermediary is exposed or may be exposed according to the Policy for assessment, organization, management, monitoring and risk reduction in Euro-Finance AD, and in case of established need to immediately report to the executive directors for undertaking the respective actions and measures.

e) EFFECTS OF COVID-19 ON THE ISSUER'S CONSOLIDATED REVENUES

In the context of the unprecedented health and economic crisis of the COVID-19 pandemic, which led to turmoil in the European and global economy, the Eurohold Group maintained its revenues at a stable level, reporting a slight decrease of 0.9%.

The insurance division Euroins Insurance Group reported an increase of 5% in the total consolidated insurance revenues (after intra-group eliminations), incl. and of the written gross insurance premiums by 8%.

The other subsidiaries also managed in the conditions of the changed market environment due to the impact of COVID-19, as the financial-investment direction grew by 75%. The negative economic impact of the pandemic had an adverse effect on the performance of some of the companies in the group and in particular affected the automotive sector and, in part, the leasing division, which saw their operating revenues fall by 33% and 14% respectively.

According to the interim consolidated financial statements for the twelve months of 2020, the consolidated revenues from operating activities of the Eurohold Group almost retain their level from the previous 2019 amounting to BGN 1.587 billion, while for the comparative period their amount is BGN 1.601 billion.

Thousands BGN	Insurance	Automotive segment	Leasing	Investment banking	Parent	Group operating income
31.12.2020	1 438 419	162 552	21 609	7 934	3 027	1 633 541
31.12.2019	1 323 840	244 757	25 301	4 521	2 390	1 600 809
Change in thousands BGN	114 579	(82 205)	(3 692)	3 413	637	(32 732)
Change %	8,7%	-33,6%	-14,6%	75%	27%	2%

Source: Eurohold Bulgaria AD - according to data from the audited annual consolidated financial statements for 2017, 2018 and 2019 and the unaudited consolidated financial statements for 2020 on the basis of updated data

In terms of segment performance, the largest increase in absolute value of BGN 115 million, representing an increase of 9%, was recorded by the generated operating revenues from insurance, as their total value at the end of the reporting period was BGN 1.438 billion. for 2020 (at a consolidated level after intra-group eliminations) amount to BGN 913.7 million compared to BGN 847.5 million as of December 31, 2019 and the growth in this indicator is 8%.

10.2. INFORMATION ON ANY KNOWN TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS THAT ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON THE ISSUER'S PROSPECTS FOR AT LEAST THE CURRENT FINANCIAL YEAR.

The Issuer's perspectives for the current financial year concentrates to the forthcoming acquisition of CEZ's Assets in Bulgaria, which will significantly improve the performance of Eurohold Bulgaria AD during the reporting period.

In terms of significant events outside the segments in which the Eurohold Group currently operates, the acquisition of CEZ's assets in the country will have a significant positive effect on the future development of the group and will contribute to improving the consolidated results of Eurohold Bulgaria AD, as well as

realization of higher volumes of newly generated business, respectively Operating income. Management's expectations are that the acquisition of CEZ Bulgaria EAD will have a positive effect on the financial condition of the Eurohold Group, including significantly improved consolidated financial ratios and indicators of total liquidity, return on income, return on equity, and higher financial autonomy. The purchase of CEZ Bulgaria is a good market opportunity for the implementation of the medium and long-term plan of Eurohold Bulgaria AD, namely diversification of the portfolio, reduction of market risk and increase of the share of the regulated markets, which will lead to higher accuracy in forecasting, cash flows and more stable returns. The management estimates that in the future, consolidation of CEZ Bulgaria's Assets, the group's operating profit before interest, depreciation and taxes (EBITDA) of Eurohold Bulgaria AD will increase significantly, and total revenues and assets of the holding will rise after the acquisition is completed. CEZ Bulgaria is the largest distributor of electricity in the country, covering an area of about 40,000 square kilometres, serving over 3 million consumers. Given the significant customer base of CEZ Bulgaria, this transaction is important for the strategic positioning of Eurohold Bulgaria AD, as well as its subsidiaries. It is important to note that the finalization of the acquisition of CEZ Bulgaria will have a positive effect on the profitability as well as long term the credit rating of the company, which will lead to an improvement in the financial condition and risk profile of Eurohold Bulgaria AD.

Current trends show the negative impacts of COVID-19 on the business operations in 2020 continue in 2021 as well and that the automotive and leasing lines of business will be the most affected segments. Expectations remain that the insurance companies and the investment intermediary will not be seriously affected by the ongoing pandemic.

No other trends, fluctuations, requirements, commitments or events are known which are reasonably likely to have a significant effect on the activity and financial condition of the Issuer at least for the current financial year in the segments in which it operates.

XI. PROFIT FORECASTS OR ESTIMATES

Eurohold Bulgaria AD has not published and does not present in this Registration Document a profit forecast or estimate, nor does it provide for the preparation and disclosure of profit forecasts and estimates in future periods.

XII. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

12.1. INFORMATION ON THE SUPERVISORY AND MANAGEMENT BODIES OF THE ISSUER

Eurohold Bulgaria AD has a two-tier corporate governance system as follows: a Management Board, composed of five natural persons, and a Supervisory Board composed of six natural persons.

The Management Board of the Company consists of the following members: Kiril Ivanov Boshov, Asen Minchev Minchev, Velislav Milkov Christov, Assen Emanouilov Assenov and Razvan Stefan Lefter.

The Supervisory Board consists of the following members: Assen Milkov Christov, Dimitar Stoyanov Dimitrov, Kustaa Lauri Äimä, Radi Georgiev Georgiev, Lubomir Stoev and Louise Gabrielle Roman.

Procurators of Eurohold Bulgaria AD are Hristo Lubomirov Stoev and Milena Miltchova Guentcheva.

The Company is represented jointly by an executive member of the Management Board and a procurator of the Company.

There are family relationships between the members of the Management Board and the Supervisory Board. Assen Christov and Velislav Christov are second degree collateral relatives (brothers). There are family relationships between the member of the Supervisory Board - Lubomir Stoev and the Procurator Hristo Stoev who are first degree lineal relatives (father and son).

The activity of the Issuer does not depend on the individual professional experience or qualification of other employees.

Supervisory Board

Name	Assen Milkov Christov
Function within the Issuer	Chairman of the Supervisory Board
Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<ul style="list-style-type: none"> ◆ Euroins Insurance Group AD – Chairman of the Board of Directors; ◆ Starcom Holding AD – Executive member of the Board of Directors and shareholder holding 51 % of the capital.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Alfa Euroactive EOOD – Sole owner of the capital and Manager; ◆ First Investment Bank JSC, Russia - Chairman of the Supervisory Board; ◆ Starcom Hold AD –Chairman of the Board of Directors and shareholder holding 99.67% of the capital; ◆ Hanson Asset Management Ltd., United Kingdom – Director; ◆ Wonder Group AD – Chairman of the Supervisory Board; ◆ Quintar Capital Limited, Hong Kong – member of the Board of Directors. <p>Current in other legal entities:</p> <ul style="list-style-type: none"> ◆ Association "Multi-Sport Students Club at Private Secondary School "Saint George" – Chairman of the Management Board ◆ Association "Bulgarian Athletics Federation" – member of the Management Board <p>Previous:</p> <ul style="list-style-type: none"> ◆ Formoplast 98 AD – Chairman of the Board of Directors until 04.09.2020, as at the date of this prospectus the person is not Chairman of the Board of Directors; ◆ Euroins Osiguruvanje AD, Skopje, North Macedonia – Chairman of the Board of Directors until 10.07.2020, as at the date of this prospectus the person is not Chairman of the Board of Directors; ◆ Euro-Finance AD – Chairman of the Board of Directors until 02.04.2020, as at the date of this prospectus the person is not Chairman of the Board of Directors; ◆ Euroins Romania Asigurare - Reasigurare S.A.- member of the Board of Directors until 26.03.2020, as at the date of this prospectus the person is not member of the Board of Directors; ◆ Starcom Hold AD –Executive member of the Board of Directors until 06.06.2019, as at the date of this prospectus the person is not Executive member of the Board of Directors, but remains Chairman of the Board of Directors and shareholder holding 99.67% of the capital; ◆ Avto Union AD - Chairman of the Board of Directors until 26.10.2018, as at the date of this prospectus the person is not a Chairman of the Board of Directors; ◆ Balkan International Basketball League OOD - Manager and a partner holding 50% of the capital until 17.11.2017, as at the date of this prospectus the person is not a Manager and a partner holding 50% of the capital.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years	As at the date of this Prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.
Relevant professional experience	<p>Assen Christov holds a master's degree in Physics from Sofia University "St. Kliment Ohridski" and has specialized in the Institute for Nuclear Research in Dubno, Russia. He has completed a specialization in Management in Open University - London. Speaks Russian and English.</p> <p>Assen Christov has exercised the above-mentioned managerial positions during different periods within the last 5 years. He has held the position of Chairman of the Board of Directors of Eurobank AD between 1997 and 2000 with representative functions exercised, he was also a Chairman of the Supervisory Board of IC Euroins AD from 2000 until 2007, as well as of the investment firm Euro-Finance AD.</p>

Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the last 5 years, the person has been imposed the following administrative penalties (fines), which have entered into force and / or are subject to appeal as of the date of the Prospectus:</p> <ul style="list-style-type: none"> - In his capacity of a member of the Board of Directors of Starcom Holding AD has been imposed an administrative penalty imposed - a fine in the amount of BGN 7,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, second proposal, hypothesis one, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-927/15.11.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree is subject to appeal before court and, accordingly, has not entered into force. <p>During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
Name	Dimitar Stoyanov Dimitrov
Function within the Issuer	Deputy Chairman of the Supervisory Board
Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<ul style="list-style-type: none"> ◆ IC Euroins AD – Procurator.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Eurologistic Technologies EOOD – Manager; ◆ Cable Network AD – member of the Board of Directors and Executive Director; ◆ Creative Software Solutions EOOD – Manager and Sole owner of the capital; ◆ Starcom Hold AD – member of the Board of Directors and Executive Director; ◆ Starcom Finance EAD – member of the Board of Directors and Executive Director. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Alcomerce EOOD – Manager until 25.01.2018, as at the date of this prospectus the person is not a Manager; ◆ Zeleni EOOD (currently Ecovera Ltd.) – Sole owner of the capital and Manager until 27.01.2017, as at the date of this prospectus the person is not a Sole owner of the capital and a Manager.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years	<ul style="list-style-type: none"> ◆ Far Consult OOD – in liquidation – Manager and partner. <p>As at the date of this prospectus, the company is undergoing liquidation proceedings.</p> <p>As at the date of this prospectus, there is no information about any other bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>
Relevant professional experience	<p>Dimitar Dimitrov holds a Master's degree in Electronics and Automatics, Technical University of Sofia. From 1998 until 2006 he was Executive Director of the holding company Starcom Holding AD. Since 2005 he is a procurator of IC Euroins AD, and from 1998 to 2005 he held the position of Director of "Information services, statistics and analyses" Department in the same company.</p>
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the previous 5 years no administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
Name	Kustaa Lauri Äimä
Function within the Issuer	Independent member of the Supervisory Board
Business address	Finland, Helsinki, Kalevankatu 14C, fl. 4
Information on the activities performed as member of a	<p>As at the date of this prospectus, there are no activities performed outside of the Company, which are significant with respect to the Company.</p>

<p>management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer</p>	
<p>Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years</p>	<p>Current:</p> <ul style="list-style-type: none"> ◆ KJK Management S.A. – Chairman of the Board of Directors; ◆ KJK Fund II SICAV-SIF – Chairman of the Board of Directors; ◆ KJK Capital Oy – Executive Director, member of the Board of Directors; ◆ KJK Fund III Management S.a.r.L – member of the Management Board; ◆ KJK Investments S.a.r.L – member of the Management Board; ◆ AS Baltika – member of the Supervisory Board; ◆ Elan d.o.o – member of the Board of Directors; ◆ AS PR Foods – Chairman of the Supervisory Board; ◆ AS Saaremere Kala – member of the Supervisory Board; ◆ Baltik Vairas – member of the Board of Directors; ◆ Tahe Outdoors Oü – Chairman of the Supervisory Board; ◆ KJK Sports S.a.r.l. – member of the Board of Directors; ◆ KJK Investicije 2 d.o.o. – member of the Board of Directors; ◆ KJK Investicije 4 d.o.o. – member of the Board of Directors; ◆ KJK Investicije 5 d.o.o. – member of the Board of Directors; ◆ KJK Investicije 7 d.o.o. – member of the Board of Directors; ◆ KJK Investicije 8 d.o.o. – member of the Board of Directors; ◆ Kaima Capital Oy –Executive Director, Chairman of the Board of Directors and Sole owner of the company; ◆ Kaima Capital Eesti Oü – member of the Board of Directors; ◆ Aurejärvi Varainhoito Oy – member of the Board of Directors; ◆ UAB D Investiciu Valdymas – member of the Board of Directors; ◆ Amber Trust SCA – Director; ◆ Amber Trust II SCA – Director; ◆ Amber Trust Management S.A. – member of the Management Board; ◆ Amber Trust II Management S.A. – member of the Management Board; ◆ AS Toode – member of the Supervisory Board; ◆ Managetrade Oü – member of the Supervisory Board; ◆ AB Baltic Mill – member of the Board of Directors; ◆ UAB Malsena Plus – member of the Board of Directors; ◆ JSC Rigas Dzirnavnieks – Chairman of the Supervisory Board; ◆ Bostads AB Blåklinten – member of the Board of Directors. <p>Previous:</p> <ul style="list-style-type: none"> ◆ As Tallink Group – member of the Management Board until 09.2019, as at the date of this prospectus the person is not a member of the Management Board; ◆ KJK Investicije d.o.o. – member of the Board of Directors until 09.2019, as at the date of this prospectus the person is not a member of the Board of Directors; ◆ KJK Investicije 3 d.o.o. – member of the Board of Directors until 08.2019, as at the date of this prospectus the person is not a member of the Board of Directors; ◆ Leader Group 2016 AD – member of the Board of Directors until 08.07.2019, as at the date of this prospectus the person is not a member of the Board of Directors; ◆ Oü Tallink Silja AB – member of the Management Board until 05.2019, as at the date of this prospectus the person is not a member of the Management Board; ◆ Salva Kindlistuse AS – Director until 07.02.2019, as at the date of this prospectus the person is not a Director. ◆ KJK Investicije 6 d.o.o. – member of the Board of Directors until 10.2018, as at the date of this prospectus the person is not a member of the Board of Directors; ◆ KJK Invest Oy – Director until 10.2018, as at the date of this prospectus the person is not a Director; ◆ KJK Bulgaria Holding OOD (the entity was merged into Leader Group 2016 AD) – Manager until 11.10.2018, as at the date of this prospectus the person is not a Manager; ◆ AAS Baltijas Adprosijamasnams – Director until 09.04.2018, as at the date of this prospectus the person is not a Director; ◆ KJK Fund SICAV-SIF – Chairman of the Board of Directors until 01.01.2018, as at the date of this prospectus the person is not a Chairman of the Board of Directors; ◆ Kowinoplastyka SP. d.o.o. – member of the Supervisory Board until 08.2017, as at the date of this prospectus the person is not a member of the Supervisory Board; ◆ KJK Serbian Holdings B.V. – member of the Board of Directors until 04.2017, as at the date of this prospectus the person is not a member of the Board of Directors.
<p>Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years</p>	<ul style="list-style-type: none"> ◆ KJK Fund SICAV-SIF – Chairman of the Board of Directors until 01.01.2018, as at the date of this prospectus the person is not a Chairman of the Board of Directors and the company as of 01.01.2018. has entered into a procedure of voluntary liquidation. <p>As at the date of this prospectus, there is no information about any other bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>
<p>Relevant professional experience</p>	<p>In 1997, Mr. Äimä graduated from the University of Helsinki with a Master's degree in Economics. He started his career in 1997 as a junior economist at the Bank of Finland. From January 1998 to May 1999, he worked as a corporate financial officer at Bankers Williams De Broe Helsinki Oy; from May 1999 to August 2000 he was a fund manager at Bankers BBL Finland Oy and from August</p>

	<p>2000 to February 2009 he held the position of a fund manager, Head for Eastern Europe unit of Danske Capital. Since April 2002 Mr Āimā is a member of the Management Board of Amber Trust Management SA, a company operating in the field of portfolio management; since December 2004 he is a member of the Management Board of Amber Trust II Management SA, a portfolio management company; since December 2009 he is an executive director and owner of Kaima Capital Eesti Oy, a company specialized in investment advisory and private investment services; since March 2009 he is the executive director and owner of Kaima Capital Oy, which conducts activities in the field of private investments and management consulting. Since 2010, Mr. Āimā is the Chairman of the Board of Directors of KJK Management SA and the General Director as well as a member of the Management Board of KJK Capital Oy – both companies operating in the field of general management and funds raising.</p>
<p>Information on coercive administrative measures and penalties or public incrimination in the previous 5 years</p>	<p>During the previous 5 years no administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
<p>Name</p>	<p>Radi Georgiev Georgiev</p>
<p>Function within the Issuer</p>	<p>Member of the Supervisory Board</p>
<p>Business address</p>	<p>Sofia, 84, Aleksandar Stamboliyski Blvd.</p>
<p>Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer</p>	<ul style="list-style-type: none"> ◆ IC EIG Re EAD – member of the Supervisory Board; ◆ Euroins Osiguruvanje AD, Skopje, North Macedonia – member of the Board of Directors.
<p>Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years</p>	<p>Current:</p> <ul style="list-style-type: none"> ◆ Andre Thuriot OOD – Partner holding 80% of the capital; ◆ VH Property Management OOD – Partner holding 6.66% of the capital; ◆ Loudspeakers-CA EOOD – Sole owner of the capital; ◆ Corporate Advisors EOOD – Sole owner of the capital. <p>Current in other legal entities:</p> <ul style="list-style-type: none"> ◆ Association "Republic of Art" - Chairman of the Management Board and legal representative; ◆ Law Firm "Kalaidjiev and Georgiev" – partner. <p>Previous:</p> <ul style="list-style-type: none"> ◆ IC Euroins AD – member of the Supervisory Board until 09.07.2020, as, due to change in the corporate governance system of IC Euroins AD from two-tier to one-tier from 09.07.2020, as at the date of this prospectus the person is not a member of the Supervisory Board.
<p>Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years</p>	<p>As at the date this Prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>
<p>Relevant professional experience</p>	<p>Attorney at the Sofia Bar Association (since 1996), a partner in the Law Firm "Kalaidjiev and Georgiev".</p>
<p>Information on coercive administrative measures and penalties or public incrimination in the previous 5 years</p>	<p>During the previous 5 years no administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
<p>Name</p>	<p>Lubomir Stoev</p>
<p>Function within the Issuer</p>	<p>Independent member of the Supervisory Board</p>
<p>Business address</p>	<p>Sofia, 43, Christopher Columbus Blvd.</p>

Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	As at the date of this prospectus, there are no activities performed outside of the Company, which are significant with respect to the Company.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ AFG Invest GmbH – Executive Director; ◆ Sofia Sound EOOD – sole owner of the capital. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Dar Finance EOOD – Manager until 13.01.2017, as at the date of this prospectus the person is not a Manager.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years	As at the date this prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.
Relevant professional experience	Mr. Stoev graduated from the University of Mining and Geology "St. Ivan Rilski", Sofia, qualification Engineer. In the same year, he obtained a Master's degree in Sociology and Economics at the University of Economics and Business Administration in Vienna. In October 2009, Mr. Stoev obtained qualification as insurance and investment advisor at the Deutsche Vermögensberatung Bank AG in cooperation with the Generali Group and the Chamber of Commerce in Vienna. From February 2005 to December 2007, Mr. Stoev was the Executive Director of the company Vitoshka Unternehmensbeteiligung AG (part of the Uniqa Group). Since November 2010 until May 2012 he was a member of the Board of Directors of Expat Capital AD, responsible for the elaboration of business strategies and analyzes, risk assessment and investment opportunities and other. Since December 2006, Lubomir Stoev is the Chief Executive Officer of AFG Invest GmbH, whose main activity is related to investments in commercial undertakings and real estates.
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	During the previous 5 years no administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.
Name	Louise Gabrielle Roman
Function within the Issuer	Member of the Supervisory Board
Business address	Box 522, Midland Park, NJ 07432, United States of America
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	As at the date of this prospectus, there are no activities performed outside of the Company, which are significant with respect to the Company, except as a consultant at Minerva Global Consulting LLC.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Minerva Global Consulting LLC – founder; ◆ PacificBridge Capital LLC – partner. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Dechert LLP – Partner until June 2018, as at the date of this prospectus the person is not a Partner; ◆ Dewey & LeBoeuf – Partner until April 2012, as at the date of this prospectus the person is not a Partner.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a	As at the date of this prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.

company, was associated in the previous 5 years	
Relevant professional experience	<p>Mrs. Roman holds Bachelor's degree of arts from Bowdoin College (United States; 1982), with a dual Major in Government & Legal Studies and Mathematics, and a juris doctorate degree from Harvard Law School (United States; 1985). She is admitted to the New York and Massachusetts bars and was qualified as a foreign solicitor in England & Wales and accepted as a legal consultant with an unrestricted membership status by the Government of Dubai Legal Affairs Department.</p> <p>Mrs. Roman has practiced law as a leading international capital markets and corporate finance lawyer and a partner in a large global corporate law firm for more than 25 years advising on a full range of complex cross-border capital markets and corporate finance transactions. She spent nearly 20 years based in London and Dubai, where her practice focused on advising clients in emerging markets, including across Central Asia, Eastern Europe and the Middle East. Recently, she joined as Partner a globally-networked private markets investment firm focused on building businesses with legacy social impact themes and providing fundraising, asset management and operational support.</p> <p>She is recognised as a leading lawyer and expert in several legal periodicals and international ranking publications, including <i>International Financial Law Review</i>, <i>The Legal 500 and Chambers</i>, as well as <i>The Financial Times</i>. Lead partner on several award-winning, "first-of-their-kind" transactions.</p>
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the previous 5 years no administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>

Management Board

Name	Kiril Ivanov Boshov
Function within the Issuer	Chairman of the Management Board and Executive member
Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<ul style="list-style-type: none"> ◆ Avto Union AD – Deputy Chairman of the Board of Directors; ◆ Euroins Insurance Group AD – Executive Director; ◆ Euroins Romania Asigurare-Reasigurare S.A. – Chairman of the Board of Directors; ◆ Starcom Holding AD – Chairman of the Board of Directors and shareholder holding 34 % of the capital.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Alcomerce EOOD – Manager and sole owner of the capital; ◆ Eurolease Auto S.A., Romania – Member of the Board of Directors; ◆ Capital-3000 AD – Chairman of the Board of Directors; ◆ Starcom Hold AD – Deputy Chairman of the Board of Directors; ◆ Hanson Asset Management Ltd., United Kingdom – Director; ◆ Wonder Group AD – member of the Supervisory Board; <p>Current in other legal entities:</p> <ul style="list-style-type: none"> ◆ Association "Endeavor Bulgaria" – member of the Management Board; ◆ Association "Association of Bulgarian Insurers" – member of the Management Board; ◆ University of National and World Economy (UNWE), Sofia – member of the Trustees Council. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Euroins Osiguruvanje AD, Skopje, North Macedonia – member of the Board of Directors until 10.07.2020, as at the date of this prospectus the person is not a member of the Board of Directors; ◆ Euro-Finance AD – Deputy Chairman of the Board of Directors until 02.04.2020, as at the date of this prospectus the person is not a Deputy Chairman of the Board of Directors; ◆ N Auto Sofia EAD – member of the Board of Directors until 10.11.2017, as at the date of this prospectus the person is not a member of the Board of Directors; ◆ Euroins - Health Insurance EAD (the entity was merged into IC EIG Re EAD) - Chairman of the Board of Directors until 27.06.2017, as at the date of this prospectus the person is not a Chairman of the Board of Directors.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory	<ul style="list-style-type: none"> ◆ Armada Capital AD – member of the Board of Directors until 28.02.2020, as at the date of this prospectus the person is not a member of the Board of Directors and the company is dissolved through voluntary liquidation, deleted from commercial register on 28.02.2020.

body and/or partner of a company, was associated in the previous 5 years	As at the date of this prospectus, there is no information about any other bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.
Relevant professional experience	<p>Kiril Boshov holds a Master's degree in Accounting and Control from the University of National and World Economy, Sofia. He speaks English and Russian.</p> <p>From 1995 to 1997 Kiril Boshov was the Chief Accountant of Mobikom – the first mobile operator in Bulgaria, a joint venture between Bulgarian Telecommunication Company and Cable and Wireless, United Kingdom. As Deputy Chairman of the Board of Directors and a procurator he participated actively in the restructuring of the assets portfolio of Eurobank AD, representation of the bank and direct management of the active bank operations – lending and capital markets. From 2000 to 2008 Kiril Boshov was a Chairman of the Management Board of Insurance Company Euroins AD and in 2006 the company was awarded "Company with best corporate management" by the Association of Investors in Bulgaria. In his capacity of a Chairman of the Board of Directors of Eurolease Auto AD, he managed the fund raising activities of the Company as well as the overall management process for the conclusion of an International Funding Agreement between Eurolease Auto AD and Deutsche Bank AG – branch London amounting to EUR 200 million.</p>
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the last 5 years, the person has been imposed the following administrative penalties (fines), which have entered into force and / or are subject to appeal as of the date of the Prospectus:</p> <p>In his capacity of a member of the Board of Directors of Starcom Holding AD has been imposed an administrative penalty - a fine in the amount of BGN 7,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, first proposal, hypothesis three, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-929/15.11.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree is subject to appeal before court and, accordingly, has not entered into force;</p> <p>In his capacity of a member of the Management Board of Eurohold Bulgaria AD has been imposed an administrative penalty - a fine in the amount of BGN 10,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, first proposal, hypothesis one, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-897/18.10.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree is subject to appeal before court and, accordingly, has not entered into force;</p> <p>In his capacity of a member of the Management Board of Eurohold Bulgaria AD has been imposed an administrative penalty - a fine in the amount of BGN 10,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, first proposal, hypothesis three, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-887/18.10.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree is subject to appeal before court and, accordingly, has not entered into force;</p> <p>In his capacity of a member of the Management Board and representative of Eurohold Bulgaria AD has been imposed an administrative sanction - fine in the amount of BGN 600 per week on the grounds of Art. 287, para. 1 of the APC for non-compliance with a coercive administrative measure under decree R-11-1/05.01.2021 of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division.</p> <p>During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
Name	Asen Minchev Minchev
Function within the Issuer	Executive Member of the Management Board
Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<ul style="list-style-type: none"> ◆ Auto Italia EAD – Member of the Board of Directors; ◆ Star Motors EOOD - Procurator.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Capital-3000 AD – Executive Member of the Board of Directors; ◆ Cable Network AD – Chairman of the Board of Directors. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Bulgaria Holding EAD (currently VI Lyulin EAD) – member of the Board of Directors until 27.01.2020, as at the date of this prospectus the person is not a member of the Board of Directors.

<p>Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years</p>	<p>As at the date of this prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>
<p>Relevant professional experience</p>	<p>Asen Minchev holds a Master's degree in Accounting and Control from the University of National and World Economy.</p> <p>Asen Minchev was an Executive Director of the holding company Eurohold AD for the period 1998 - 2006 until its merger with Starcom Holding AD. From 1996 to 2000 he was a member of the Management Board of IC Euroins AD, and was also a representative of the Deputy Chairperson of the Supervisory Board of Euroins - Health Insurance AD.</p>
<p>Information on coercive administrative measures and penalties or public incrimination in the previous 5 years</p>	<p>During the last 5 years, the person has been imposed the following administrative penalties (fines), which have entered into force and / or are subject to appeal as of the date of the Prospectus:</p> <p>In his capacity of a member of the Management Board of Eurohold Bulgaria AD has been imposed an administrative penalty - a fine in the amount of BGN 10,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, first proposal, hypothesis two, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-900/18.10.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree is subject to appeal before court and, accordingly, has not entered into force;</p> <p>In his capacity of a member of the Management Board of Eurohold Bulgaria AD has been imposed an administrative penalty - a fine in the amount of BGN 10,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, first proposal, hypothesis third, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-898/18.10.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree was upheld by the court;</p> <p>In his capacity of a member of the Management Board and representative of Eurohold Bulgaria AD has been imposed an administrative sanction - fine in the amount of BGN 600 per week on the grounds of Art. 287, para. 1 of the APC for non-compliance with a coercive administrative measure under decree R-11-1/05.01.2021 of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division.</p> <p>During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
<p>Name</p>	<p>Velislav Milkov Christov</p>
<p>Function within the Issuer</p>	<p>Member of the Management Board</p>
<p>Business address</p>	<p>Sofia, 43, Christopher Columbus Blvd.</p>
<p>Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer</p>	<ul style="list-style-type: none"> ◆ Starcom Holding AD –member of the Board of Directors and shareholder holding 15 % of the capital; ◆ IC EIG Re EAD – member of the Supervisory Board; ◆ Starcom Finance EAD – Chairman of the Board of Directors; ◆ PJSC Insurance company Euroins, Belarus (former PJSC "IC ERGO") – Chairman of the Supervisory Board; ◆ Euroins Osiguruvanje AD, Skopje, North Macedonia – Chairman of the Board of Directors.
<p>Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years</p>	<p>Current:</p> <ul style="list-style-type: none"> ◆ Wonder Group AD – Chairman of the Supervisory Board. <p>Previous:</p> <ul style="list-style-type: none"> ◆ IC Euroins AD – member of the Management Board until 09.07.2020, as, due to change in the corporate governance system of IC Euroins AD from two-tier to one-tier from 09.07.2020, as at the date of this prospectus the person is not a member of the Supervisory Board
<p>Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years</p>	<ul style="list-style-type: none"> ◆ BM24.BG Ltd. – Sole owner of the capital until 10.04.2017, as at the date of this prospectus the person is not a Sole owner of the capital and the company was dissolved through voluntary liquidation, deleted from commercial register on 10.04.2017. <p>As at the date of this prospectus, there is no information about any other bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>

Relevant professional experience	<p>Velislav Christov has more than 25 years of experience as a lawyer and consultant in the field of civil, commercial, banking and insurance law, as well as over 20 years of experience in business management. His career includes a number of managerial positions as a member of the management and supervisory bodies of banks, insurance companies, public and private commercial companies and the head of the legal departments of the same. Velislav Christov is at the same time a freelance lawyer and holds a Master's degree in Law from the Faculty of Law of the Sofia University.</p>
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity which were upheld; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
Name	Asсен Emanouilov Asenov
Function within the Issuer	Member of the Management Board
Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<ul style="list-style-type: none"> ◆ Avto Union AD – member of the Board of Directors and Executive Director; ◆ Amigo Leasing EAD – Chairman of the Board of Directors; ◆ Auto Italia EAD – Chairman and Executive member of the Board of Directors; ◆ Autoplaza EAD – Chairman of the Board of Directors and legal representative; ◆ Avto Union Service EOOD – Manager; ◆ Bulvaria Varna EOOD – Manager; ◆ Bulvaria Sofia EAD – member of the Board of Directors and Executive Director; ◆ Eurolease Auto EAD – Chairman of the Board of Directors and legal representative; ◆ Eurolease Group EAD – Chairman of the Board of Directors and legal representative; ◆ Eurolease Rent-a-Car EOOD – Manager; ◆ Espace Auto OOD – Manager; ◆ Motohub OOD – Manager ◆ N Auto Sofia EAD – Chairman of the Board of Directors and legal representative; ◆ Sofia Motors EOOD – Manager; ◆ Star Motors EOOD – Manager; ◆ Motobul EAD – Chairman of the Board of Directors; ◆ Benzin Finance EAD – member of the Board of Directors.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Benzin EOOD – Manager; ◆ Eurolease Auto S.A., Romania – Chairman of the Board of Directors; ◆ Eurotruck EOOD – Manager; ◆ Izgrev 5 EOOD – Manager and Sole owner of the capital; ◆ Motobul Express EOOD – Manager; ◆ Rentronics OOD – partner, holding 40 % of the capital; ◆ Forest Park 4 OOD – Manager and partner, holding 50 % of the capital. <p>Current in other legal entities:</p> <ul style="list-style-type: none"> ◆ Association "Athletics Sports Club "Saint George" – member of the Management Board. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Daru Car AD – member of the Board of Directors and Executive Director until 22.04.2020, member of the Board of Directors from 21.01.2021 until 12.03.2021, as at the date of this prospectus the person is not a member of the Board of Directors and/or Executive Director; ◆ Bulvaria Holding EAD (currently VI Lyulin EAD)– Chairman of the Board of Directors and Executive Director until 27.01.2020, as at the date of this prospectus the person is not a Chairman of the Board of Directors and Executive Director; ◆ Motobul EAD – Executive Director until 15.09.2018, as at the date of this prospectus the person is not an Executive Director, but remains member and Chairman of the Board of Directors; ◆ Motobul EOOD – Manager until 26.12.2017, as, due to the reorganization of Motobul EOOD by means of change of the legal form from a sole owned limited liability to a sole owned joint stock company, as at the date of this prospectus the person is not a Manager. <p>Previous in other legal entities:</p> <ul style="list-style-type: none"> ◆ Association "Bulgarian Tennis Federation" - member of the Management Board until 28.02.2020, as at the date of this prospectus the person is not a member of the Management Board.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a	<p>As at the date this prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>

company, was associated in the previous 5 years	
Relevant professional experience	<p>Assen Assenov holds a Master's degree in Accounting and Control and a Bachelor's degree in International Economics Relations from the University of National and World Economy in Sofia. Mr. Assenov has an MBA (<i>Master of Business Administration</i>) in International Accounting Standards and International Business from the University of Economics in Vienna.</p> <p>Assen Assenov began his professional career 11 years ago at Eurohold AD as an accountant. In the period 2002-2004 he was the chief accountant of Eurohold AD. Since the end of 2004, Mr. Assenov was appointed for Executive Director of Eurolease Auto EAD – the leasing company in the structure of Eurohold at that time.</p> <p>Currently, Mr. Assenov is responsible for the leasing and automotive businesses within the group structure of Eurohold Bulgaria AD. Mr. Assenov is the Executive Director of Avto Union AD and manages the Group's leasing companies in Romania and Macedonia; in addition, he manages the car dealer companies selling Nissan, Renault, Dacia, Saab, Opel, Chevrolet, Fiat, Lancia, Alfa Romeo, Mazda, Maserati brands and Castrol and BP motor oil dealer companies (Motobul), all of which are also parts of the subsidiary sub-holding of Eurohold Bulgaria – Avto Union AD.</p>
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the previous 5 years no administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity which were upheld; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>
Name	Razvan Stefan Lefter
Function within the Issuer	Member of the Management Board
Business address	Romania, Bucharest, 30, Alexandru Serbanescu Str.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<p>As at the date of this prospectus, there are no activities performed outside of the Company, which are significant with respect to the Company.</p>
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ RSL Capital Advisors Srl. – Managing Partner and Director; ◆ Mundus Services AD – Member of the Supervisory Board; ◆ Sphera Franchise Group SA – Member of the Board of Directors. <p>Previous:</p> <ul style="list-style-type: none"> ◆ Teroplast SA – Member of the Board of Directors until 01.2021, as at the date of this prospectus the person is not a Member of the Board of Directors; ◆ KJK Caramida Srl. – Member of the Board of Directors until 06.2018, as at the date of this prospectus the person is not a Member of the Board of Directors; ◆ Conpet SA – Member of the Board of Directors until 17.05.2018, as at the date of this prospectus the person is not a Member of the Board of Directors; ◆ Mundus Services AD – Member of the Board of Directors and Executive Director until 01.12.2017, as, due to change in the corporate governance system from one-tier to two-tier from 01.12.2017, as at the date of this prospectus the person is not a Member of the Board of Directors and Executive Director, but a member of the Supervisory Board; ◆ Cemacon SA – Member of the Board of Directors until 08.02.2017, as at the date of this prospectus the person is not a Member of the Board of Directors.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years	<ul style="list-style-type: none"> ◆ Condmag SA – Independent Member of the Board of Directors until 20.07.2015, as at the date of this prospectus the person is not a Member of the Board of Directors and the company is undergoing insolvency proceedings. Company's special administrator has not made any legal claims against Mr. Razvan Lefter, who was an independent member of the Board of Directors of the company at the date the insolvency of the company was declared. As at the date of this prospectus the company is undergoing reorganization proceedings <p>As at the date of this prospectus, there is no information about any other bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.</p>
Relevant professional experience	<p>Mr. Lefter has graduated from the Bucharest Academy of Economic Studies, Bucharest, specialized in banking and stock exchanges (2003). Chartered Financial Analyst (CFA) (2008), specialized as an analyst at ING Bank Global HQ (September 2004 - May 2005), International Relations Manager at ING Bank - Romania (May 2005 - December 2006), trading in securities and equity research in EFG Securities - Romania (January 2007 - November 2011), securities trading in Swiss Capital</p>

	Romania (November 2011 - June 2014). Since June 2014 – Managing Partner at RSL Capital Advisors, Romania where he focuses on private equity investments.
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the last 5 years, the person has been imposed the following administrative penalties (fines), which have entered into force and / or are subject to appeal as of the date of the Prospectus:</p> <p>In his capacity of a member of the Management Board of Eurohold Bulgaria AD has been imposed an administrative penalty - a fine in the amount of BGN 10,000 on the grounds of Art. 221, para. 1, item 4 of POSA for a violation of Art. 100m, al. 1, sentence two, first proposal, hypothesis first, in connection with para. 2, proposal two of the POSA with a penal decree (NP) R-10-913/18.10.2019. of the Deputy Chair of the FSC, in charge of the Supervision of the Investment Activities Division, which penal decree is subject to appeal before court and, accordingly, has not entered into force</p> <p>During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>

PROCURATORS

Name	Hristo Lubomirov Stoev
Function within the Issuer	Procurator
Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	As at the date of this prospectus, there are no activities performed outside of the Company, which are significant with respect to the Company.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Geniponika Management AD – Member of the Board of Directors and Executive Director; ◆ DB Project OOD – Manager; ◆ Intelectnova Ltd. – Manage and partner, holding 50% of the capital. <p>Previous:</p> <ul style="list-style-type: none"> ◆ IT Baseline OOD – Partner holding 1% of the capital until 09.05.2016, as at the date of this prospectus the person is not a Partner in the company.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years	As at the date of this prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.
Relevant professional experience	Mr. Stoev graduated from the University of Mining and Geology "St. Ivan Rilski", Sofia in 1973, degree in "Development of ores and mineral resources". In 1973, he began working at Gorubso Madan Mining. From 1978 to 1983 Mr. Stoev was a research associate at the Minproekt Science Department. In 1985 Mr. Stoev became the Assistant Professor at the University of Mining and Geology "St. Ivan Rilski". At present, Mr. Stoev is a professor and member of the Bulgarian Blasting Engineers Association. Hristo Stoev has a number of publications.
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.

