

EUROHOLD BULGARIA AD PROSPECTUS

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

Subject of the offering	79 010 240 new shares
Type of the shares	registered, dematerialized, non-preferred 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

PART I SUMMARY

This Summary 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 Summary - Part I, as well as with the Registration Document - Part II of the Prospectus and the Securities Note - Part III before making an investment decision.

12 April 2021

THIS SUMMARY 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.

I. INTRODUCTION, CONTAINING WARNINGS

A. NAME AND INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) OF THE SECURITIES

Issuer of the securities is **EUROHOLD BULGARIA AD**.

International securities identification number of the securities: **ISIN BG1100114062**.

B. IDENTITY AND CONTACT DETAILS OF THE ISSUER, INCLUDING ITS LEGAL ENTITY IDENTIFIER (LEI)

Eurohold Bulgaria AD is registered in CR under UIC 175187337 and has assigned identification code of the legal entity LEI code 74780000J0W85Y204X80.

Registered office and correspondence address - 1592, Sofia, 43, Christopher Columbus Blvd.;

Contact person – Milena Stoyanova, tel: (+359) 2 9651 563, e-mail: investors@eurohold.bg; and Galya Georgieva, tel: (+359) 2 9651 563, e-mail: g_georgieva@eurohold.bg; website - www.eurohold.bg.

C. INFORMATION ON THE OFFEROR WHO OFFERS THE SECURITIES TO THE PUBLIC

The offeror of the securities to the public is the Issuer Eurohold Bulgaria AD.

D. IDENTITY AND CONTACT DETAILS OF THE COMPETENT AUTHORITY THAT APPROVES THE PROSPECTUS

The competent authority that approves this Prospectus is the Financial Supervision Commission. Contact details: 1000, Sofia, 16, Budapeshta Str., call centre: 02 9404 999, fax: 02 9404 606, e-mail: bg_fsc@fsc.bg, website: www.fsc.bg.

E. DATE OF APPROVAL OF THE PROSPECTUS

Summary

The Financial Supervision Commission has approved this Prospectus for initial public offering of securities (issue of shares from capital increase) issued by Eurohold Bulgaria AD on 29.04.2021 by Resolution No. 278-E / 29.04.2021.

! WARNINGS TO THE POTENTIAL INVESTORS:

This Summary of the Prospectus for the initial public offering of shares from capital increase has been drawn up in accordance with Article 7 of Regulation (EU) 1129/2017

1. This Summary should be read as an introduction to the Prospectus. It contains the key information regarding the characteristics of the Issuer and the risks associated with the Issuer and information on the initial public offering of securities
2. Any decision to invest in the offered securities – issue of shares from capital increase, should be based on a consideration by the investor of the Prospectus as a whole, namely the Summary together with the other parts of the Prospectus – the Registration Document and the Securities Note.
3. When investing in the issued securities of the Issuer, the investor may lose all or part of the invested capital.
4. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor may, under the applicable national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.
5. Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
6. The provisions of Article 8(3)(b) of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) are not applicable to this Prospectus

II. KEY INFORMATION ON THE ISSUER**A. "WHO IS THE ISSUER OF THE SECURITIES?"****i. Information on the Issuer**

EUROHOLD BULGARIA AD is a public joint stock company, in English it is designated as follows: EUROHOLD BULGARIA S.A. The company is established for unlimited period of time. The Issuer has not established branches. The shares of the company are admitted to trading on the main market of the Bulgarian Stock Exchange AD with BSE code EUBG and of Warsaw Stock Exchange (WSE) - Poland with stock exchange code EHG.

Country of incorporation and registration
Registration number
Legislation
Registered office and correspondence address
Tel:
E-mail:
Website:

Republic of Bulgaria
UIC 175187337
Bulgarian law
Sofia, 1592, Iskar District, 43, Christopher Columbus Blvd.
+359 2 9651 651; + 359 2 9651 653
investors@eurohold.bg; office@eurohold.bg
www.eurohold.bg

ii. Principal activities

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.

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.

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

For the period covered by the historical financial information in the present document, the energy division is not operating, as it is new for the Issuer. Currently, Eurohold Bulgaria AD is in the process of acquiring the energy business of CEZ GROUP in Bulgaria, for which it has received all necessary approvals from the regulatory authorities and for the financing of which the current share capital increase of the Issuer through public offering of new shares has been undertaken.