Name	Milena Milchova Guentcheva
Function within the Issuer	Procurator

Business address	Sofia, 43, Christopher Columbus Blvd.
Information on the activities performed as member of a management or supervisory body and/or partner outside of the Issuer where these are significant with respect to the Issuer	<p>Current:</p> <ul style="list-style-type: none"> ◆ Euroins Romania Asigurare-Reasigurare S.A. – Managing Director; ◆ PJSC Insurance company Euroins, Belarus (former PJSC "IC ERGO") – Chairman of the Supervisory Board.
Information on any other activities as a member of an administrative / management/ supervisory body and/or partner at any time in the previous 5 years	As at the date of this prospectus, there is no information on any other activities as a member of a management or supervisory body and/or partner at any time in the previous 5 years.
Details of any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of a management or supervisory body and/or partner of a company, was associated in the previous 5 years	As at the date of this prospectus, there is no information about any bankruptcies, receiverships or liquidations with which the person, acting in the capacity of a member of the administrative, management or supervisory bodies and/or a partner in a company, has been associated with during the previous 5 years.
Relevant professional experience	<p>Milena Guentcheva holds a Master's degree from Moscow City University, Moscow with a Master degree in Foreign Languages and has completed a specialized course in Finance and Organization Management at NBU, Sofia. Fluent in English, French and Russian.</p> <p>Milena Guentcheva has been part of the Eurohold's team for 20 years and during this time she has participated and managed various projects and has gained significant professional knowledge and experience in the insurance field.</p> <p>She has been part of Euroins Insurance Group since the establishment of the company, where her main responsibilities and duties are related to building and developing long-term relationships with corporate clients of the group, as well as monitoring and coordination of insurance activities. For the last 10 years she is the managing director of the Romanian subsidiary of the insurance holding in the Group - Euroins Romania. Prior to joining the holding, Mrs. Gencheva held various administrative and managerial positions in non-governmental organizations and private companies.</p>
Information on coercive administrative measures and penalties or public incrimination in the previous 5 years	<p>During the previous 5 years and as at the date of this prospectus, the person has been imposed an administrative penalty (fine) in the amount of 100,000 Romanian lei on the grounds of Art. 163, para. 4, letter "b" of the Law 237/2015 on the licensing and supervision of the insurance activity and reinsurance and an administrative measure (withdrawal of an approval) on the grounds of Art. 163, para. 5, letter "a" of Law 237/2015 of the Financial Supervision Authority of Romania. The decision imposing the administrative measure and penalty mentioned is subject to court appeal, and, as at the date of this prospectus, the decision of the administrative body has been revoked by the court, but the act of the court issued within the court appeal has not yet entered into force.</p> <p>During the previous 5 years no other administrative penalties and/or coercive administrative measures have been imposed on the person in relation to his activity; he has not been convicted of fraud; in his capacity of a responsible person he has not participated directly or through related parties in any insolvency or receivership proceedings; he has never been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company (including an issuer) or from acting in the management or conduct of the affairs of any company (including an issuer); he has never been officially publicly incriminated and/or sanctioned by statutory or regulatory authorities, including designated professional bodies.</p>

Source: Eurohold Bulgaria AD

12.2. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT CONFLICTS OF INTERESTS

No conflicts of interest, current or potential, arising or likely to arise in connection with the implementation of the above in item 12.1. persons of their obligations to the Issuer and their private interests and / or other obligations.

There are no agreements between shareholders (including the majority shareholder), customers, suppliers and / or other persons according to which members of the management and supervisory bodies or other employees of the company are elected / appointed.

In item 15.2. "Share participations of the administrative, management and supervisory bodies in the capital of the issuer and options on shares of the issuer" below it is indicated which members of the Management and Supervisory Boards of the company hold investments in shares of the Issuer. They have not accepted

restrictions for disposing within a certain time with the shares of the Issuer held by them and such restrictions do not exist. The procurators of the Company do not own investments in shares of the Issuer.

XIII. REMUNERATION AND BENEFITS

13.1. THE AMOUNT OF REMUNERATION PAID (INCLUDING ANY CONTINGENT OR DEFERRED COMPENSATION), AND BENEFITS IN KIND GRANTED TO SUCH PERSONS BY THE ISSUER AND ITS SUBSIDIARIES FOR SERVICES IN ALL CAPACITIES TO THE ISSUER AND ITS SUBSIDIARIES BY ANY PERSON.

According to the adopted Remuneration Policy, the members of the Supervisory and Management Boards and the procurators of the Company receive only a permanent remuneration, which represents 100% of the agreed remuneration.

Information on the remunerations paid to the members of the Management and Supervisory Boards and to the procurators of the company in 2020.

Name and position	Amount of paid permanent gross remuneration by Eurohold Bulgaria for 2020	Amount of total paid permanent gross remuneration and bonuses from companies - part of the Eurohold Bulgaria group for 2020	Total amount of remuneration received and / or accrued by Eurohold Bulgaria and its subsidiaries for 2020
	(in BGN)	(in BGN)	(in BGN)
Supervisory Board			
Asen Hristov	14 640	133 553	148 193
Dimitar Dimitrov	7 200	124 851	132 051
Radi Georgiev	no remuneration agreed and paid	59 304	59 304
Kustaa Lauri Aima	no remuneration agreed and paid	no remuneration agreed and paid	no remuneration agreed and paid
Lubomir Stoev	87 618	no remuneration agreed and paid	87 618
Louise Gabrielle Roman	68 849	no remuneration agreed and paid	68 849
Total remuneration paid to the SB	178 307	317 708	496 015
Management Board			
Kiril Boshov	24 000	550 199	574 199
Asen Minchev	75 600	53 760	129 360
Velislav Hristov	no remuneration agreed and paid	119 126	119 126
Asen Assenov	12 000	277 148	289 148
Razvan Lefter	no remuneration agreed and paid	no remuneration agreed and paid	no remuneration agreed and paid
Total remuneration paid to the MB	99 600	1 000 233	1 099 833
Procurators			
Hristo Lubomirov Stoev	13 320	no remuneration agreed and paid	13 320
Milena Miltchova Guentcheva	no remuneration agreed and paid	3 898	3 898
Total remuneration paid to the Procurators	13 320	0	17 218

Source: Eurohold Bulgaria AD

The permanent gross remuneration paid by Eurohold Bulgaria AD to the members of the Supervisory Board is in accordance with the agreements in the current contract for control of the respective member, to the members of the Management Board according to the agreements in the current contract for assignment of management to the respective member. power of attorney contract.

The members of the management, control bodies and the procurators do not have concluded employment, civil and / or consulting contracts with the Issuer and / or any of its subsidiaries.

Eurohold Bulgaria AD and its subsidiaries pay to the members of the Supervisory and Management Boards, as well as to the procurators of the Company, fixed and agreed permanent remuneration on a monthly basis, without paying conditional or deferred compensations and compensations in kind.

Eurohold Bulgaria AD has adopted and applies the Remuneration Policy of the members of the Supervisory and Management Boards, in connection with the implementation of their responsibilities and obligations for the control and management of the company's activities and with a view to reliable and effective risk management and avoidance of conflicts of interest. The remuneration policy is available on the Issuer's website www.eurohold.bg.

According to the Remuneration Policy, the members of the Supervisory and Management Boards may receive different amounts of remuneration. Also, the GMS, respectively the Supervisory Board may not decide to receive a permanent remuneration from a member of the Supervisory Board, respectively the Management Board, after the explicit consent of this member and the same applies to the procurators of the Company. In this regard, some of the members of the management or supervisory bodies of Eurohold Bulgaria AD do not have an agreed remuneration and respectively in 2020 such remuneration was not paid to them.

According to the remuneration policy, the members of the Supervisory and Management Boards, as well as the procurators, may receive other remunerations, including fixed and variable, agreed by subsidiaries of Eurohold Bulgaria AD, in which they perform management and / or control functions.

The Issuer and the members of the Management and Supervisory Board, as well as with the procurators, have not agreed any payment of amounts for compensations upon termination of a contract with, , regardless of the reason for termination of the person's functions. In the reporting year 2020 there is no case of early termination of their management contracts, management or power of attorney with a member of the supervisory or management board or with a procurator of the Company, both by the Issuer and its subsidiary.

The issuer or its subsidiary has no agreed obligations to the members of the supervisory and management boards, as well as to the procurators of the company for payment of additional (variable) remuneration linked to the results of the activity in the form of profit distribution or in the form of shares and / or stock options and / or other incentive schemes based on shares or in any other form of incentive.

Eurohold Bulgaria AD, as well as its subsidiaries, does not pay at its own expense contributions for additional voluntary pension insurance to the Executive Director, as well as to the members of the Supervisory Board, the Management Board, incl. and the procurators.

Due to the lack of the arrangements described above, the members of the Management and Supervisory Boards and the procurators, as well as the Issuer and its subsidiaries, have not been paid such amounts, nor have they been provided in kind.

13.2. THE TOTAL AMOUNTS SET ASIDE OR ACCRUED BY THE ISSUER OR ITS SUBSIDIARIES TO PROVIDE FOR PENSION, RETIREMENT OR SIMILAR BENEFITS.

The Issuer, as well as its subsidiaries, do not set aside or accrue amounts for pensions, other retirement benefits or other similar benefits to the persons holding managerial and control functions, including the procurators of the company.

XIV. BOARD PRACTICES

14.1. DATE OF EXPIRATION OF THE CURRENT TERM OF OFFICE, IF APPLICABLE, AND THE PERIOD DURING WHICH THE PERSON HAS SERVED IN THAT OFFICE.

The following tables present detailed information on the parameters of the concluded contracts for control with the supervisory bodies and the contracts for management with the management bodies, as well as the concluded contracts for power of attorney with the procurators of the company.

Information on the contracts of the members of the Supervisory and Management Boards of the Company

Name and position	Date of appointment	Term of the mandate, according to art. 33 (2) and Art. 43 (2) of the Articles of Association	Possibility for extension of the contract	Term of the ontracy	Term of notice for termination	Term of office
Supervisory Board						
Asen Hristov	12.12.2006	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Dimitar Dimitrov	12.12.2006	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Radi Georgiev	17.04.2015	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Kustaa Lauri Aima	27.07.2017	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Lubomir Stoev	27.07.2017	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Louise Gabrielle Roman	27.11.2018	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Management Board						
Kiril Boshov	12.12.2006	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Asen Minchev	12.12.2006	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Velislav Hristov	22.10.2012	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office
Asen Assenov	20.08.2009	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of

						the term of office
Razvan Lefter	22.08.2017	5 years	unlimited	until the end of the term of office	without notice from the date of appointment until the termination of the term of office	from the date of appointment until the termination of the term of office

Source: Eurohold Bulgaria AD

Information about the contracts of the procurators of the Company

Name and Position	Date of appointment	Term of the mandate, according to art. 33 (2) and Art. 43 (2) of the Articles of Association	Possibility for extension of the contract	Term of the ontracy	Term of notice for termination	Term of office
Procurators						
Hristo Lubomirov Stoev	10.02.2016	Not applicable	Not applicable	until the withdrawal of the power of attorney	Without prior notice	from the date of appointment to the withdrawal of the power of attorney
Milena Miltchova Guentcheva	22.12.2020	Not applicable	Not applicable	until the withdrawal of the power of attorney	Without prior notice	from the date of appointment to the withdrawal of the power of attorney

Source: Eurohold Bulgaria AD

14.2. INFORMATION ABOUT MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES' SERVICE CONTRACTS WITH THE ISSUER OR ANY OF ITS SUBSIDIARIES PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT, OR AN APPROPRIATE STATEMENT TO THE EFFECT THAT NO SUCH BENEFITS EXIST.

The members of the Supervisory and Management Boards of the Issuer, as well as its procurators have not concluded service contracts with Eurohold Bulgaria AD and / or its subsidiary and such fees for services have not been paid in any form.

The contracts of the members of the Supervisory and Management Boards, as well as of the procurators, concluded by the Issuer or any of its subsidiaries do not provide for compensations upon termination of employment.

14.3. INFORMATION ABOUT THE ISSUER'S AUDIT COMMITTEE AND REMUNERATION COMMITTEE, INCLUDING THE NAMES OF COMMITTEE MEMBERS AND A SUMMARY OF THE TERMS OF REFERENCE UNDER WHICH THE COMMITTEE OPERATES.

Information on the Issuer's audit committee

As of the date of preparation of the Prospectus, the company has established an Audit Committee. In 2009 the General Meeting of Shareholders of Eurohold Bulgaria AD elected an Audit Committee of the company as of 26.05.2009. Its members with a term of 3 years include Dimitar Stoyanov Dimitrov, Ivan Georgiev Mankov, Milena Vasileva Avramova. By decision of the General Meeting of Shareholders, as of May 26, 2012, the members of the Audit Committee were elected for a new term of office for a term of 5 years. At the General Meeting of Shareholders held on 30.06.2017, a new audit committee was elected for a term of 3 years consisting of Dimitar Stoyanov Dimitrov, Ivan Georgiev Mankov and Rositsa Mihailova Pencheva,

in accordance with Art. 107 of the Independent Financial Audit Act (IASA) (promulgated in SG No. 95 of 29 November 2016).

At the General Meeting of Shareholders held on 30.09.2020, it adopted a new statute (rules of operation) of the audit committee and decided to renew the mandate of the members of the existing audit committee with a new 5 (five) year term.

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

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

Functions of the Audit Committee are listed below:

- to inform the management or control bodies of the company about the results of the obligatory audit and the reliability of the financial reporting;
- monitor the financial reporting process and make recommendations and suggestions to ensure its effectiveness;
- monitor the effectiveness of the internal control system, the risk management system and the internal audit activity with respect to the financial reporting of the audited entity;
- to monitor the obligatory audit of the annual financial statements, including its implementation, taking into account the findings and conclusions of the Commission for application of Art. 26 (6) of Regulation (EU) N° 537/2014;
- to check and monitor the independence of registered auditors in accordance with the requirements of the law;
- to conduct a procedure for selection of a registered auditor and to recommend his appointment;
- to notify the Commission, as well as the management and supervisory bodies of the enterprise for each given approval under art. 64, para. 3 of the IFAA and Art. 66, para. 3 of the IFAA.

Composition of the Audit Committee and function performed:

AUDIT COMMITTEE
Ivan Georgiev Mankov – independent member and Chairman
Dimitar Stoyanov Dimitrov - member and Chairman
Rositsa Mihailova Pencheva - independent member and Chairman

Source: Eurohold Bulgaria AD

Information on the Issuer's Remuneration Committee

The issuer has not appointed a remuneration committee. The functions of the Remuneration Committee are performed by the Supervisory Board of Eurohold Bulgaria AD, within the meaning of Art. 21, para. 3 of Ordinance N° 48 of the FSC.

The Supervisory Board of Eurohold Bulgaria AD as body performing the functions of the Remuneration Committee has the following powers:

- To prepare and propose for approval by the General Meeting of Shareholders a remuneration policy;
- To approve the individual remuneration of the members of the Management Board and the Executive Directors, in compliance with this Policy, as well as to evaluate the work of the Executive Directors;
- If necessary, to give recommendations to the Management Board and the Executive Directors of Eurohold Bulgaria AD in determining the remuneration of the employees of other management positions;
- To monitor the level and structure of the remuneration of the executive directors and other managerial positions in the company;
- To monitor and control the observance and compliance of the practices for application of the approved Remuneration Policy, for which they have the right to access information, which allows them to exercise this power.

The members of the Supervisory Board shall exercise their remuneration policy functions independently and in good faith and shall have the right to use a consultant for the purpose of obtaining information on market standards for remuneration systems, after ascertaining the absence of a conflict of interest and the conditions described in Art. 22, para. 3 of Ordinance № 48 of the Financial Supervision Commission of March 20, 2013 on the requirements for remuneration. The Supervisory Board reports to the General Meeting of Shareholders on the exercise of its functions as a remuneration committee.

14.4. DECLARATION BY THE ISSUER FOR COMPLIANCE WITH THE CORPORATE GOVERNANCE REGIMES APPLICABLE TO IT.

Eurohold Bulgaria AD shall, as appropriate, comply with the National Corporate Governance Code (NCGC), approved by the Financial Supervision Commission and shall carry out its activities in full compliance with the principles and provisions of the Code.

The Corporate Governance Statement of Eurohold Bulgaria AD is an integral part of the Annual Activity Report for the respective year, which is approved by the Management Board of the company.

The annual financial statements and the corporate governance statement contained therein are available on the Issuer's website www.eurohold.bg.

14.5. POTENTIAL MATERIAL IMPACTS ON THE CORPORATE GOVERNANCE, INCLUDING FUTURE CHANGES IN THE BOARD AND COMMITTEES COMPOSITION (IN SO FAR AS THIS HAS BEEN ALREADY DECIDED BY THE BOARD AND/OR SHAREHOLDERS MEETING).

As of the date of preparation of this Registration Document, no future changes with potential impact on the corporate governance of Eurohold Bulgaria AD are planned, respectively approved, including changes in the composition of the members of the Supervisory or Management Board and the manner of representation of the Company. At the end of 2020, a second procurator of the issuer was appointed, while maintaining the way of representing the company, namely one executive member and one procurator.

During the financial year 2020 and from the beginning of the current 2021, until the date of this document, there have been no significant changes in the corporate governance of the Issuer.

XV. EMPLOYEES

15.1. NUMBER OF EMPLOYEES AT THE END OF THE PERIOD OR THE AVERAGE FOR EACH FINANCIAL YEAR FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION UP TO THE DATE OF THE REGISTRATION DOCUMENT

Number of employees

During the considered historical period from 2017 to the date of the prospectus, the following employees of the employment contract were employed:

- at the end of 2017, 6 employees were appointed;
- at the end of 2018, 10 employees were appointed;
- at the end of 2019, 15 employees were appointed;
- at the end of 2020, 15 staff were recruited;
-

As of the date of preparation of the Registration Document, the number of persons employed under an employment contract in all companies of the Eurohold Group is 2,936, of which 1,156 are employed in Bulgaria, respectively 540 in Romania, 239 in Macedonia, 44 in Greece, 299 in Ukraine, 171 in Georgia, 382 in Russia and 105 in Belarus.

Eurohold Bulgaria AD does not employ temporary employees.

Since the establishment of Eurohold Bulgaria AD until now there are no trade unions of employees.

15.2. SHAREHOLDINGS AND STOCK OPTIONS

Name and position	Number of shares owned	Name and position	Number of shares owned
Supervisory Board		Management Board	
Asen Christov - Chairperson of the Supervisory Board	does not own	Kiril Boshov, Chairperson	does not own
Dimitar Dimitrov, Deputy Chairperson	200	Asen Minchev Minchev, Executive Director	does not own
Radi Georgiev, member;	does not own	Velislav Christov, member	200
Kustaa Lauri Äimä, Independent member	does not own	Assen Assenov, Member	67 400
Lyubomir Stoev, Independent Member	does not own	Razvan Lefter, member	does not own
Luisse Gabrielle Roman, member	does not own		
Total number of shares held by the members of the Supervisory Board	200	Total number of shares held by the members of the Management Board	67 600

Source: Eurohold Bulgaria AD

Name and position of the Procurators	Number of shares owned
Supervisory Board	
Hristo Lubomirov Stoev	does not own
Milena Miltchova Guentcheva	does not own
Total number of shares held by the Procurators	does not own

Source: Eurohold Bulgaria AD

At present, the company does not provide the members of the supervisory and management boards, as well as the procurators with options on shares or shares and / or other incentive schemes based on the company's shares. Due to this circumstance, none of the members of the Supervisory or Management Board or the procurators have options on shares of the Issuer.

The members of the Management Board and the Supervisory Board and the Procurators of the Company may freely acquire shares from the capital of the Issuer, as well as bonds issued by it on a regulated securities market in compliance with the provisions of the Anti-Market Abuse Measures Act and the applicable European regulation, as well as the Law on Public Offering of Securities.

As of the date of this document, the members of the Management Board and the Supervisory Board and the procurators do not hold bonds issued by the Company.

15.3. DESCRIPTION OF ANY ARRANGEMENTS FOR INVOLVING THE EMPLOYEES IN THE CAPITAL OF THE ISSUER.

As of the date of preparation of this document no agreements or other agreements have been reached with the employees of Eurohold Bulgaria AD for their participation in the capital of the Company.

In favor of the employees of the Issuer, no options have been issued for acquisition of shares by the Company.

XVI. MAJOR SHAREHOLDERS

16.1. PERSONS that have DIRECTLY OR INDIRECTLY PARTICIPATION IN THE CAPITAL OR IN THE SHARES WITH THE RIGHT TO VOTE OF THE ISSUER, SUBJECT TO DISCLOSURE IN ACCORDANCE WITH NATIONAL NATIONALITY

As of the date of this document, the authorized capital of Eurohold Bulgaria AD amounts to BGN 197,525,600, divided into 197,525,600 ordinary shares with a nominal value of BGN 1 (one) each. All shares are paid. All issued shares are of the same class and give 1 (one) voting right in the general meeting of shareholders.

The table below shows information on the shareholder structure of Eurohold Bulgaria AD as of the date of the Prospectus.

Shareholding structure

Shareholder	Seat	Votes in the GNS	%
Persons holding nominally over 5 per cent of the voting shares of the Issuer as of the date of the Prospectus, including:		170 984 421	86.56%
Starcom Holdin AD	Bulgaria, Etropole	98 924 841	50.08%
KJK FUND II SICAV-SIF BALKAN DISCOVERY	Luxembourg	28 116 873	14.23%
Blubeard Investment Limited	British Virgin Islands	19 672 400	9.96%
Specialized Logistic Systems AD	Bulgaria, Sofia	12 186 009	6.17%
POD-Badeshe, through UPFund, SPFund and PPFund	Bulgaria, Sofia	12 084 298	6.12%
Other legal entities		21 945 451	11.11%
Other natural persons		4 595 728	2.33%
TOTAL		197 525 600	100.00%

Source: Eurohold Bulgaria AD

In addition to the above persons, indirect participation in the Issuer in the amount of over 5 percent, through its shareholding in the capital of a majority shareholder in the Issuer Starcom Holding AD, also has the following person:

Asen Milkov Hristov - through its shareholding in the amount of 51% in Starcom Holding AD - majority shareholder in the Issuer, the person has an indirect participation in the Issuer in an amount equal to the participation of Starcom Holding AD in the Issuer or 50.08%;

Apart from the above-mentioned persons, the Issuer is not aware of any other natural or legal persons who directly or indirectly own in the hypotheses of Art. 145 and the following from LPOS share participation in the amount of 5 or more per cent of the voting shares in the General Meeting of the Issuer.

There are no natural persons shareholders who directly own more than 5 percent of the voting shares in the General Meeting of the Issuer.

The majority shareholder in the Issuer is Starcom Holding AD. Starcom Holding AD is a holding company registered in the Republic of Bulgaria, which carries out its activities in accordance with Bulgarian legislation. As of the date of the Registration Document, Starcom Holding has a controlling interest of 50.08% of the voting rights in the capital of Eurohold Bulgaria AD.

KJK FUND II SICAV-SIF BALKAN DISCOVERY is the second major shareholder in Eurohold Bulgaria AD, which has a qualifying holding in the capital of the Issuer. As of the date of this document KJK FUND II SICAV-SIF BALKAN DISCOVERY holds 14.23% of the issued shares from the capital of the Issuer.

Information about the majority shareholder Starcom Holding AD („STARCOM HOLDING“ JSC)

Registration and legal form - Starcom Holding AD is a joint stock company entered in the Commercial Register, kept by the Registry Agency of the Republic of Bulgaria with UIC 121610851, with registered office and address: 191, Ruski Blvd., Etropole 2180.

The registered capital of the company amounts to BGN 66,900,000, divided into 669,000 ordinary, registered, available shares with a nominal value of BGN 100 each. The company's shares are not traded on a regulated market.

The subject of activity of Starcom Holding AD is acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, assignment of licenses for use of patents to companies in which the company participates, financing of companies in which the company participates, any other economic activity not prohibited by law, in compliance with the special procedure for its implementation.

Management and Representation System - Starcom Holding AD has a one-tier management system - a Board of Directors consisting of three people, namely: Asen Milkov Hristov - Executive Director, Kiril Ivanov Boshov - Chairman of the Board of Directors and Velislav Milkov Hristov - Member of the Board of Directors. Starcom Holding AD is represented by the Executive Director Asen Hristov.

There are family ties between the members of the Board of Directors. Asen Hristov and Velislav Hristov are relatives of the second degree in the collateral line (brothers).

Duration of existence - According to Art. 5 of the Articles of Association of Starcom Holding AD, the company will exercise its activity for an indefinite period.

Investments owned by the majority shareholder:

Starcom Holding	Country/Country of registration	Main scope of activity	Number of shares/units	Nominal value per 1 share	% participation in the share capital as of the date of the Registration Document
Subsidiaries:					
Eurohold Bulgaria AD	Bulgaria	Holding company - acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies	197 525 600	1 BGN	Starcom Holding - 50.08% (as of 31.12.2020); - 50.08% (currently)
First Investment Bank AD	Russia	Banking activity on the territory of the Russian Federation	19 750 000	10 RUB	Starcom Holding - 92.09%
Quintar Capital Limited	Hong Kong	Asset management	7 900 000	1 HKD	Starcom Holding - 100%
Hanson Asset Management	The United Kingdom	Asset management	15 082	1 GBP	Starcom Holding - 87.80% (as of 31.12.2020); - 88.56% (currently)
Starcom Finance EAD	Bulgaria	Financial leasing, guarantee transactions, acquisitions of loan receivables and other forms of financing	1 050 000	1 BGN	Starcom Holding - 100%

Source: Eurohold Bulgaria AD

Of the investments owned by the majority shareholder, only Eurohold Bulgaria AD has subsidiaries. Eurohold Bulgaria AD together with all its subsidiaries forms the Eurohold Group. Information about the Eurohold Group is presented in detail in this Registration Document in item VI. "Organizational structure".

16.2. INFORMATION ON THE VOTING RIGHTS OF THE MAJOR SHAREHOLDERS

Voting rights held by the majority shareholder

Starcom Holding AD as a majority shareholder in Eurohold Bulgaria AD does not have different voting rights at the General Meeting of Shareholders.

All issued shares of the company are ordinary, registered, dematerialized, with the right to one vote at the General Meeting of Shareholders, the right to dividend and the right to liquidation share.

16.3. INFORMATION ON DIRECT OR INDIRECT CONTROL OVER THE ISSUER AND THE MEASURES INTRODUCED TO PREVENT ABUSE WITH SIMILAR CONTROL OVER THE ISSUER

Direct and indirect control exercised over the Issuer:

➤ Direct control

Exercised direct control over the Company - Eurohold Bulgaria AD is not directly dependent on other entities within the group, except for the majority owner of the capital - Starcom Holding AD, which owns 50.08% (as of the date of preparation of this report) of the capital of Eurohold Bulgaria AD.

➤ Indirect control

Indirect control within the meaning of § 1, item 14, letter a) of the Additional Provisions of the Public Offering of Securities Act on the company is exercised by the natural person, namely:

- Assen Milkov Christov, who exercises indirect control over the Company, insofar as the person owns 51% of the capital of Starcom Holding AD.

Beneficial owners

In accordance with the requirements and within the meaning of the Act on Measures against Money Laundering (AML), Eurohold has disclosed the following beneficial owners - individuals - on its account in the Commercial Register: Assen Milkov Christov and Kiril Ivanov Boshov, each of them as a natural person who directly or indirectly owns a sufficient percentage of the shares, stakes or voting rights, including through holding bearer shares, according to §2, para. 1, item 1 of the Additional provisions of the AML.

In this regard, Eurohold Bulgaria AD is indirectly dependent on natural persons - beneficial owners - within the meaning of § 2, para. 1, item 1 of the Additional Provisions of the Law on Money Laundering (Law on Measures against Money Laundering), namely:

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

Measures against abuse of control

Art. 118 of the POSA regulates the conditions for exercising the rights of minority shareholders, namely - shareholders who together or separately own at least 5 percent of the capital of a public company. They have the right in case of inaction of the management bodies of the Issuer, which endangers the interests of the company to bring before the court the claims of the company against third parties.

Persons holding together or separately at least 5 percent of the capital of a public company also have the right to file a claim before the district court at the registered office of the company for damages caused to the company by actions or omissions of the members of the management and control bodies. and the procurators of the company. According to Art. 118a of the Public Offering of Securities Act, minority shareholders may also file a claim against a person who controls a public company, as well as any other person who, through his influence on the public company, has persuaded a member of its management or supervisory bodies or its procurator to act or refrain from acting. not in the interest of the company, for the damages caused to the company.

Persons holding together or separately at least 5 percent of the Issuer's capital have the right to request from the general meeting or from the district court the appointment of controllers to check all the accounting documentation of the company and to prepare a report on their findings; as well as to request from the district court to convene a general meeting or to authorize their representative to convene a general meeting according to an agenda determined by them.

Imperative measures for limiting the control are also provided in Art. 223a of the CA, in connection with Art. 118, para. 2, item 4 of LPOS, which regulates the right of shareholders holding together or separately at least 5 percent of the capital for a period of at least 3 months to request the inclusion of issues and to propose solutions to issues already included in the agenda of. General Assembly. No later than 15 days before the opening of the General Meeting, they shall submit for announcement in the Commercial Register a list of issues that they wish to be included in the agenda and proposals for decisions. With the announcement in the commercial register, the issues are considered included in the proposed agenda.

Article 227 of the CA introduces a requirement for a quorum - a decision to amend and supplement the articles of association, transformation and termination of the company, increase or decrease of the capital are taken only if at least half of the capital is presented at the general meeting. A majority of 2/3 of the represented capital is required for making these decisions, and a majority of 3/4 of the voting shares presented at the meeting is required for making a decision for transformation.

In accordance with the provisions of Art. 114 et seq. Of LPOS, any transaction between the Issuer, on the one hand, and an interested person within the meaning of Art. 114, para. 7 of LPOS (as an interested person is also considered a shareholder with direct or indirect participation of 25 and over 25 percent of the votes in the general meeting of shareholders, or respectively - persons related to such shareholder), on the other hand, is subject to approval by the general meeting of the Issuer, in case as a result of this transaction the company acquires, transfers, receives or provides for use or as collateral in any form assets with a total value over 2% of the lower value of the assets according to the last two prepared balance sheets of the company, at least one of which has been audited and which have been disclosed publicly under Art. The interested persons may not exercise their right to vote in the cases of transactions under the previous sentence, as in determining the quorum for decision-making all votes submitted to the General Meeting are taken into account, and in determining the majority for taking decision does not include the votes of stakeholders. The Issuer's Articles of Association do not provide for additional measures against abuse of control.

In order to prevent the abuse of control and equal treatment of all shareholders, Eurohold Bulgaria AD has adopted and implements a Good Corporate Governance Program. This program regulates the main guidelines and principles of good corporate governance of Eurohold Bulgaria AD, in accordance with internationally recognized standards and in compliance with the provisions of Bulgarian laws and regulations. Each investor can get acquainted with the program on the Issuer's website www.eurohold.bg.

The capital of the company has not been increased by in-kind contributions. The company has not issued shares that do not represent capital. As of the date of the Prospectus, all shares issued by Eurohold Bulgaria AD provide their holders with the right to vote at the General Meeting of the Company.

16.4. DESCRIPTION OF ANY ARRANGEMENTS, THE OPERATION OF WHICH MAY AT A SUBSEQUENT DATE RESULT IN A CHANGE IN CONTROL OF THE ISSUER

The Issuer is not aware of any existing or future arrangements that may give rise to a change in control of the Issuer at a later date.

XVII. RELATED PARTY TRANSACTIONS

17.1. INFORMATION ON TRANSACTIONS BETWEEN RELATED PARTIES CONCLUDED BY THE ISSUER SINCE THE BEGINNING OF THE PERIOD, COVERED BY THE INFORMATION FOR PAST PERIODS AND TO THE DATE OF THE DATE.

In identifying and disclosing related parties, the company complies with the requirements of IAS 24.

From the date of the last audited annual financial statement for 2019 until the date of the Registration Document there are no transactions or proposals for transactions with related parties that are significant for the Issuer or its subsidiary and are unusual in type and conditions.

Individuals are considered to be related when one is able to control the other or exercise significant influence over it in making material decisions related to the Group's operations.

Related parties' transactions - members of management and supervisory bodies and key personnel of the Issuer

Net remuneration in BGN	Net remuneration for 2017	Net remuneration for 2018	Net remuneration for 2019	Net remuneration for 2020	Net remuneration from 01.01.2021 until the date of the prospectus
Supervisory Board					
Asen Christov	14 640	14 640	14 640	14 640	2 440

Dimitar Dimitrov	7 200	7 200	7 200	7 200	1 200
Luise Gabrielle Roman	-	-	47 772	87 618	15 646
Lubomir Stoev	-	46 940	93 880	68 849	
Management Board					
Kiril Boshov	24 000	24 000	24 000	24 000	4 000
Asen Minchev	26 400	33 600	80 640	75 600	13 440
Dimitar K. Dimitrov	12 000	12 000	11 474	-	-
Assen Assenov	12 000	12 000	12 000	12 000	2 000
Procurators					
Hristo Stoev	12 720	12 720	13 320	13 320	2 220
Milena Guentcheva	-	-	-	-	-

Source: Eurohold Bulgaria AD

During the historical periods under review, Eurohold Bulgaria AD carried out transactions with related parties, members of management and supervisory bodies and key personnel only in the form of monthly remuneration. According to the adopted remuneration policy of the Issuer, at present the members of the Management and Supervisory Boards and the Procurator are paid only a fixed monthly remuneration. The remuneration of the members of the Supervisory Board is determined by the General Meeting of Shareholders, while the remuneration of the Management Board and the Procurator of the company is determined by the Supervisory Board. Some of the members of the Supervisory and Management Boards do not have an agreed remuneration with the Issuer, due to which such remuneration has not been paid, due to which no transactions have been carried out with these persons during the historical periods under consideration.

Transactions and balances with subsidiaries

Within Eurohold Bulgaria AD, transactions between the Issuer and the subsidiaries arising from the nature of their main activity are also performed on a permanent basis. An important goal of Eurohold Bulgaria AD is to realize significant synergy between the three subholdings of the Group - Euroins Insurance Group AD, Eurolease Group EAD and Avto Union AD. The transactions between the related parties represent purchase and sale of vehicles, leasing of vehicles, insurance and health insurance services, rent of office premises, rent of vehicles, interest on loans, etc. All transactions are concluded on a one-stop-shop basis. Typical are the transactions between the parent company and the subsidiaries, in which the liquidity of the individual companies is managed through intragroup loans and an investment policy is conducted. All loans granted by and to Eurohold Bulgaria AD are concluded without requiring collateral and at interest rates that are consistent with market conditions for the country.