The revenues of Eurohold Bulgaria AD on standalone base are formed by its principal activity related to acquisition and management of participations and financing of subsidiaries. The Company does not carry out independent commercial and/ or production activities. The consolidated revenues of the Issuer include, in addition to the revenues generated by it on standalone base, also the revenues from the main activity of its subsidiaries after the intra-group consolidation procedures (elimination of intra-group transactions). Eurohold Bulgaria AD does not carry out activities subject to a special authorization regime for which patents, licences or other permits are required from regulatory authorities.

Major shareholders: 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 the Bulgarian legislation. As at the date of the Registration Document, Starcom Holding owns a controlling interest of 50.08% of the capital of Eurohold Bulgaria AD

Direct and indirect control exercised over the Issuer:

Direct control - The majority shareholder of Eurohold Bulgaria AD is Starcom Holding AD, which directly owns 98 924 841 shares of the Issuer's capital as at the date of the Registration Document, representing 50.08% of the capital. Direct control over the Issuer is exercised by the majority shareholder. Eurohold Bulgaria AD is not directly dependent on other entities within the group except for the majority owner of the capital, Starcom Holding AD.

Indirect control - Indirect control within the meaning of § 1, item 14, letter a) of the Additional Provisions of POSA over the Issuer is exercised by following natural persons, namely: Asen Milkov Christov, who exercises indirect control over the Issuer, insofar as the person owns 51% of the capital of Starcom Holding AD.

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

The majority shareholder does not have different voting rights. Eurohold Bulgaria AD has no arrangements with other persons, nor is it aware of such arrangements, the effect of which may lead to a specific future change in the relations of control towards the Company.

iii. Management and representative powers

Eurohold Bulgaria AD has a two-tier management system, as follows - Management Board, which consists of five individuals and Supervisory Board, which consists of six individuals. Executive members of the Management Board are: Asen Minchev Minchev - Executive Directors and Kiril Ivanov Boshov - Chairman of the Management Board. The company has two procurators.

The Company is represented jointly by an executive member of the Management Board and a procurator of the Company.

iv. Statutory auditors

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.

For statutory auditor to perform the independent financial audit of the separate and the consolidated financial statements of Eurohold Bulgaria AD

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for 2020 has been appointed the Audit Firm ZAHARINOVA NEXIA OOD, entered in the Commercial Register at the Registry Agency with UIC 200876536 and with registered office and address of management Sofia, 157-159, Konstantin Velichkov Blvd., floor 1, office 3, tel. 02 9204670, e-mail: office@zaharinovanexia.com, internet address: www.zaharinovanexia.com, entered in the register of certified audit firms maintained by the Institute of Certified Public Accountants in Bulgaria under reg. No. 138.

B. "WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?"

The tables below present selected financial information for the Company based on audited annual consolidated financial statements for 2017, 2018, 2019 and unaudited interim consolidated financial statements as of December 31, 2020. The financial statements of Eurohold Bulgaria AD are 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 (IFRS adopted by the EU).

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, including for equity opening balance. The financial information for 2020 is based on the updated unaudited interim financial statements as of 31.12.2020.

Financial information extracted from the "Consolidated statements of profit or loss and other comprehensive income"

Indicator	2017 r.	2017 r.*	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 %
Revenue from operating activities	1 240 716	1 240 716	1,8%	1 263 160	1 263 160	26,7%	1 600 809	1 633 541	2%
Revenue from insurance business	1 005 026	1 005 026	-1,8%	987 201	987 201	34,1%	1 323 840	1 438 419	8,7%
Revenue from car sales and after sales	204 255	204 255	9,3%	223 332	223 332	9,6%	244 757	162 552	-33,6%
Revenue from leasing business	25 374	25 374	-0,8%	25 180	25 180	0,5%	25 301	21 609	-14,6%
Revenue from asset management and brokerage	3 882	3 882	11,3%	4 322	4 322	4,6%	4 521	7 934	75,5%
Revenue from the activities of the parent company	2 179	2 179	961,3%	23 125	23 125	-89,7%	2 390	3 027	26,7%
Gross Operating Profit	131 519	131 439	-5,1%	133 240	124 744	-4,9%	118 655	73 361	-38,2%
Net profit for the year, including attributable to	24 415	24 335	-54,4%	16 874	11 088	-108,4%	(930)	(43 409)	4594,4%
Equity holders of the parent	18 174	18 103	-49,7%	14 385	9 105	-131,7%	(2 885)	(43 658)	1 404,6%
Non-controlling interests	6 241	6 232	-68,2%	2 489	1 983	-1,4%	1 955	249	-87,3%
Operating margin	2%	2%	-50%	1%	1%	-106%	-0.06%	-2.7%	4328,9%
Net margin	19%	19%	-32%	13%	9%	-109%	-0.8%	-59.2%	7296,5%