The tables below show information on the carrying amounts of transactions between the Issuer and its related parties at the end of the historical periods 2017 - 2019 (data on audited annual financial statements of the Issuer) and the latest prepared unaudited interim financial statements of Issuer 31.12.2020

In connection with these transactions as of 31.12.2020 and as of the comparable period 31.12.2019 the Company has incurred revenues and expenses from and to related parties, as follows:

Related parties' transactions – transactions volume	2017 000'BGN	2018 000'BGN	2019 000'BGN	2020 000'BGN
Dividend income:		547	669	547
Euro-Finance AD	265	209	669	547
Interest income on loans to related parties:	1 584	838	3	-
Avto Union AD	674	340	-	-
Starcom Holding	-	405	-	-
Euroins Insurance Group AD	910	92	2	-
Eurolease Group AD	-	1	1	-
Interest expenses on loans and leases received from related parties:	1064	276	1 715	2 642
Starcom Holding	877	5	154	1 069
Euroins Insurance Group AD			365	755
Avto Union AD			23	242
Auto Union Service EOOD			5	9
Eurolease Group EAD	1	1		
Eurolease Auto EAD	185	251	850	261

<i>Incl. leasing</i>			5	7
Motobul EAD		19	304	280
Star Motors EOOD			14	26
Expenses on operations with investments to related parties:	-	85	23	61
Euro-Finance AD	-	85	23	61
Other financial expenses to related parties:	114	17	6	3
Euro-Finance AD	114	17	6	3
Expenses for services provided by related parties:	3	1	9	2
Eurolease Auto EAD	1	-	7	-
Bulvaria Holding EAD	2	1		
Auto Italia EAD	-	-	2	1
Auto Italia - Sofia EOOD – related party untill 30.12.2020	-	-	-	1
Othe expenses to related parties:			(6)	(6)
IC Euroins AD			(1)	(1)
Motobul EAD			(5)	(5)
Other income from related parties:	241	240	403	619
IC Euroins AD	24	43	54	86
Star Motors EOOD	5	5	5	-
Euroins Romania Asigurare-Reasigurare S.A., Romania	158	135	135	162
Bulvaria Varna EOOD	5	5	5	-
Auto Union Service EOOD	22	26	26	3
Daru Car AD	22	21	25	3
Auto Italia EAD	5	5	5	-
Eurolease Auto EAD	-	-	11	-
Hanson Asset Management Ltd, UK – rent office	-	-	137	358
Euroins Osiguruvanie AD, North Macedonia	-	-	-	7

Source: Eurohold Bulgaria AD

During the presented reporting periods the Company has made the following investment and financial transactions in which no cash or cash equivalents have been used and which are not reflected in the cash flow statement:

Transactions with subsidiaries and other related parties under common control

2019

- The company has made a SWAP deal with Euroins Romania, having bought back 4 pcs. ECP with ISIN: XS1811833737 with a face value of EUR 400,000 worth EUR 398,000 and at the same time replaced it with 4 newly issued ECPs with ISIN: XS1984471612 for EUR 392,000.
- The company has made a SWAP deal with Euroins Bulgaria, having bought back 6 pcs. ECP with ISIN: XS1811833737 with a face value of EUR 600,000 worth EUR 597,000 and 17 pcs. ECP with ISIN: XS1819580579 with a face value of EUR 1,700,000 worth EUR 1,691,500 and at the same time replaced it with 24 newly issued ECPs with ISIN: XS1984471612 for EUR 2,352,000.
- The company has made a SWAP deal with Euroins Romania, having bought back 82 units. ECP with ISIN: XS1796869961 with a face value of EUR 8,200,000 worth EUR 8,167,200 and at the same time replaced it with 84 newly issued ECPs with ISIN: XS1966018308 for EUR 8,232,000.
- The company has made a SWAP deal with IC EIG RE EAD, having bought back 11 pcs. ECP with ISIN: XS1796869961 with a face value of EUR 1,100,000 worth EUR 1,094,500 and at the same time replaced it with 11 newly issued ECPs with ISIN: XS1966018308 for EUR 1,078,000.
- The company has made a SWAP deal with EUROLEASE AUTO EAD, having bought back 8 pcs. ECP with ISIN: XS1796869961 with a face value of EUR 800,000 worth EUR 796,000 and at the same time replaced it with 8 newly issued ECPs with ISIN: XS1966018308 for EUR 784,000.

- The company has made a SWAP transaction with IC EUROINS AD, having bought back 16 units. ECP with ISIN: XS1796869961 with a face value of EUR 1,600,000 worth EUR 1,592,000 and at the same time replaced it with 16 newly issued ECPs with ISIN: XS1966018308 for EUR 1,568,000.

2020

- The Company, in its capacity as a borrower on a loan with Starcom Holding AD and on a loan with Avto Union AD, has set off the amount of BGN 4,150 thousand in reduction of the loan principal with Starcom Holding AD and increase of the loan principal with Avto Union AD, as the cash flows are settled directly between Starcom Holding AD and Avto Union AD in three tranches.
- The company has made a SWAP transaction with IC EIG RE EAD, having bought back 6 pcs. ECP with ISIN: XS1966018308 with a face value of EUR 600,000 worth EUR 599,400 and at the same time replaced it with 6 newly issued ECPs with ISIN: XS2141135975 for EUR 588,000.
- The company has made a SWAP transaction with IC Euroins AD, having bought back 114 units. ECP with ISIN: XS1966018308 with a face value of EUR 11,400,000 worth EUR 11,388,600 and at the same time replaced it with 116 newly issued ECPs with ISIN: XS2141135975 for EUR 11,368,000.
- The company has made a SWAP transaction with IC Euroins AD, having bought back 45 units. ECP with ISIN: XS1984471612 with a face value of EUR 4,500,000 worth EUR 4,455,000 and at the same time replaced it with 45 newly issued ECPs with ISIN: XS2157195020 for EUR 4,410,000.
- The company has made a SWAP transaction with IC Euroins AD, having bought back 1 piece. ECP with ISIN: XS2205084127 with a face value of EUR 100,000 worth EUR 99,400 and at the same time replaced it with 100 newly issued bonds with ISIN: BG2100013205 for EUR 100,000.
- With a debt replacement agreement, the main shareholder Starcom Holding AD assumes liabilities of the Company to Avto Union AD in the total amount of BGN 4,245 thousand, incl. principal in the amount of BGN 4,047 thousand and interest in the amount of BGN 198 thousand.
- With a debt replacement agreement, the main shareholder Starcom Holding AD assumes liabilities of the Company to Avto Union AD in the total amount of BGN 4,110 thousand, incl. principal in the amount of BGN 4,090 thousand and interest in the amount of BGN 20 thousand.
- With a debt replacement agreement, the main shareholder Starcom Holding AD assumes liabilities of the Company to Motobul EAD in the total amount of BGN 2,724 thousand, incl. principal in the amount of BGN 2,570 thousand and interest in the amount of BGN 154 thousand.
- With a debt replacement agreement, the main shareholder Starcom Holding AD assumes liabilities of the Company to Motobul EAD in the total amount of BGN 2,125 thousand, incl. principal in the amount of BGN 1,960 thousand and interest in the amount of BGN 165 thousand.
- Liabilities to Avto Union AD and Motobul EAD are added to the Company's existing liabilities to Starcom Holding AD in the total amount of BGN 19,579 thousand (including principal BGN 18,487 thousand and interest BGN 1,092 thousand).) and form a total liability of BGN 32,784 thousand, in which the total liability is capitalized. The total liability thus formed (BGN 32,784 thousand) is renegotiated into subordinated debt, representing tier 1 capital, according to the applicable provisions of the current Bulgarian and Community law. Tier 1 capital has a total value of BGN 32,784 thousand and has an indefinite repayment period, but not earlier than 5 years, and an interest rate of 6.5%, due at the end of each quarter.
- With an agreement to replace in debt the obligations of the Company under a loan agreement with Auto Union Service EOOD in the total amount of BGN 328 thousand (principal BGN 314 thousand and interest BGN 14 thousand) were assumed by Star Motors EOOD.

After reviewing the indebtedness and in order to strengthen the capital of the group, the Parent Company has agreed and converted part of the loan liabilities as of 31.12.2020 in the form of subordinated debt (not issued) capital due to Starcom Holding AD - major shareholder in Eurohold Bulgaria AD. Debt is tier 1 capital, according to the applicable provisions of current Bulgarian and Community law. As of 31.12.2020 the tier 1 capital has a total value of BGN 32,784 thousand and has an indefinite repayment period, but not earlier than 5 years, and an interest rate of 6.5%, due at the end of every three months.

After the date of the last unaudited prepared interim consolidated financial statement 31.12.2020 until the date of the Prospectus, no significant transactions have been made between the Issuer and its related parties that could affect the results and financial condition of the Issuer.

Related party transactions do not represent a relatively large percentage of the total consolidated turnover of Eurohold Bulgaria AD. The consolidated income of the Issuer is cleared of intragroup transactions and represents sales to persons outside the Group.

XVIII. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

18.1. HISTORICAL FINANCIAL INFORMATION

18.1.1. Audited historical financial information covering the latest three financial years and the audit report in respect of each year

The Issuer prepares annual and interim non-consolidated financial statements, as well as annual and interim consolidated financial statements.

The audited financial information presented in this Registration Document includes historical data extracted from:

- **The audited annual consolidated financial statements of the Issuer for the years 2017, 2018 and 2019, containing:**
 - ❑ Consolidated statement of profit or loss and other comprehensive income;
 - ❑ Consolidated statement of financial position;
 - ❑ Consolidated statement of changes in equity;
 - ❑ Consolidated statement of cash flows;
 - ❑ Notes to the consolidated financial statements;
 - ❑ Consolidated annual activity report;
 - ❑ Independent auditor's report.

The audited annual consolidated financial statements of the Issuer for the years 2017, 2018 and 2019 with content described above have been duly disclosed and are available on the respective websites: FSC (www.fsc.bg); BSE (www.bse-sofia.bg); specialized financial media „X3 news“ (www.x3news.com); and the Issuer (www.eurohold.bg).

The issuer has entered into an agreement with the financial information agency X3news for regular disclosure and disclosure of financial and other information.

The issuer also provides regular information through ESPI Sistem – Poland.

NOTE:

- during the preparation of the audited consolidated financial statements of the Issuer for 2018, an accounting error concerning the audited comparable information for 2017 was discovered and eliminated.

In this regard, the audited annual consolidated financial statements of the Issuer for 2018 reflect the correction of an error concerning the audited data for the comparable period - 2017 and this adjusted information is marked with a "**";

- during the preparation of the audited consolidated financial statements of the Issuer for 2019, an accounting error concerning the audited comparable information for 2018 was discovered and eliminated.

In this regard, the audited annual consolidated financial statements of the Issuer for 2019 reflect the correction of an error concerning the audited data for the comparable period - 2018 and this adjusted information is marked with a sign "***";

Due to this circumstance for the purpose of presenting true and accurate information, throughout this Prospectus the financial data concerning audited annual financial information for 2017 and 2018 are derived not only from the audited consolidated financial statements for 2017 and 2018 but also from the recalculated (adjusted) data for 2017 and 2018 available in the audited annual consolidated financial statements of the Issuer for 2018 and 2019, respectively, where they are shown as recalculated (adjusted) comparable financial information and are marked with a "*" and "***".

Users of this Prospectus should note that throughout this Prospectus, the recalculated (adjusted) financial information for 2017 and 2018 marked with an "*" and "***" is available in the audited annual consolidated financial statements for 2018. and 2019 as comparable information and the same was not subjected to an independent financial audit procedure, but was reviewed by the responsible auditor upon confirmation of the opening balances of the balance sheet items as of 01.01.2018 and 01.01.2019, incl. the equity.

► **Correction of an error concerning the audited financial information for 2017 recalculated in the comparable information of the audited annual consolidated financial statements for 2018.**

In 2018, a technical error was found in the subsidiary IC Euroins AD in the calculations of the Reserve for filed but unpaid claims in the financial statements for 2016 and 2017. As a result, the costs associated with the Reserve for Claims but Unpaid claims and related liabilities were underestimated. The error was corrected by recalculating each of the objects affected in the financial statements for the previous reporting periods.

Since the adjustment does not have a material effect on the Information In the consolidated statement of financial position at the beginning of the previous period, the Group does not present two comparative periods In the consolidated statement of financial position.

The below tables summarize the effect on the Group's consolidated financial statements:

Effect on the consolidated statement of financial position

BGN'000 1 January 2017	Effect of error correction		
	Before Restatement	Restatement	Restated
Total assets	1 134 514	-	1 134 514
Insurance reserves	580 820	317	581 137
Subordinated debt instruments	77 253	-	77 253
Other liabilities	361 182	-	361 182
Total liabilities	1 019 255	317	1 019 572
Retained earnings/(loss)	(36 185)	(257)	(36 442)
Other	115 299	-	115 299
Non-controlling participation	36 145	(60)	36 085
Total equity	115 259	(317)	114 942

BGN'000 31 December 2017	Effect of error correction		
	Before Restatement	Restatement	Restated
Total assets	1 326 414	-	1 326 414
Insurance reserves	595 835	397	596 232
Subordinated debt instruments	26 058	-	26 058
Other liabilities	490 015	-	490 015
Total Liabilities	1 111 908	397	1 112 305
Retained earnings/(loss)	(26 651)	(301)	(26 952)
Other	197 455	-	197 455
Non-controlling participation	43 702	(96)	43 606
Total equity	214 506	(397)	214 109

Consolidated statement of profit or loss and other comprehensive income

BGN'000	Effect of error correction		
	Before Restatement	Restatement	Restated
For the year ending on 31 December 2017			
Insurance Costs	(919 175)	(80)	(919 255)
Gross Profit	131 519	(80)	131 439
Profit before Interest, depreciation and taxes	57 593	(80)	57 513
Profit before depreciation and taxes	34 781	(80)	34 701
Profit before tax	26 671	(80)	26 591
Net profit for the period	24 415	(80)	24 335
Distributed as follows:			
the owners of the parent company	18 174	(71)	18 103
Non-controlling Interests	6 241	(9)	6 232

The error does not have a material Impact on earnings per share as well as on the operating, Investing or financing cash flows of the Group for the year ended 31 December 2017.

Reclassifications

Consolidated statement of financial position

BGN'000	Before Restatement	Restatement	Restated
31 December 2017			

Trade receivables	27 474	15 923	43 397
Non-current receivables	85 908	(15 923)	69 985
Total assets	1 326 414	-	1 326 414
Non-current liabilities	30 087	(3 675)	26 412
Current liabilities	25 587	3 675	29 262
Total liabilities	490 015	-	490 015

► **Correction of errors concerning the audited financial information for 2018 recalculated in the comparable information of the audited annual consolidated financial statements for 2019**

a) In 2019 in the segments Insurance Business and Leasing technical errors were found in the financial statements for 2016 and 2017, which were corrected by recalculating each of the objects affected in the financial statements for the previous reporting periods.

As the adjustments in the financial statements for 2017 do not have a significant effect on the information in the consolidated Statement of Financial Position as at the beginning of the previous period, the Group does not present two comparative periods in the consolidated Statement of Financial Position.

The tables below summarize the impact on the consolidated financial statements of the Group for 2017:

Disclosure of the effects of accounting errors and other reclassifications in the statement of financial position as of 1.1.2018

1 January 2018, BGN'000	Correction of errors		
	Before Restatement	Restatement	Restated
Other receivables(Leasing business)	30 822	(373)	30 449
TOTAL ASSETS	1 326 414	(373)	1 326 041
Current liabilities (Insurance business)	29 262	640	29 902
Deferred tax liabilities (Leasing business)	284	(49)	235
Total liabilities and subordinated debts	1 112 305	591	1 112 896
Retained earnings/(losses), incl.:	(45 055)	(896)	(45 951)
<i>Insurance business</i>	-	(572)	(572)
<i>Leasing business</i>	-	(324)	(324)
Non-controlling interests, incl.:	43 606	(68)	43 538
<i>Insurance business</i>	-	(68)	(68)
Total equity	214 109	(964)	213 145

b) Reported in 2018 liabilities and expenses related to the operations of the Branch of IC Euroins AD in Greece. In 2018, in connection with the start of operations of the branch of IC Euroins AD in Greece on the basis of the right of establishment (Freedom of Establishment) in another country of the European Union, Euroins Insurance Group AD has used services in relation to certain activities related to the opening of the Branch in Greece. Their amount was BGN 489 thousand. As a result of the performed procedures expenses for hired services for the comparable period are recalculated to BGN (14,655) thousand from BGN (14,166) thousand.

c) Reported in 2018 liabilities and expenses related to the liquidation activity of the IC Euroins AD in Greece. In the process of reviewing the operations of IC Euroins AD in Greece (until January 31, 2019 - operating on the basis of Freedom of Services within the European Union, and then - operating through its branch based on Freedom of Establishment) and as a result of the transfer of its liquidation activities to another company of the Group, not reported expenses were identified in the period 2018. Due to the nature of the expenses and their tax effect as a result of subsequent inspection by the tax authorities, Euroins Insurance Company AD is obliged to accrue additional moratorium interest amounting to BGN 207 thousand. . As a result of the performed procedures . As a result of the performed procedures Other operating expenses for the comparable period are recalculated to BGN (28,248) thousand from BGN (27,379) thousand and the effect recognized in the statement of profit or loss and other comprehensive income amounts to BGN 869 thousand.

As a result of the adjustments under points **b)** and **c)** the "Other liabilities" are increased for the comparable period from BGN 12,145 thousand to BGN 14,143 thousand or a total of BGN 1,998 thousand.

d) Reporting the investment in the associate in Russia using the equity method. The investment in the associate of Euroins Insurance Group AD in Russia was presented for the comparable period as at December 31, 2018 at cost amounting to BGN 6,070 thousand. When applying the equity method, its value should be BGN 3,414 thousand. "Other Financial Assets" are reduced by BGN 2,656 thousand and the difference is reported for the comparable period as an increase of "Investment expenses" from BGN (16,024) thousand to BGN (18,680) thousand.

e) Deferred tax asset adjustment by Euroins Romania Insurance-Reinsurance SA. In 2018, the reported deferred tax asset of Euroins Romania Insurance-Reinsurance SA was increased by BGN 1,593 thousand. The adjustment leads to a decrease in "Deferred tax assets" and an increase in "Tax expense" by the same amount.

f) The value of the "Non-controlling interest" in IC Euroins Georgia AD is recalculated from BGN 441 thousand to BGN 2,998 thousand for the comparable period as at December 31, 2018. In 2018, after the acquisition of the controlling interest in IC Euroins Georgia AD, an initial assessment of the noncontrolling interest in the subsidiary was performed. In 2019, after an internal review by the Management of the Group, an inaccuracy was identified in the assessment amounting to BGN 2,547 thousand, for which a decision was made to report as a reclassification in the comparative period, because of the limited impact due to its purely representative characteristics.

g) Recognized insurance expense in Eurolease - Rent a Car EOOD. In 2018 expenses for insurance by Eurolease - Rent a Car EOOD were increased by BGN 130 thousand. Their adjustment leads to a decrease in the balance sheet item "Other receivables" and an increase in "Other operating expenses / Expenses on hired services" with the same amount.

Disclosure of the effects of accounting errors and other reclassifications in the statement of financial position as of 31.12.2018

BGN'000	<i>Notes</i>	Before Restatement	<i>Restatement</i>	Restated
ASSETS				
Other receivables	24	39 262	(1 676)	37 586
Financial assets	29	290 023	1 173	291 196
Deferred tax assets	30	14 676	(1 593)	13 083
Investments in associates and other investments	31	12 698	(2 656)	10 042
TOTAL ASSETS		1 395 001	(4 752)	1 390 249
EQUITY AND LIABILITIES				
Revaluation and other reserves		(55 632)	(1 984)	(57 616)
Retained earnings/(losses)		(44 781)	(1 255)	(46 036)
Profit for the year	45	14 385	(5 280)	9 105
Equity attributable to equity holders of the parent		168 630	(8 519)	160 111
Non-controlling interests	46	38 692	1 772	40 464
Total equity		207 322	(6 747)	200 575
LIABILITIES				
Current liabilities	39	35 330	1 998	37 328
Deferred tax liabilities	42	396	(3)	393
		491 775	1 995	493 770
Total liabilities and subordinated debts		1 187 679	1 995	1 189 674
TOTAL EQUITY AND LIABILITIES		1 395 001	(4 752)	1 390 249

Disclosure of the effects of accounting errors and other reclassifications in the Consolidated Statement of profit or loss and other comprehensive income for 2018.