Financial information extracted from the "Consolidated statements of financial position"

Indicator	2017 r.	2017 r.*	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 %
TOTAL 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%
Total equity	214 506	214 109*	-6,3%	207 322	200 575*	-4,9%	190 698	135 221	-29,1%
Net financial liabilities (long-term liabilities plus short-term liabilities minus cash)	1 110 271	1 110 668	7%	1 186 110	1 188 105	11%	1 314 402	1 537 242	17,0%

Financial information extracted from the "Consolidated statements of cash flows"

Consolidated cash flows	2017 r.	2017 r.*	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 increase/ (decrease) in cash	(55 003)	(55 003)	3 595	3 595	42 150	(22 892)
Cash at the beginning of the year	100 948	100 948	45 945	45 945	49 540	91 690
Cash at the end of the year	45 945	45 945	49 540	49 540	91 690	68 798

i. Pro forma financial information:

The Company does not present proforma financial information and such is not included in this Prospectus.

ii. Brief description of any qualifications in the audit report relating to the historical financial information:

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."

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."

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."

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

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Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)."

Basis for Qualified 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."

C. "WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?"

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. The most significant risks for the Issuer, according to their impact are:

Unsystematic risks: Risks related to the activity and structure of the Issuer; Risks related to the development strategy of the Issuer; Risks related to future acquisitions and their integration into the structure; Risks related to the management of the Issuer; Risks related to the inability of the Issuer to raise capital to finance its strategic objectives; Risks related to attracting and retaining qualified personnel.

Systematic risks: Macroeconomic risk

III. KEY INFORMATION ON THE SECURITIES

A. "WHAT ARE THE MAIN FEATURES OF THE SECURITIES?"

All main features of the issue of new shares from capital increase are detailed, as follows:

i. Type, order and class, ISIN of the issue of new shares

- **Type of the shares from the current issue:** Subject of the public offering are 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;
- **Order and class:** the offered to the public new shares are of the same type and class as the existing issue of shares of the Company;
- **International securities identification number of the securities:** ISIN BG1100114062.

ii. Other main features of the issue of new shares

- **Currency:** The issue of shares from the capital increase of Eurohold Bulgaria AD is denominated in Bulgarian levs. Following the successful completion of the capital increase, the shares will be quoted and traded in Bulgarian levs on BSE AD and in Polish zlotys on the Warsaw Stock Exchange;
- **Nominal and issue value per share:** The nominal value of the offered shares is BGN 1.00 (one) per share, and the issue value is BGN 2.50 (two levs and fifty stotinki) per share;
- **Total nominal and issue value:** total nominal value amounts to BGN 79 010 240; total issue value amounts to BGN 197 525 600;
- **Total number of the securities issued:** 79 010 240 (seventy-nine million ten thousand two hundred and forty) shares;
- **Term of the securities:** there is no term of the securities.

iii. Rights attached to the securities:

Each share gives the right to 1 (one) vote in the general meeting of the shareholders of the Company, the right to dividend and right to liquidation share, proportionate to the nominal value of the share. The right to vote is exercised by the those persons recorded as such with voting rights in the Central Securities Register 14 days before the date of the general meeting. Holders of the right to vote participate in the General Meeting in person or through a representative authorized by an explicit notarized written power of attorney issued by the respective shareholder for that particular general meeting, with the content corresponding to the requirements stipulated by the POSA and the Issuer's Articles of Association. The authorization may be performed by electronic means. The right to receive a dividend is entitled to the persons recorded as such with right to dividend in the Central Securities Register on the 14th day following the date of the general meeting at which the annual, respectively the 6-month financial statements and a resolution for distribution of the profit were adopted. Article 115b, para. 2 of POSA applies accordingly.