BGN'000	<i>Note</i>	Before Restatement	<i>Restatement</i>	Restated
Expenses of operating activities				
Expenses of insurance business	4	(928 424)	(3 525)	(931 949)
		(1 129 920)	(3 525)	(1 133 445)
Gross Operating Profit		133 240	(3 525)	129 715

Other operating expenses	13	(78 528)	(619)	(79 147)
EBITDA		50 809	(4 144)	46 665
EBTDA		28 412	(4 144)	24 268
EBT		17 871	(4 144)	13 727
Tax expenses	19	(997)	(1 642)	(2 639)
Net profit for the year		16 874	(5 786)	11 088
Net profit, attributable to:				
Equity holders of the parent		14 385	(5 280)	9 105
Non-controlling interests		2 489	(506)	1 983
Net loss from change in the fair value of financial assets through other comprehensive income		(7)	57	50
		(7)	57	50
Exchange differences on translating foreign operations		138	1 283	1 421
		138	1 283	1 421
Other comprehensive income for the year, net of tax		131	1 340	1 471
Other comprehensive income for the year, net of tax		17 005	(4 446)	12 559
Total comprehensive income, attributable to:				
Equity holders of the parent		14 494	(4 012)	10 482
Non-controlling interests		2 511	(434)	2 077

The error does not have a material impact on earnings per share as well as on the operating, investing or financing cash flows of the Group for the year ended 31 December 2018.

18.1.2. Change of accounting reference date

For the period of the required historical financial information, the Issuer has not changed its accounting reference date.

18.1.3. Accounting standards

The audited annual consolidated financial statements of the Issuer for 2017, 2018 and 2019 (as well as all other audited annual financial statements of the Issuer) have been prepared in accordance with International Financial Reporting Standards (IFRS), developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council.

18.1.4. Change of accounting framework

The latest audited financial information about the Issuer, presented in this Registration Document, including comparative information for the previous year, is presented and prepared in a form consistent with the framework for accounting standards. The Issuer does not intend to change the accounting framework on the basis of it prepares and presents its annual (and interim) financial statements.

18.1.5. Consolidated financial statements

Eurohold Bulgaria AD owns 5 subsidiaries, thus it prepares financial statements both on an individual and consolidated basis. This Registration Document contains financial information from the audited annual consolidated financial statements for the covered by the historical financial data period for the years 2017, 2018 and 2019.

18.1.6. Age of financial information

The latest audited financial information on a consolidated basis is extracted from the audited annual consolidated financial statements of the Company for the year 2019.

18.2. INTERIM AND OTHER FINANCIAL INFORMATION

18.2.1. Quarterly or half-yearly financial information since the date of its last audited financial statements

The unaudited financial information presented in this Registration Document includes data extracted from:

- **interim unaudited consolidated financial statements as of 31.12.2020, containing:**
 - ❑ Consolidated statement of financial position;
 - ❑ Consolidated statement of profit or loss and other comprehensive income;
 - ❑ Consolidated statement of changes in equity;
 - ❑ Consolidated statement of cash flows;
 - ❑ Notes to the consolidated financial statements;
 - ❑ Interim consolidated activity report.

Eurohold Bulgaria AD prepared on 12.04.2021 an Updated Activity Report and unaudited consolidated financial statements of Eurohold Group, in connection with important events for the Company's activity, as well as available audited financial statements of most of the subsidiaries for 2020. The data for 2020 in this Prospectus are extracted from the unaudited interim financial statements as of 31.12.2020 prepared on 12.04.2021 and containing updated financial data on the results and financial condition of the companies in the Eurohold Group.

Eurohold Bulgaria AD is obliged to prepare interim financial statements. The unaudited interim consolidated financial statements of the Issuer as of 31.12.2020 with content described above have been duly disclosed and are available on the respective websites: FSC (www.fsc.bg); BSE (www.bse-sofia.bg); specialized financial media „X3 news“ (www.x3news.com); and the Issuer (www.eurohold.bg).

18.3. AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

18.3.1. Audited historical annual financial information

The historical annual consolidated financial information has been subject to an independent audited and provides a true and fair view in accordance with applicable auditing standards. The audit reports on a consolidated basis have been prepared in accordance with Directive 2014/56 / EU of the European Parliament and of the Council and Regulation (EU) N° 537/2014 of the European Parliament and of the Council.

Auditor of Eurohold Bulgaria AD certified the annual consolidated financial statements for 2017, 2018 and 2019 is Audit Firm HLB Bulgaria OOD, entered in the Commercial Register at the Registry Agency with UIC 121871342 and with registered office and address of management Sofia, 1309, 149-151 Konstantin Velichkov Blvd., floor 1, office 2

As of the date of this Registration Document the Audit Firm HLB Bulgaria OOD is represented by its Managers Veronika Borisova Revalska and Dimitrios Triantafilos Papazis.

➤ **AUDITED FINANCIAL INFORMATION FOR THE YEAR 2017**

Registered auditor responsible for the audit of the consolidated financial statements of the Issuer for 2017 and 2018 is Vaska Todorova Gelina, with current business address - Sofia 1309, 90 Aldomirovska Str., 2nd floor, apt. 6. included in the register of ICPA under reg. No 0667. Vaska Gelina is a member of the Fourth Sofia Regional Organization of ICPA.

As at the date of this Registration Document Vaska Todorova Gelina is no longer part of the team of Audit Firm HLB Bulgaria OOD, and in this regard responsible for the review of the audited historical consolidated financial information, is registered auditor Prof. Stoyan Dimitrov Stoyanov entered in the register of ICPA under reg. No 0043, with business address – Sofia 1700, Studentski Grad District, 1 Acad. Stefan Mladenov Str. Prof. Stoyan Dimitrov Stoyanov is a member of the First Sofia Regional Organization of ICPA.

In connection with the performed audit of the annual consolidated financial statements for 2017 of Eurohold Bulgaria AD and the prepared "Independent Auditor's Report", the auditor of the Company expresses in its report the following:

- Opinion

"In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)."

- Basis for Opinion

"We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion."

- Key Audit Matters

"Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters."

- Other Matters

"The consolidated financial statements of EUROHOLD BULGARIA AD for the year ending as at 31 December 2016 were audited by other auditor that issued unqualified audit report in respect of these financial statements with an emphasis of matter paragraph dated 5 May 2017."

➤ **AUDITED FINANCIAL INFORMATION FOR THE YEAR 2018**

Registered auditor responsible for the audit of the consolidated financial statements of the Issuer for 2017 and 2018 is Vaska Todorova Gelina, with current business address - Sofia 1309, 90 Aldomirovska Str., 2nd floor, apt. 6. included in the register of ICPA under reg. No 0667. Vaska Gelina is a member of the Fourth Sofia Regional Organization of ICPA.

As at the date of this Registration Document Vaska Todorova Gelina is no longer part of the team of Audit Firm HLB Bulgaria OOD, and in this regard responsible for the review of the audited historical consolidated financial information, is registered auditor Prof. Stoyan Dimitrov Stoyanov entered in the register of ICPA under reg. No 0043, with business address – Sofia 1700, Studentski Grad District, 1 Acad. Stefan Mladenov Str. Prof. Stoyan Dimitrov Stoyanov is a member of the First Sofia Regional Organization of ICPA.

In connection with the performed audit of the annual consolidated financial statements for 2018 of Eurohold Bulgaria AD and the prepared "Independent Auditor's Report", the auditor of the Company expresses in its report the following:

- Opinion

"In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)."

- Basis for Opinion

"We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion."

- Key Audit Matters

"Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters."

➤ **AUDITED FINANCIAL INFORMATION FOR THE YEAR 2019**

Registered auditor responsible for the audit of the consolidated financial statements of the Issuer for 2019 is Ralitsa Rumenova Mihova, included in the register of ICPA under reg. No 0837. Ralitsa Mihova is a member of the Fifth Sofia Regional Organization of ICPA.

As at the date of this Registration Document Ralitsa Mihova is no longer part of the team of Audit Firm HLB Bulgaria OOD, and in this regard responsible for the review of the audited historical consolidated financial

information, is registered auditor Prof. Stoyan Dimitrov Stoyanov entered in the register of ICPA under reg. No 0043, with business address – Sofia 1700, Studentski Grad District, 1 Acad. Stefan Mladenov Str. Prof. Stoyan Dimitrov Stoyanov is a member of the First Sofia Regional Organization of ICPA.

In connection with the performed audit of the annual consolidated financial statements for 2019 of Eurohold Bulgaria AD and the prepared "Independent Auditor's Report", the auditor of the Company expresses in its report the following:

- Opinion

"In our opinion, except for the effects of the matter, described in the "Basis for Qualified Opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)."

- Basis for Opinion

"As disclosed in Note 31 "Investments associates and other investments" to the Consolidated Financial Statements as of 31 December 2019, the Group through the subsidiary "Euroins Insurance Group" AD holds 48.61 % in the Russian insurance company "Russian Insurance Company Euroins" and presents in Note 3 "Revenue from insurance business", to the consolidated financial statements as of 31 December 2019, share of profit on investments in associates accounted for using the equity method in the amount of BGN 4 535 thousand. The investment is classified as an investment in an associate and is reported in the consolidated financial statements of the subsidiary - "Euroins Insurance Group" AD as of 31 December 2019 using the equity method. For the purposes of the consolidated financial statements of "Eurohold Bulgaria" AD, as of 31 December 2019, the investment in the "Russian insurance company Euroins" was valued using the share of the fair value of the associated company's equity, which value is determined on the basis of an appraisal by an independent appraiser. As a result, the Group has increased the value of the investment in associates as of 31 December 2019 by an additional BGN 5 526 thousand, and this difference is reported in other comprehensive income in the consolidated financial statements as of 31 December 2019. Respectively, "Eurohold Bulgaria" AD has reported the investment in the associate - "Russian Insurance Company Euroins" for 2019 at fair value through other comprehensive income, but not using the equity method, which is in violation of the requirements of IAS 28 "Investments in associates and joint ventures" and the Group's adopted accounting policies."

- Key Audit Matters

"Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters."

- „Emphasis of Matter“

"We draw attention to Note 51 "Events after the end of the reporting period" and Note 2.24.5 "Other risks - Covid-19 (Coronavirus)" to the consolidated financial statements, which discloses a material non-adjusting event related to the spread of the COVID-19 pandemic. The disruption of normal economic activity in the Republic of Bulgaria as a result of COVID-19 may adversely affect the Group's operations. Information on the nature of the potential effects and an estimate of their financial and economic effects is disclosed in Note 2.24.5 "Other risks - Covid-19 (Coronavirus)" to the consolidated financial statements.

We draw attention to Note 2.1 "Basis for preparation of the consolidated financial statements" to the consolidated financial statements, which discloses that the equity of the Group is less than the registered capital of the Parent Company by BGN 6 828 thousand. The net asset value of the Group is lower than the amount of the subscribed capital and the shareholders must take steps to overcome the disturbed ratio of own and registered capital.

Our opinion is not modified in respect of this matter."

- Information other than the Consolidated Financial Statements and Auditor's Report thereon

"As described in the "Basis for Qualified Opinion" section, the Group has committed material misstatement in connection with the measurement of the carrying amount of investments in associates as at 31 December 2019. We reached the conclusion that the other information contains material misstatement due to the effects of this material misstatement on the financial performance and accompanying disclosures about this object included in the other information."

Note with respect to the audited consolidated financial statements of the Issuer for 2019:

By Decisions № 723 - ПД of 24.09.2020 and № 724 of 24.09.2020, the Deputy Chairman of the FSC, Head of the Investment Supervision Department, obligates Eurohold Bulgaria AD within 60 days of receiving the decisions for imposing a compulsory administrative measure to be prepared and submitted to the FSC and to the public by the order of art. 100t, para 1, first sentence, proposal one and proposal two and para. 4 and 3 of the Law on the public offering of securities (LPOS), adjusted audited annual consolidated financial statement for the activity of Eurohold Bulgaria AD for 2019 under Art. 100n, para 2 in connection with para. 5, in connection with para 4 of LPOS, in which:

- To be adjusted in the direction of reducing the value as of 31.12.2019 of the investment in the associated enterprise "Russian Insurance Company Euroins" and respectively the other comprehensive income by BGN 5 526 thousand, by applying the equity method in accordance with the applicable IAS 28 "Investments in Associates and Joint Ventures" and the Company's adopted accounting policy and all mandatory quantitative and qualitative disclosures are made in accordance with IAS and IFRS.
- Disclosures should be made in accordance with the requirements of §34, §60, §61, and §134-136 of IAS 1, §91-99 of IFRS 13, §10, paragraph (iii), §12 and §18 of IAS 1. IFRS 12, §6-8 and §14-15 of IFRS 7.

The effect on the annual consolidated financial statements of the Company for 2019 from the implementation of the imposed coercive administrative measure, including on the financial result, would be the following:

In the income statement:

- decrease in Other comprehensive income, item "Investments in associates at fair value" by the amount of BGN 5 526 thousand.

In the statement of financial position:

- in the Assets: decrease in the item "Investments in associates and other enterprises" by the amount of BGN 5 526 thousand, and
- in Liabilities: decrease of the Equity in the position "Revaluation and other reserves" by the amount of BGN 5 526 thousand.

The implementation of the imposed coercive measure, namely adjustment in the direction of reducing the value of the investment in an associate by BGN 5,526 thousand as of 31.12.2019 in the annual consolidated financial statements of Eurohold Bulgaria AD for 2019 will not be reflected as an effect on the financial result of the Eurohold Group, i.e. the reduction of the investment does not have an effect on the realized "Net profit for the year". The effect of the decrease in investment is only in the item "Other comprehensive income for the year".

As of the date of the Prospectus, the Issuer has implemented the imposed coercive administrative measure in the part requiring "to be adjusted in the direction of reduction of the value as of 31.12.2019 of the investment in the associated company" Russian Insurance Company Euroins "and respectively the other comprehensive income by 5 526 thousand, by applying the equity method for its reporting in accordance with the applicable IAS 28 "Investments in Associates and Joint Ventures" and the adopted accounting policy of the company and all mandatory quantitative and qualitative disclosures are made in accordance with IAS and IFRS", as the change in the carrying amount of investments in associates as of December 31, 2019 and the impact of its effects have been adjusted in the updated unaudited interim consolidated financial statements as of 31.12.2020, as explained below.

In order to comply with the instructions of the supervisory authority, the Issuer has made the required by the FSC adjustment in published updated unaudited interim consolidated financial statements for 2020, as adjustments in the relevant items are made in the data as of 31.12.2020, as follows:

- In the updated interim consolidated statement of profit or loss and other comprehensive income, an adjustment was made for the period as of 31.12.2020 in reduction of Other comprehensive income by the amount of BGN (5 526) thousand item "Investments in associates at fair value "(page 72 of the updated interim financial report for 2020);
- In the updated interim consolidated statement of financial position in the Assets, an adjustment was made in a decrease of the item "Investments in associates and other enterprises" for the period as of 31.12.2020 by the amount of BGN (5 526) thousand (Note 31, p. 128 of the Notes to the updated interim financial statements for 2020)
- In the updated interim consolidated statement of financial position in the Liabilities an adjustment was made for the period as of 31.12.2020 in a decrease of the Equity in the item "Revaluation and other reserves" by the amount of BGN (5 526) thousand (p.77 of Notes to the updated interim financial

statement for 2020 - "Interim consolidated statement of equity, item "Change in reserve from subsequent valuations of associates ").

The adjustments in implementation of the imposed coercive administrative measure will be audited upon certification of the annual consolidated financial statements of Eurohold Bulgaria AD for 2020.

➤ **INFORMATION ON THE ISSUER'S AUDITORS APPOINTED TO CONDUCT THE INDEPENDENT FINANCIAL AUDIT OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS OF EUROHOLD BULGARIA AD FOR THE YEAR 2020:**

At the General Meeting of Shareholders, held on 30.09.2020 for statutory auditor to perform the independent financial audit of the separate and the consolidated financial statements of Eurohold Bulgaria AD for 2020 was appointed the audit firm ZAHARINOVA NEXIA OOD, registered in the Commercial Register at the Registry Agency with UIC 200876536 and with registered office and address: Sofia, 157-159 Konstantin Velichkov Blvd., floor 1, office 3, tel. 02 9204670, e-mail: office@zaharivanexia.com, website: www.zaharivanexia.com, registered in the register of the Institute of Certified Public Accountants in Bulgaria under reg. No. 138. As of the date of this Prospectus the audit firm ZAHARINOVA NEXIA OOD is represented by the managers of the company Dimitrina Dimitrova Zaharinova and Marina Hristozova Krasteva. Audit firm ZAHARINOVA NEXIA OOD is a member of the audit network of NEXIA INTERNATIONAL.

Registered auditor responsible for the audit of the separate and consolidated financial statements of the Issuer for 2020 is Dimitrina Dimitrova Zaharinova, with current business address – Sofia 1000, 157-159 Konstantin Velichkov Blvd., 1st floor, office 3, entered in the register of ICPA under reg. No 0415. Dimitrina Dimitrova Zaharinova is a member of the Second Sofia Regional Organization of ICPA.

18.3.2. Other information that has been audited by the auditors

This Registration Document does not contain any information other than the data presented from the audited annual consolidated financial statements for 2017, 2018 and 2019, which has been audited or reviewed by statutory auditors, and no report has been prepared for such other information.

18.3.3. Information on the financial information that is not extracted from the issuer's audited financial statements and the source of that information.

The financial information provided in this Registration Document is extracted from the following sources:

- **Audited financial information:**
 - ❑ audited annual consolidated financial statements for the year 2017, 2018 and 2019;
- **Unaudited financial information:**
 - ❑ unaudited financial information from the interim consolidated financial statements as of 31.12.2020.
 - ❑ unaudited financial information up to date as of the date of the Registration Document extracted from the accounting registers of the Issuer and its subsidiaries, which information is disclosed under Section VIII. *Capital resources*. This information is not provided for in the latest prepared consolidated financial statements of the Issuer, but the members of the Management Board of Eurohold Bulgaria AD declare that to the best of their knowledge, the financial information presented in Section VIII (up-to-date of the date of the Registration Document) is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import.

Note on the audited financial information:

- during the preparation of the audited consolidated financial statements of the Issuer for 2018, an accounting error concerning the audited comparable information for 2017 was discovered and eliminated.

In this regard, the audited annual consolidated financial statements of the Issuer for 2018 reflect the correction of an error concerning the audited data for the comparable period - 2017 and this adjusted information is marked with a "*";

- during the preparation of the audited consolidated financial statements of the Issuer for 2019, an accounting error concerning the audited comparable information for 2018 was discovered and eliminated.

In this regard, the audited annual consolidated financial statements of the Issuer for 2019 reflect the correction of an error concerning the audited data for the comparable period - 2018 and this adjusted information is marked with a sign "***";

Due to this circumstance for the purpose of presenting true and accurate information, throughout this Prospectus the financial data concerning:

- audited annual financial information for 2017 are derived not only from the audited consolidated financial statements for 2017 but also from the recalculated (adjusted) data for 2017 available in the audited annual consolidated financial statements of the Issuer for 2018, where they are shown as recalculated (adjusted) comparable financial information and are marked with a "*"
- audited annual financial information for 2018 are derived not only from the audited consolidated financial statements for 2018 but also from the recalculated (adjusted) data for 2019 available in the audited annual consolidated financial statements of the Issuer for 2018, where they are shown as recalculated (adjusted) comparable financial information and are marked with a "***"

Users of this Prospectus should note that throughout this Prospectus

- data marked with an "*", represents the recalculated (adjusted) financial information for 2017, and is available in the audited annual consolidated financial statements for 2018 as comparable information and the same was not subjected to an independent financial audit procedure, but was reviewed by the responsible auditor upon confirmation of the opening balances of the balance sheet items as of 01.01.2018, incl. the equity (for details see item 18.1.1.)
- data marked with "***", represents the recalculated (adjusted) financial information for 2018, and is available in the audited annual consolidated financial statements for 2019 as comparable information and the same was not subjected to an independent financial audit procedure, but was reviewed by the responsible auditor upon confirmation of the opening balances of the balance sheet items as of 01.01.2019, incl. the equity (for details see item 18.1.1.)

Note on the unaudited financial information:

Eurohold Bulgaria AD prepared on 12.04.2021 an Updated Activity Report and unaudited consolidated financial statements of Eurohold Group, in connection with important events for the Company's activity, as well as available audited financial statements of most of the subsidiaries for 2020. The data for 2020 in this Prospectus are extracted from the unaudited interim financial statements as of 31.12.2020 prepared on 12.04.2021 and containing updated financial data on the results and financial condition of the companies in the Eurohold Group.

There is no other financial information extracted from other sources.

18.4. PRO FORMA FINANCIAL INFORMATION

The Company does not present pro forma financial information and such is not included in this Prospectus.

18.5. DIVIDENT POLICY

18.5.1. Description of the issuer's policy on dividend distributions and any restrictions thereon.

The company's policy regarding the distribution of dividends is in accordance with the requirements of the current regulations in the country and the Articles of Association of Eurohold Bulgaria AD, which does not contain any restrictions on the distribution of dividends to any of the shareholders. The distribution of the company's profit is regulated in the Articles of Association of the Company.

According to Art. 64. (1) of the Articles of Association of the company:

Dividends are distributed and paid once a year only if the following conditions are met:

- (a) the end of the financial year concerned;
- b) availability of profit realized by the company for the respective year;

c) residual profit after allocation of the necessary funds for the Reserve Fund and for the other areas provided by law;

(d) a decision of the general meeting to distribute the profits, respectively to a part of it, and in particular to distribute dividends and to determine their amount.

(2) Dividends shall be paid in compliance with art. 247a of the Commercial Law. Dividends cannot be paid in advance.

(3) The dividends shall be distributed among the shareholders in proportion to the shares held by them. The right to receive a dividend have the persons entered in the registers of Central Depository AD as shareholders on the 14th day after the day of the General Meeting, at which the annual financial report was adopted and a decision was made for distribution of the profit. The company is obliged to immediately notify the Financial Supervision Commission, Central Depository AD and the regulated market of the decision of the General Meeting on the type and amount of the dividend, as well as on the terms and conditions for its payment. Upon receipt of the last notification, the regulated market on which the shares are traded shall immediately announce the last date for concluding transactions with them, as a result of which the acquirer of the shares shall be entitled to receive the dividend voted at the General Meeting.

(4) The company shall be obliged to ensure the payment to the shareholders of the dividend voted at the general meeting within 3 months from its holding. The costs of paying the dividend are at the expense of the company.

18.5.2. The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable

In the period covered by the historical financial information the company has distributed dividends as follows:

- As per decision of the GMS of Eurohold Bulgaria AD, held on 30.06.2017, a decision was made to distribute a dividend in the total amount of BGN 1,613,450. The gross dividend per share amounts to BGN 0.0100, respectively the net dividend per share amounts to BGN 0.0095. The starting date for payment of the dividend is 30.09.2017, and the final date for payment is 30.12.2017. To the shareholders whose securities accounts are in personal accounts, the dividend is paid through the branches of Unicredit Bulbank AD. To the shareholders, whose securities accounts are in client sub-accounts with an investment intermediary, the dividend is paid through the respective investment intermediary with the assistance of the Central Depository. After the deadline for payment of the dividend - 30.12.2017, each shareholder who has not received his dividend for 2016 will be able to receive it from the company in cash. Unreceived and unclaimed dividends after the expiration of the five-year limitation period are referred to the Reserve Fund of the company. As of the date of the Prospectus, Eurohold Bulgaria AD has paid the dividend determined for distribution for 2016 according to the decision taken by the General Meeting of Shareholders.

- As par a decision of the GMS of Eurohold Bulgaria AD, held on June 29, 2018, a decision was made to distribute a dividend in the total amount of BGN 106,489,169.37. The gross dividend per share amounts to BGN 0.009, respectively the net dividend per share amounts to BGN 0.00855. The starting date for payment of the dividend is August 27, 2018, and the final date for payment is November 27, 2018. To the shareholders whose securities accounts are in personal accounts, the dividend is paid through the branches of Unicredit Bulbank AD. To the shareholders, whose securities accounts are in client sub-accounts with an investment intermediary, the dividend is paid through the respective investment intermediary with the assistance of the Central Depository. After the deadline for payment of the dividend - November 27, 2018, each shareholder who has not received his dividend for 2017 will be able to receive it from the company in cash. Unreceived and unclaimed dividends after the expiration of the five-year limitation period are referred to the Reserve Fund of the company. As of the date of the Prospectus, Eurohold Bulgaria AD has paid the dividend determined for distribution for 2017 according to the decision taken at the General Meeting of Shareholders.

- In connection with a decision of the GMS of Eurohold Bulgaria AD, held on 30.06.2019, a decision was made to distribute a dividend in the total amount of BGN 2,469,070. The gross dividend per share amounts to BGN 0.0125, respectively the net dividend per share amounts to BGN 0.011875. The initial date for payment of the dividend is August 27, 2019, and the final date for payment is November 27, 2019. To the shareholders whose securities accounts are in personal accounts, the dividend is paid through the branches of Unicredit Bulbank AD. To the shareholders, whose securities accounts are in client sub-accounts with an investment intermediary, the dividend is paid through the respective investment intermediary with the assistance of the Central Depository. After the deadline for dividend payment - November 27, 2019, any shareholder who has not received his dividend for 2018 will be able to receive it from the company in cash. Unreceived and unclaimed dividends after the expiration of the five-year limitation period are referred to the Reserve Fund of the company. As of the date of the Prospectus, Eurohold Bulgaria AD has paid the dividend determined for distribution for 2018 according to the decision taken by the General Meeting of Shareholders.

▪ At the General Meeting of Shareholders held on 30.09.2020 no decision was made to distribute a dividend and accordingly no dividend was paid.

For the period of the considered financial information there is no change in the number of issued shares, due to which it is not necessary to make an adjustment in view of its comparability..

18.6. LEGAL AND ARBITRATION PROCEEDINGS

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability.

As of the date of the Registration Document, there are no significant state, legal or arbitration proceedings (including proceedings known to the issuer that are pending or that could be initiated) with respect to Eurohold Bulgaria AD and the companies from its economic group - the Eurohold Group, as well as the group of Starcom Holding AD of which the Issuer is a part during a period covering the previous 12 months, which may have or have had a significant impact on the Issuer, the companies of its group (Eurohold group) and the group of its majority shareholder Starcom Holding AD and / or the financial condition or profitability of the Eurohold Group and the Starcom Group, except for the following proceedings before the Administrative Court - Sofia District (ASSO) against Decision № 1169 of 24.10.2019. of the Commission for Protection of Competition (CPC).

Eurohold Bulgaria AD and its subsidiary Eastern European Electric Company BV were a party, in his capacity as a plaintiff under Adm. case № 1492/2020 on the list of ASSO against Decision № 1169 of 24.10.2019. of the CPC in case № CPC-822/2019, whereby the CPC prohibits the concentration between enterprises, which will take place through the acquisition by Eurohold Bulgaria AD, UIC: 175187337, of indirect sole control (through Eastern European Electric Company, № 75462788) on CEZ Bulgaria AD, CEZ Distribution Bulgaria AD, CEZ Electro Bulgaria AD, CEZ Trade Bulgaria EAD, Free Energy Project Oreshets EAD, Bara Group EOOD and " CEZ Information and Communication Technologies Bulgaria EAD.

ACSO cancels Decision № 1169 of 24.10.2019. of the CPC and returns the case in the form of a file to the Commission for Protection of Competition for a new ruling in accordance with the mandatory instructions given in the reasons of the court decision.

With Decision № 894 / 29.10.2020. The CPC authorized the concentration, expressed in the acquisition by Eurohold Bulgaria AD (UIC 175187337) of indirect sole control (through Eastern European Electric Company BV, reg. № 75462788) over CEZ Bulgaria EAD (UIC 131434768) , CEZ Distribution Bulgaria AD (UIC 130277958), CEZ Electro Bulgaria AD (UIC 175133827), CEZ Trade Bulgaria EAD (UIC 113570147), Free Energy Project Oreshets EAD (UIC 201260227), Bara Group EOOD (UIC 120545968) and CEZ Information and Communication Technologies Bulgaria EAD (UIC 203517599), (CEZ Enterprises).

The activity of the Issuer's subsidiaries, part of the Eurohold Group and the Starcom Group, in the usual course of their activity is characterized by being a party to various legal proceedings. As of the date of the Prospectus, they have:

- the insurance companies from the group of Euroins Insurance Group AD and it should be noted that usually for the performed insurance activity (general and / or life insurance) there is a significant volume of court proceedings to which the insurance companies are a party, as well as presence of enforcement proceedings, in their capacity as creditor. However, during the period covering at least the previous 12 months, there are no such proceedings that may have or have had a significant impact on the insurance companies and / or their financial condition or profitability.

- the companies from the automobile direction "Auto Union". The cases that are conducted by and against the companies, part of the group of "Auto Union" AD are common and specifically related to their direct core business. The main legal disputes in which the companies part of the group of Auto Union AD are parties are consumer disputes under the CPA, civil disputes related to contractual non-performance under the CA and the CPA (in particular, these are legal disputes under which plaintiff is "MOTOBUL" EAD on claims against customers for payment of amounts due together with penalties and costs.

- companies from the leasing group of Eurolease Group AD, and these are - Eurolease Auto EAD, Sofia Motors EOOD, Autoplaza EAD and Amigo Leasing EAD. Most often these companies are in their capacity as: plaintiff in claims against clients for payment of lease payments and / or other their obligations; creditor in enforcement cases; party to disputes with regulatory authorities and others.

Apart from the above, the Issuer and the regulated companies of the Starcom Group, of which the Issuer is a part, are parties to various state and legal proceedings within their usual activity in view of the regulated nature of their activity.

Notwithstanding the above, the Management Board of the Issuer does not consider that there have been state, legal or arbitration proceedings (including proceedings known to the issuer that are pending or that could be initiated) in the last 12 months preceding the date of this document. may have or have had a significant influence on the Issuer's subsidiaries and which may affect the Issuer's financial condition and / or profitability and / or the financial condition or profitability of the Eurohold Group and the Starcom Group.

There are no decisions or requests for termination and declaration of liquidation or bankruptcy of the Issuer and / or any of its subsidiaries or companies from the Starcom Group.

18.7. SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL POSITION

18.7.1. Description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published,

For the period from the date of publication of the last financial statements of the Issuer, namely unaudited updated consolidated financial statements as of 31.12.2020 until the date of the Registration Document, no significant change in the financial and commercial condition of the Eurohold Bulgaria AD and/or its economic group.

XIX. ADDITIONAL INFORMATION

19.1. SHARE CAPITAL

19.1.1. Amount of issued capital for each class of share capital

As of the date of preparation of this Prospectus, the capital of the company amounts to BGN 197,525,600, divided into 197,525,600 ordinary, registered, dematerialized shares, with one voting right, each with a nominal value of BGN 1.

Information on the amount of capital issued for the period covered by the historical financial information:

Information for capital	31.12.2017	31.12.2018	31.12.2019	31.12.2020	As of the date of the prospectus
	(BGN)	(BGN)	(BGN)	(BGN)	(BGN)
Total amount of the authorized share capital of the issuer	197 525 600	197 525 600	197 525 600	197 525 600	197 525 600
Number of shares issued and fully paid	197 525 600	197 525 600	197 525 600	197 525 600	197 525 600
Number of shares issued but not paid in full	-	-	-	-	-
Nominal value of each share	1,00	1,00	1,00	1,00	1,00
Number of shares held by the Issuer (repurchased shares) or by its subsidiary	77 387	77 387	1 352 567	97 227	97 227
Equation of the number of shares held by shareholders at the beginning and end of the year	197 448 213	197 448 213	196 173 033	197 428 373	197 428 373

Source: Eurohold Bulgaria AD

19.1.2. Information on the availability of shares that do not represent capital

The company has not issued shares that do not represent capital. The capital of the company has not been increased by in-kind contributions.

All shares of the company issued so far are of the same class and are fully paid. The entire capital of the company is paid in cash. All shares issued by the company are outstanding. The shares subject to public offering according to this prospectus are of the same type and class.

19.1.3. Information on shares of the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer

As of the date of the last prepared unaudited consolidated financial statement and as of the date of the Registration Document, the Issuer has not repurchased, respectively does not hold own shares, at the same time companies from the Eurohold group own 97,227 shares. shares (as of December 31, 2019 - 1,352,567 shares). The shares held by members of the Supervisory and Management Boards as of 31.12.2020 and the date of the Prospectus are 67,800 shares. The procurators of the Issuer do not own shares in the capital..

19.1.4. Information on the value of convertible securities, exchangeable securities or securities with warrants, indicating the management conditions and procedures for conversion, exchange or subscription

The Issuer has not taken any action in connection with the issuance of warrants, convertible and exchangeable securities, respectively such securities have not been issued..

19.1.5. Information on the terms of any acquisition rights or obligations in respect of the authorized but unissued capital or on possibilities for capital increase

The subscribed authorized capital of Eurohold Bulgaria AD is fully subscribed, at present there is no authorized but unissued capital of the Issuer. The Company has no information on the terms of any acquisition rights and/or obligations in respect of authorized but unissued capital or on opportunities for capital increase

19.1.6. Information on any equity of a member of the group that is under an option or has agreed conditionally or unconditionally to be placed under an option, and details of such options, including the persons to whom such options apply

There are no persons to hold options on the capital of the Issuer or on the capital of other companies of the Eurohold Bulgaria AD Group, as well as to whom there is a commitment under conditional or unconditional to be issued in their favor such options.

19.1.7. History of share capital with emphasis on information on any changes for the period covered by financial information for previous periods

The initial registered capital of Eurohold Bulgaria AD as at 12 December 2006 amounted to BGN 50,002,586, divided into 50,002,586 ordinary registered dematerialized shares with one voting right and nominal value of BGN 1.00 each. The capital of the Company is formed as a result of the above-described procedure for termination without liquidation of Eurohold AD and Starcom Holding AD. The amount of the capital is fixed in the Reorganization Agreement and is approved by the General Meetings of Shareholders of the two merged companies.

In the period May-June 2007, Eurohold Bulgaria AD successfully carried out a subscription for capital increase by issuing of 12,500,646 new shares with nominal value BGN 1.00 per share and issue value of BGN 3.35 per share. During the subscription 50,002,586 rights were issued each granting a right to purchase of 0.25 new shares. The total amount of the subscribed and paid in shares reached 12,495,050 or 99.96% of the amount offered. Following the above capital increase, the capital of the Company amounted to BGN 62,497,636, divided into 62,497,636 ordinary, registered, dematerialized voting shares, with dividend right and liquidation quota, with a nominal value of BGN 1.00 each.

By Decision dated 21.12.2010 the Management Board of Eurohold Bulgaria AD decided to increase the capital of the Company by a public offering as per the provisions of POSA from BGN 62,497,636 to BGN 124,995,272 by the issue of 62,497,636 new shares with issue value of BGN 1.00 each. The capital increase subscription of Eurohold Bulgaria AD was successfully conducted in the period March - May 2011 and as a result 46,146,076 new shares were subscribed or 73.84% of the total number of shares offered for subscription. As a result of the subscription, the capital of Eurohold Bulgaria AD was increased from BGN 62,497,636 to BGN 108,643,712. The increase of the capital of the Company was registered in the Commercial Register to the Registry Agency on 16.05.2011.

By Decision dated 27.07.2011 the Management Board of Eurohold Bulgaria AD decided to increase the capital of the Company by a public offering as per the provisions of POSA from BGN 108,643,712 to BGN 144,858,282 by the issue of 36,214,570 new shares with issue price of BGN 1.70 each. Subsequently, by a decision of the Management Board dated 07.09.2011, the issue price of the new shares was reduced to BGN 1.50. The capital increase subscription of Eurohold Bulgaria AD was successfully conducted in the period October - November 2011 and as a result 18,701,288 new shares were subscribed or 51.64% of the total number of shares offered for subscription. As a result of the subscription, the capital of Eurohold Bulgaria AD was increased from BGN 108,643,712 to BGN 127,345,000. The increase of the capital of the Company was registered in the Commercial Register to the Registry Agency on 30.11.2011.

Actions were taken for admission to trading of the capital increase issue on the Warsaw Stock Exchange where the shares had been traded since 15 December 2011 as a result of a double listing.

On a meeting of the Management Board of Eurohold Bulgaria AD dated 27.06.2016 a decision was taken for capital increase of the Company. By decision of 12.12.2016, the Financial Supervision Commission adopted a prospectus for subsequent capital increase of Eurohold Bulgaria AD through the issue of 84,896,666 shares of the same type and class as the existing share issue, with nominal and issue value of BGN 1.00 (one Bulgarian lev) each. The subscribed shares from the new issue were 34,000,000 or 40.05% of the issue, and as a result the capital of the Company reached BGN 161,345,000, divided into 161,345,000 ordinary, registered, unprivileged shares with voting rights, the right to dividend and liquidation quotas, with nominal value of BGN 1.00 each. The increase of the capital of the Company was registered in the Commercial Register to the Registry Agency on 13.02.2017.