The Company does not apply restrictions or specific provisions for distribution of dividends to foreign persons. Pursuant to Art. 112 of the Public Offering of Securities Act, upon capital increase of a public company, each shareholder has the right to acquire shares that correspond to his share in the capital before the increase. Each share entitles to a liquidation share in proportion to its nominal value. Only persons who are shareholders of the Company at the time of its termination have the right to a liquidation share.

Additional rights of the shareholders: Each share additionally entitles its owner to the following rights: to elect and be elected in the management bodies of the Company; right to information, including the right to get acquainted with the written materials relevant to the agenda of the General Meeting of the Shareholders prior to the meeting; right to protection of membership and of individual membership rights (Article 71 of the CA); right of each shareholder to bring an action before court against resolutions of the General Meeting of Shareholders that are inconsistent with the provisions of the law or the articles of association (art. 74 of the CA); the right to request a registration official at the Registry Agency to appoint registered auditors, if registered auditors have not been elected by the General Meeting of Shareholders - Art. 249 of the CA.

Additional rights of the minority shareholders (shareholders holding jointly or separately at least 5 percent of the capital of the public company): the right to bring actions before the court against third parties on behalf of the Company in the event the management bodies fail to act, when such omission jeopardizes the interests of the Company; the right to bring an action before the district court exercising jurisdiction at the registered office of the Company for indemnification of damages caused to the Company by acts or omissions of the members of its management and supervisory bodies and its Procurator; to requisition the General Meeting of Shareholders or the district court to appoint inspectors to inspect all accounting records of the Company and prepare a report on their findings thereof; the right to require the district court to convene a

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General Meeting of Shareholder or empower a representative of theirs to convene a General Meeting of Shareholders under an agenda determined by them; the right to require the inclusion of items and to propose resolutions on items that are already included under the agenda of the General Meeting of Shareholders in accordance with the provisions of Art. 223a of the CA. This right is not applicable when on the agenda of the General Meeting of Shareholders is included an item whose subject matter is adoption of a resolution under Art. 114, para. 1 of POSA. The persons in reference are not entitled to include on the agenda of the General Meeting of Shareholders any new items whose subject matter is adoption of a resolution under Art. 114, para. 1 of POSA.

Rights conferred by the shares, subject to this public offering, may not be limited by the rights granted by another class of securities or the provisions of any other contract or document.

iv. The relative seniority of the securities in the issuer's capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under Directive 2014/59/EU;

The shareholders' right of the receivables on the securities is conditional - it arises and may be exercised only in the event that upon liquidation of the Company, after satisfying the claims of all creditors, there are assets remaining for distribution between the shareholders, respectively up to the amount of these assets. The remaining assets are distributed between the shareholders, in accordance with and in proportion to their shareholding.

In the case of insolvency of the Issuer. The shareholders' right of the receivables on the securities is conditional - it arises and may be exercised only in the event that upon insolvency of the Company, after satisfying the claims of all creditors in accordance with the order of claims determined by Art. 722 of the Commerce Act, there are assets remaining for distribution between the shareholders, respectively up to the amount of these assets. The remaining assets are distributed between the shareholders, in accordance with and in proportion to their shareholding.

v. Any restrictions on the transferability of the securities

The shares of this issue are freely transferable without any restrictions, as per the will of their owner and in accordance with the provisions of Markets in Financial Instruments Act (MFIA), Ordinance No. 38 on the requirements to the activities of the investment intermediaries, Rules of Procedure of Central Depository AD (CD) and the Rules and Regulations of the Bulgarian Stock Exchange AD. Pursuant to the requirements of Art. 63, para. 1 of Ordinance No. 38 of 21.05.2020. on the requirements to the activities of the investment intermediaries, the investment intermediary is not allowed to execute an order if it ascertains that the financial instruments - subject of the sale order, are not available at the client's account or are blocked in a depository institution, as well as when the instruments have been pledged or distrained.

The shares of this issue are freely transferable without any restrictions, as per the will of their owner. The sale and purchase of the Issuer's shares on the Warsaw Stock Exchange may be carried out through an investment intermediary, by using the trading mechanisms applicable to this regulated market and in accordance with the provisions of the Polish law. Pursuant to Art. 75 of the Polish Public Offering Act, shares that are the subject of a pledge may not be traded until the pledge is released, unless the acquisition of the shares is made in connection with a financial collateral arrangement, as defined in the Polish Financial Collaterals Act, dated 02.04.2004.

vi. Dividend or payout policy

Pursuant to the provisions of the current Articles of Association of the Company, the resolution for distribution of profits at year's end is adopted by the General Meeting of Shareholders in compliance with Art. 247a of the Commerce Act.

B. "WHERE WILL THE SECURITIES BE TRADED?"

Within two working days from the entry of the issue in the register under Art. 30, para. 1, item 3 of the FSCA (respectively from the receipt of the resolution of the FSC for registration of the issue), Eurohold Bulgaria AD will submit an application to BSE AD for admission of the issue to trading on the regulated market. Eurohold Bulgaria AD will undertake the required actions for admission to trading of the current issue on the Warsaw Stock Exchange.

The issue is expected to be admitted to trading on BSE AD at the end of June 2021, and on the Warsaw Stock Exchange by the end of September 2021. The sale and purchase of the Issuer's shares on the Warsaw Stock Exchange may be carried out through licensed investment intermediary member of the stock exchange, by using the trading mechanisms applicable to this regulated market and in accordance with the provisions of the Polish law.

The offered securities will not be the subject to an application for admission to trading with a view to their distribution on a third country market and on an SME growth market. Following the issue from the capital increase is admitted to trading on BSE AD, the Issuer may request it to be admitted to trading on MTF - Sofia.

C. "IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?" - NO**D. "WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?"**

Investing in stocks is associated with a high degree of risk. Each investor should be informed about the nature and specifics of the risks to which he is exposed as an investor in the shares described in the Securities Note.

The most material risk factors specific to the current issue of shares, can be identified as follows: Price Risk; Liquidity Risk; Inflation Risk; Currency Risk; Risk of Non-Payment of Dividend; Risk associated with the possibility of significant transactions with shares of the Company to affect their price; Reinvestment Risk; Risk of Dilution.

IV. KEY INFORMATION ON THE OFFER OF THE ISSUE OF SHARES TO THE PUBLIC**A. "UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?"**

General terms of the offer: The public offering will be considered successfully completed and accordingly the capital of Eurohold Bulgaria AD will be increased only if at least 31,604,096 (thirty-one million six hundred and four thousand and ninety-six) shares, representing 40% (forty percent) of the offered shares are subscribed and fully paid. In this case, pursuant to Art. 192a, para. 2 of the CA and Art. 112, para. 7 of POSA, the capital of the Company will be increased only by 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 (seventy-nine million ten thousand two hundred and forty) shares. All shares of the new issue from the capital increase of Eurohold Bulgaria AD are offered equally to the investors for subscription.

Against each share from the capital of Eurohold Bulgaria AD is issued one right within the meaning of § 1, item 3 of the Additional Provisions of the Public Offering of Securities Act. Against every 5 (five) rights, their holder may subscribe for 2 (two) new shares from the issue of the capital increase at an issue value of BGN 2.50 (two and 0.50) each.

All persons who wish to subscribe for shares from the new issue of shares of Eurohold Bulgaria AD shall first acquire rights. The current shareholders acquire the rights free of charge under the procedure described above. All other investors may purchase rights through a trade performed at the organized by the Bulgarian Stock Exchange - Sofia AD "Rights Market" within the term for free trading of the rights or through purchase under the conditions of an open auction for the unexercised rights, according to the procedure described in detail in prospectus.

Following the Prospectus is confirmed by FSC, Eurohold Bulgaria AD will publish an announcement under Art. 89t, para. 1 of the Public Offering of Securities Act, in which it indicates the initial and final term of the subscription, respectively the initial and final term of the purchase; the number of the decision of the FSC for approval of the prospectus; the place, the time and the manner of acquaintance with the prospectus.

The announcement is published on the website of Eurohold Bulgaria AD (www.eurohold.bg) and of the investment intermediary EURO-FINANCE AD (www.eurofinance.bg), at least 7 days before the initial subscription term.

The transfer of the rights through sale-purchase is carried out on a regulated market - Main Market of BSE AD, Subscription Rights Segment. The persons shall submit a sell order to the respective investment intermediary, with which their accounts for rights have been opened, respectively through a purchase order to an investment intermediary - member of the stock exchange. The provisions of the Rules of procedure of the Central Depository AD shall apply to the acquisition of rights through alternative ways.

Open Auction. On the second working day after the expiration of the term for transfer of the rights, Eurohold Bulgaria AD, through the investment intermediary Euro-Finance AD, will offer for sale under the conditions of open auction on BSE AD those rights against which no shares of the new issue have been subscribed until the expiration of the term for the transfer of rights.