On 02.10.2017, the General Meeting of Shareholders of Eurohold Bulgaria AD took a decision under item 1 of the Agenda to increase the capital of the Company from BGN 161,345,000 (one hundred sixty one million three hundred and forty five thousand) to BGN 201,681,250 (two hundred and one million six hundred and eighty one thousand two hundred and fifty) by a new share issue under the conditions of a public offering pursuant to the Public Offering of Securities Act. The new issue comprises of 40,336,250 shares of the same type and class as the existing share issue of the Company, namely: dematerialized, registered, ordinary (non-privileged), shares with one voting right at the General Meeting of Shareholders, right to dividend and one voting right in the General Meeting of the Company, right to dividend and right to liquidation share, proportionate to the nominal value of the share. The nominal value of each share is BGN 1.00 (one). The issue price of each share is BGN 1.30 (one Bulgarian lev and 0.30).

On April 10, 2021 the General Meeting of Shareholders of Eurohold Bulgaria AD adopted a resolution to increase the capital of the company from BGN 197,525,600 (one hundred ninety-seven million five hundred twenty-five thousand six hundred) to BGN 276,535,840 (two hundred seventy-six million five hundred thirty-five thousand eight hundred and forty) by issuing a new issue of shares of the same type and class as the existing issue of shares of the company under the terms of public offering under LPOS in the amount of 79,010,240 new, ordinary, registered, dematerialized shares, with voting rights with an issue value of BGN 1 (one) per share. The nominal value of each of the proposed new shares, which are the subject of this Prospectus for capital increase of the Issuer, is BGN 1.00 (one), and the issue value of each new share is BGN 2.50 (two and 0.50). leva.

Detailed information on the publicly offered new shares from the capital increase of Eurohold Bulgaria AD is available in the Securities Document, Part III of this Prospectus.

The Issuer's shares are registered for trading on the Main Market of the Bulgarian Stock Exchange AD, Standard Segment with EUBG stock code. The Issuer's shares are listed for trading on Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG.

Upon successful completion of the current capital increase of Eurohold Bulgaria AD, actions will be taken to allow the newly issued shares to be traded on the issue of the capital increase on the Bulgarian Stock Exchange and the Warsaw Stock Exchange.

As of the date of preparation of this document, no other procedure for increase of the Issuer's share capital has been undertaken than the one described in this Prospectus for initial public offering of shares from the Issuer's capital increase.

19.2. ARTICLES of Association

19.2.1. The register and the number of entry in it, a brief description of the subject of activity and the purposes of the issuer according to its statutes

The current Articles of Association of the Company as of the date of the Registration Document were announced in the Commercial Register at the Registry Agency on 03.05.2019 with entry number 20190503094710.

The Articles of Association of the Company have been amended several times since its initial registration on 12.12.2006 upon establishment of Eurohold Bulgaria AD. The respective amendments were announced as follows: on 02.08.2007, 17.09.2007; May 28, 2009; January 21, 2010; 16.05.2011; 08.07.2011; 30.11.2011; 16.07.2012; 13.02.2017; 19.05.2017; 22.12.2017 and on 03.05.2019

At an extraordinary general meeting of shareholders held on April 10, 2021, a decision was made to change Art. 17, para. 2 and Art. 48, para. 1, item 16 of the Articles of Association of the Company, namely:

The General Meeting of Shareholders adopts the following amendments to the Articles of Association of the company:

Art. 17, para. 2 of the Articles of Association is amended and receives the following wording:

" (2) (Amended - 14.09.2007, 29.06.2012, 09.05.2017, 10.04.2021) The resolution for issue of bonds is adopted by the General Meeting of Shareholders with a majority of more than 1/2 (one second) of the shares presented at the meeting. Pursuant to Art. 204, para. 3, in conjunction with art. 196 of the Commerce Act, the General Meeting of Shareholders of the company authorizes the Management Board to decide on the issuance of one or more issues of bonds of the company with a total nominal value of up to 200,000,000 (two hundred million) euro, for a period of 5 (five) years from the date on which the amendment to the Articles of Association of the company adopted by the General Meeting held on 10.04.2021 will be entered in the Commercial Register.";

Art. 48, para. 1, item 16 of the Articles of association is amended and receives the following wording:

"16. (New - 14.09.2007, amended on 29.06.2012, amended on 09.05.2017, amended 10.04.2021) pursuant to Art. 204, para. 3 of the Commerce Act for a period of five years from the registration of the amendment to the Articles of Association, adopted by a decision of the General Meeting of Shareholders of 10.04.2021, decides on the issuance of bonds with a total nominal value of up to 200,000,000 (two hundred million) euro inclusive, determines all mandatory and optional parameters of the bond loans, specifies, supplements and amends according to market conditions and investor interest. "

The current Articles of Association with the above-cited wording of Art. 17, para. 2 and Art. 48, para. 1, item 16 will be available: on the website of the Commercial Register (www.portal.registryagency.bg) and on the webpage of Eurohold Bulgaria AD (www.eurohold.bg).

According to Art. 6. of the Articles of Association - the subject of activity of the Issuer is as follows: acquisition, management, valuation and sale of participations in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition, valuation and sale of patents, assignment of licenses for use of patents of companies in which the company participates, financing of companies in which the company participates.

The Articles of Association of the Company do not explicitly define its main objectives, due to which the main objectives of the Issuer coincide with the specified subject of activity.

19.2.2. Description of the rights, preferences and restrictions for each class of existing shares

All issued shares of the Issuer are ordinary, registered, dematerialized with the right to one vote at the General Meeting of Shareholders, the right to dividend and the right to liquidation share and with a nominal value of BGN 1 (one). The existing shares are of one class and give equal rights to their holders.

Article 11 of the Articles of Association of the Company describes the rights granted by each of the existing shares to the shareholders, namely:

Art. 11. (1) Shareholders of the company are the persons who are registered in the book of the shareholders of the company, kept by "Central Depository" AD.

(2) Each voting share entitles to:

a) vote at the general meeting of shareholders;

- b) the right to a dividend,
 - c) right to liquidation share.
- (3) Each shareholder has the right to:
- (a) to acquire with preference part of the new shares issued upon capital increase;
 - b) to get acquainted with the written materials related to the agenda of the General Meeting;
 - c) to authorize another person to exercise his rights towards the company by means of an explicit written notarized power of attorney with a minimum content, determined in the current legislation;
 - d) to be elected in the governing bodies of the company;
 - e) all other rights granted by the Bulgarian legislation.

19.2.3. A description of the conditions provided for in the memorandum, articles of association or the charter and the regulations, the effect of which is to delay, postpone or prevent a change in the control over the issuer

There are no provisions in the Issuer's Articles of Association and other company documents that would lead to delay, postponement or prevention of a change in the Issuer's control.

XX. MATERIAL CONTRACTS

20.1. A SUMMARY OF EACH MATERIAL CONTRACT, OTHER THAN CONTRACTS ENTERED INTO THE ORDINARY COURSE OF BUSINESS, TO WHICH THE ISSUER OR ANY MEMBER OF THE GROUP IS A PARTY, FOR THE TWO YEARS IMMEDIATELY PRECEDING PUBLICATION OF THE REGISTRATION DOCUMENT.

During the last three years and as of the date of the prospectus, the Issuer or a member of its economic group, the Starcom Holding AD Group, have not concluded significant contracts other than the contracts concluded on the occasion of their usual activity.

As of the date of the Prospectus, the members of the economic group of the Issuer have not concluded contracts / other than the contracts related to their usual activity /, containing provisions for undertaking obligations or rights, essential for the whole group of the Issuer.

Of essential importance for the Issuer is the concluded contract for the acquisition of CEZ's Assets in Bulgaria, which contract was concluded in the course of the Issuer's usual activity as a holding company with subject of activity - "acquisition, management, valuation 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 use of patents to companies in which the company participates, financing of the companies in which the company participates", as well as in the implementation of its strategic aims to acquire assets by entering new regulated business sectors and diversifying its investment portfolio. The contract for the acquisition of the business of the Czech energy company CEZ in Bulgaria was signed on June 20, 2019. A summary of the essential aspects of the acquisition is described in detail in item 5.7.2. "A description of all significant investments of the issuer that are in progress or for which firm commitments have been made, including their geographical distribution and method of financing."

The contract signed in 2018 for the acquisition of the minority share by the subsidiary Euroins Insurance Group AD, information about which is presented in item. 5.7.2. "A description of all significant investments of the issuer that are in progress or for which firm commitments have been made, including their geographical distribution and method of financing."

Other significant contracts are the contracts concluded by the Issuer and its subsidiaries to finance their core business given their material size. All financing agreements are related to financing the growth of the group either organically or for new acquisitions of the insurance group in the CEE / SEE region, as well as for raising working capital from the companies necessary for the implementation of their operational activities and business growth. Given the specific nature of the activity of the leasing and automotive division, their main activity is related to the need for significant financial resources. In this sense, the more their business grows, the more the requirement for additional borrowed funds to finance their operating transactions increases.

All contracts concluded by the subsidiaries are described in detail in item 8.3. "Information on the needs of loans and the structure of the issuer's financing" and the same are concluded on the occasion of financing the usual activities of the companies, namely:

- **leasing companies** (financing their activities with borrowed funds from banking institutions and bond issues), as in all cases the borrowings are less than the net investment in financial leasing reflecting the receivables from customers under the concluded leasing contracts. All bank loan agreements of the Issuer's subsidiaries from the leasing division are secured by a special pledge on assets and lease receivables under the PPA, the value of which covers over 100% of the outstanding liabilities to the Banks at any time of the loan agreements. In addition, the Lending Bank is a third party beneficiary of Casco's pledged insurance policies. The condition for validity of the pledge on the grounds of art. 17 of the Special Pledges Act is observed, as all lessees are notified of the established pledges on the receivables under their contracts.

- **automotive companies** (financing their operational activity with borrowed funds from banking institutions and bond issues), as in all cases the loan obligations are secured by real estate mortgages and / or guarantees; pledge under the PPA of receivables; goods in stock, including cars, spare parts, etc.

With regard to the bonds issued by the Issuer and its subsidiaries and the majority owner Starcom Holding AD, the unsecured issues are of insignificant value, for the most part the issued bond loans are secured by a "Bond loan" insurance.

In support of the equity of the Eurohold Group, subordinated term debt contracts have been concluded as follows:

- Subordinated debt instruments issued by Euroins Insurance Group AD in the form of a bond loan, which was issued on December 18, 2014 in the form of 100 available, subordinated, unsecured bonds with a face value of EUR 100 thousand each. The agreed amount is EUR 10,000 thousand (BGN 19,558 thousand) and matures on December 18, 2021. The initial interest rate is 13% plus 3-month Euribor, which was subsequently reduced to 9.75% plus Euribor and is due at the end of each six-month period.
- After reviewing the indebtedness and in order to strengthen the capital of the group, Eurohold Bulgaria AD has agreed with Starcom Holding AD and converted part of the loan liabilities as of 31.12.2020 in the form of subordinated debts (not issued), representing capital first line, according to the applicable provisions of the current Bulgarian and Community law. As of 31.12.2020 the tier 1 capital has a total value of BGN 57,427 thousand (EUR 29,362 thousand) and has an indefinite repayment period, but not earlier than 5 years, and an interest rate of 6 / 6.5%, due at the end of each quarter.

Other significant transactions concluded by the majority owner of the capital of Starcom Holding AD or a member of its economic group outside the above-described transactions of the Eurohold Group

Change of the parameters under a debenture loan concluded by Starcom Holding AD:

On April 15, 2011 Starcom Holding AD issued a bond loan. The show is the first in a row. The total nominal value is BGN 30,000 thousand distributed in 30,000 bonds, each with a nominal value of BGN 1,000. The term of the bond is five years at 6.50% annual interest. The interest payment period is six months, and the principal is payable with the last interest payment on April 15, 2016.

On November 15, 2018, at a meeting of the General Meeting of Bondholders, changes were adopted to part of the terms of the bond loan, as the term of the bond was extended for a new 5 / five / year period and a repayment plan of the principal was agreed. As of April 15, 2019, on the dates of the respective interest payments, partial payments on the principal are also made, until full repayment of all obligations under the debenture loan on the new maturity of the loan on April 15, 2026.

Bank loan of Starcom Holding AD:

Terms on the loans

Bank	Currency	Limit	Principal as as 31.12.2020	Principal as as 31.12.2019	Interest	Maturity	Security
1*Manucipality Bank AD	EUR	2,500,000 €	2 500 000€	2 500 000 €	1.75%	9.2020	Contract for financial collateral with pledge of funds of a third party and Starcom Holding AD.
2*Banque Cramer & Cie SA, Switzerland	EUR	10,000,00 €	10,000,000€	-	6,5% plus max. positive 3 month EURIBOR	6.2025	Commitment to secure collateral for shares of a subsidiary.

Source: unaudited interim unconsolidated financial statements of Starcom Holding AD as of 31.12.2020

1* The company has concluded a contract for financial collateral dated 29.09.2015 with the provision of a first pledge, based on the PITA, on cash in the amount of EUR 3,800 on the current account of Starcom Holding AD kept in Municipal Bank AD .

2* According to the bank loan agreement dated 25.08.2020, a pledge of 4,400,000 shares, ISINBG1100114062, issued by Eurohold Bulgaria AD, owned by Starcom Holding AD (with reserved voting rights) has been agreed. Interest is due at the end of each quarter.

Obligation of Starcom Holding AD in connection with a signed contract for acquisition of the investment in Quintar Capital Hong Kong. According to the contract of sale, the price for the acquired company has been rescheduled and at present Starcom has a liability of BGN 807 thousand, incl. 338 with maturity on August 10, 2021 and BGN 469 thousand with maturity on March 10, 2022.

Eurohold Bulgaria AD is not aware of any other significant contracts concluded by the Starcom Group (of which it is a part).

20.2. A SUMMARY OF ANY OTHER CONTRACT (NOT BEING A CONTRACT ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS) ENTERED INTO BY ANY MEMBER OF THE GROUP WHICH CONTAINS ANY PROVISION UNDER WHICH ANY MEMBER OF THE GROUP HAS ANY OBLIGATION OR ENTITLEMENT WHICH IS MATERIAL TO THE GROUP AS AT THE DATE OF THE REGISTRATION DOCUMENT.

At the time of preparation of this Registration Document, there are no contracts that contain provisions according to which, as of the date of the registration document, a member of the group has an obligation or right essential to the group.

XXI. AVAILABLE DOCUMENTS

The following documents will be made available for hard copy review to investors in shares of this share issue, from the date of publication of the Prospectus until the expiration of its validity, during business hours, at the Issuer's correspondence address:

- Up-to-date Articles of Association of the Issuer;
- Audited annual consolidated financial statements of Eurohold Bulgaria AD for the years 2017, 2018 and 2019;
- Unaudited interim consolidated financial statements of Eurohold Bulgaria AD as of 31.12.2020;
- Prospectus for initial public offering of securities (issue of shares from capital increase) in three parts: Summary of the Prospectus - Part I, Registration Document - Part II and Securities Note - part III, including the declarations of the responsible persons attached thereto;
- All other reports, letters and other documents, assessments and reports, parts of which are included or indicated in this Prospectus

The above listed documents will be available in electronic form at the website of the Company www.eurohold.bg.

THE INVESTORS INTERESTED IN ISSUER OF THE OFFERED SECURITIES MAY GET ACQUAINTED WITH THE ORIGINAL HARD COPY OF THIS DOCUMENT TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS AND THE ABOVE LISTED DOCUMENTS, AS WELL AS TO RECEIVE ADDITIONAL INFORMATION THERETO AT THE CORRESPONDENCE ADDRESS OF THE ISSUER PROVIDED BELOW:

AT REQUEST, THE INVESTORS MAY OBTAIN A FREE COPY OF THE PROSPECTUS IN HARD COPY OR ON A DURABLE MEDIUM.

ISSUER



EUROHOLD BULGARIA AD

Address: Sofia, 1592, 43, Christopher Columbus Blvd.

Tel: (+359 2) 9651 653; (+359 2) 9651 651

Fax: (+359 2) 9651 652

Contact person:

Milena Stoyanova, e-mail: investors@eurohold.bg;

Galya Georgieva, e-mail: g_georgieva@eurohold.bg;

Working hours: 9.30 – 17.00

Website: www.eurohold.bg

The above listed documents are available in electronic form at the website of Eurohold Bulgaria AD – (www.eurohold.bg);

The up-to-date Articles of Association of the Issuer is also available in electronic form at the website of the Commercial Register at the Registry Agency at this address: (www.portal.registryagency.bg);

All audited annual consolidated financial statements and unaudited interim consolidated financial statements are disclosed to the public and available on the website of BSE (www.bse-sofia.bg), FSC (www.fsc.bg), as well as on the website of the specialized financial media "X3News" (www.x3news.com);

The Prospectus for public offering of securities issue will also be available in electronic form on the website of (www.fsc.bg) and BSE (www.bse-sofia.bg).

XXII. DECLARATIONS

DECLARATION BY THE COMPILERS

The undersigned, ASEN MINCHEV MINCHEV and GALYA ALEKSANDROVA GEORGIEVA, in our capacity as compilers of the Prospectus for public offering of issue 79 010 240 (seventy-nine million, ten thousand, two hundred and forty) shares from the increase of Eurohold Bulgaria AD, registered in the Commercial

Register at the Registry Agency, UIC 175187337, with registered office and address of management: Bulgaria, Sofia, 43 Christopher Columbus Blvd. (the "Issuer"), hereby

DECLARE, THAT

to the best of our knowledge, and after all due diligence and reasonable efforts have been made to ensure that the information contained in this Prospectus for public offering of an issue of 79 010 240 (seventy-nine million, ten thousand, two hundred and forty) shares from the share capital increase of Eurohold Bulgaria AD is true and complete, as it is in accordance with the facts and does not contain omissions likely to affect its import.

COMPILERS:

Asen Minchev

Galya Georgieva

DECLARATION

from Eurohold Bulgaria AD (the "Issuer")
under Art. 89d, para. 2 of the Public Offering of Securities Act

The undersigned, **ASEN MINCHEV MINCHEV**, in his capacity of Executive Director and **MILENA MILTCHOVA GUENTCHEVA**, in her capacity of a Procurator, both in our capacity of representatives of the Issuer Eurohold Bulgaria AD, registered in the Commercial Register at the Registry Agency, UIC 175187337,

with registered office and address of management: Bulgaria, Sofia, 43 Christopher Columbus Blvd. (the "Issuer"), pursuant to Art. 89d, para. 2 of the Public Offering of Securities Act ("POSA"), hereby

DECLARE, THAT

this Prospectus for public offering of an issue of 79 010 240 (seventy-nine million, ten thousand, two hundred and forty) shares from the share capital increase of Eurohold Bulgaria AD is in compliance with the requirements of Regulation (EU) 2017/1129, the Public Offering of Securities Act ("POSA") and their implementing acts.

DECLARORS:

Asen Minchev
Executive Director

Milena Guentcheva
Procurator