Summary

The commencement of the period for subscription of shares /the initial date for subscription of the shares/ coincides with the commencement of the period for transfer of rights /the initial date for the transfer of the rights/.

The deadline for subscription of shares is the first working day following the expiration of 5 (five) working days term, commencing on the day on which the term for transfer of the rights expires. It is not allowed to subscribe for shares before the specified initial term and after the deadline for subscription of shares.

The subscription of shares shall be considered valid only if it is made by a holder of rights, up to the maximum possible number of shares, within the term and under the conditions specified in this Securities Note. Pursuant to Art. 112, para. 7 of the Public Offering of Securities Act, the issue value of the new shares must be paid in full. In case of partial payment of the issue value, the respective number of shares for which the issue value has been paid in full are considered subscribed.

In case the initial public offering of securities is completed successfully, the capital increase is submitted for registration at the Commercial Register and the Register of the NPLE, respectively for registration of the new issue of shares in Central Depository AD, in the register led by FSC, in the Polish National Securities Depository, as well as for trading on BSE AD and the Warsaw Stock Exchange and for registration with the Polish Financial Supervision Authority.

The Financial Supervision Commission (FSC), respectively the Deputy Chair of the Financial Supervision Commission in charge of the Supervision of the Investment Activities Division, may suspend, temporarily or permanently, trading in the financial instruments upon the occurrence of the relevant conditions provided for in POSA and MFIA

During the period from the submission of an application for approval of a prospectus until the decision of FSC, the Issuer is obliged within three working days from the occurrence, respectively becoming aware, of any changes that require amendments to the prospectus, to notify FSC of these changes and to submit the relevant amendments to the prospectus. In the event of occurrence, respectively becoming aware, of significant new factor, mistake or inaccuracy relating to the information included in a prospectus which may affect the assessment of the securities in the period between the time when the prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, Art. 23, para. 1 of Regulation (EU) 2017/1129 shall apply. In cases under the previous sentence, FSC may refuse to approve the supplement to the prospectus when the requirements of Regulation (EU) 2017/1129, this chapter and / or their implementing acts are not met.

FSC may suspend the trade in certain financial instruments for the purpose of prevention and discontinuance of administrative offences under the Implementation of the Measures against Market Abuse with Financial Instruments Act (IMMAFI), Regulation (EU) 596/2014 and its implementing instruments, prevention and elimination of their adverse effects, as well as where the exercise of the control activity by the Commission or the Deputy Chair is impeded or the interests of investors are jeopardised /Art. 20, para. 1 in conj. With para. 3, item 3 of the IMMAFI and Art. 23 (2) (j) of Regulation (EU) 596/2014/

BSE AD may suspend trading in financial instruments or remove financial instruments from trading, if this will not significantly harm the interests of investors and the normal functioning of the market under the terms and conditions of the Rules of BSE AD.

Upon successful completion of the capital increase, the Issuer shall submit the shares of the current issue to trading on the Warsaw Stock Exchange, and the requirements of the Polish legislation will apply to the trading on the Warsaw Stock Exchange, respectively to the suspension of trading in the Issuer's shares.

The Exchange Management Board of the Warsaw Stock Exchange may decide to exclude securities from trading in the following cases:

(a) the securities no longer meet the conditions applicable to securities traded on the market, provided that this does not jeopardise the investors' interests and does not jeopardise the sound functioning of the market.

(b) pursuant to § 31.1 of the Warsaw Stock Exchange Rules: if the securities' transferability has become restricted; upon request of the Polish Financial Supervision Authority (PFSA) made in accordance with the Act on Trading in Financial Instruments; if the securities are no longer dematerialised; if the securities are delisted from trading on the regulated market by a relevant supervision authority.

(c) pursuant to § 31.2 of the Warsaw Stock Exchange Rules:

- if the financial instrument no longer meets the requirements for admission to exchange trading on a given market other than the condition of restricted securities' transferability;

- if the Exchange Management Board considers this necessary to protect the interests and safety of trading participants,

Pursuant to the provisions of the Act on Trading in Financial Instruments, at the request of the FSA, the Exchange Management Board shall suspend trading in financial instruments if trading in such securities endangers the reliable functioning of the regulated market or the trading security on such market, or, respectively, jeopardises the investors' interests. Such a request should be accompanied by a detailed justification.

Warsaw Stock Exchange Rules include general provisions for the temporary suspension of trading in an issue of shares on the Warsaw Stock Exchange. The basic rule stipulates that if, after the opening of continuous trading, a given transaction price exceeds the price margins specified in the Warsaw Stock Exchange Rules, the transactions, as well as the acceptance, amendment and withdrawal of orders with these securities shall be suspended.

In accordance with the requirements of Art. 110, para. 9 of POSA, within two working days from the registration of the capital increase in the Commercial Register and the Register of the NPLE, the representative of the Issuer Eurohold Bulgaria AD will submit to the FSC an application for entry in the register under Art. 30, para. 1, item 3 of the Financial Supervision Commission Act of the new issue of shares.

Within two working days from the registration of the issue in the register under Art. 30, para. 1, item 3 of the FSCA (respectively from the receipt of the decision of the FSC for registration of the issue), Eurohold Bulgaria AD will submit an application to BSE AD for admission of the issue to trading on the regulated market. Eurohold Bulgaria AD will undertake the required actions for admission to trading of the current issue on the Warsaw Stock Exchange.

The issue is expected to be admitted to trading on BSE AD at the end of June 2021, and on the Warsaw Stock Exchange by the end of September 2021. The sale and purchase of the Issuer's shares on the Warsaw Stock Exchange may be carried out through licensed investment intermediary member of the stock exchange, by using the trading mechanisms applicable to this regulated market and in accordance with the provisions of the Polish law.

Terms, conditions and manner of payment of the shares

The payment of the issue value of the subscribed shares shall be made to a specific fundraising bank account, opened by and in the name of the Issuer, which will be additionally indicated in the announcement for the public offering.

The fundraising account must be credited with the instalment against the subscribed shares at the latest by the end of the last day of the subscription. A document certifying the instalment made is the payment document (payment order or import receipt) that shall be received by the servicing bank upon depositing, respectively transferring the instalment, to the fundraising account of Eurohold Bulgaria AD. The payment order or the import receipt must indicate the name/trade name of the person subscribing the shares, his/its PIN/UIC/BULSTAT (for Bulgarian persons), the number of subscribed shares, the total amount of the due and made instalment.

The funds raised at the fundraising account cannot be used before the end of the subscription and the registration of the capital increase at the Commercial Register and the Register of the NPLE.

Receipt of certification documents. Following registration of the capital increase in the Commercial Register and the register of NPLE, Eurohold Bulgaria AD registers the issue of shares in Central Depository AD. The newly issued shares will be submitted for registration on shareholders' client sub-accounts with the respective investment intermediary through which the shares were subscribed. After the shares are credited to the client sub-accounts with the investment intermediary, the certifying documents (depository receipts) are issued at the request of the shareholder made by submitting an order to the respective investment intermediary.

The certifying documents (depository receipts) are issued by Central Depository AD. This public offering of issue of shares from capital increase of Eurohold Bulgaria AD is carried out in Bulgaria. According to POSA, each shareholder has the right to acquire shares corresponding to his share in the capital before the increase. Apart from the right to pre-emptive subscription of shares from the increase, which belongs to the persons under the previous sentence, there is no restriction on the categories of investors to whom the securities are offered. All investors can participate under absolutely equal conditions in the capital increase of Eurohold Bulgaria AD by purchasing rights and acquiring shares against them within the specified time periods. Starcom Holding AD, in its capacity of a majority shareholder with a controlling stake of over 50% in the capital of the Issuer, has announced its intention to subscribe such part of the new shares as to ensure preservation its controlling interest in the Issuer.

Summary

Plan for distribution. The Issuer has no information whether members of the Management or Supervisory Board or of the administrative bodies of the Company intend to acquire shares from the offered shares from the capital increase. The Issuer does not have definite information whether another person, regardless of the expressed intentions for investment in the Issuer's capital, will be able to subscribe more than 5 percent of the offered new shares from the current capital increase, given that the same person shall be a new shareholder in the Issuer who is not entitled to the right of pre-emptive subscription. In the current case, the means for such person to participate in the capital increase come down to the purchase of free rights offered at the auction of rights. The Issuer will not pre-allocate any parts of the issue.

In this public offering, the issue value of the securities is predetermined. Each investor has the legal right to subscribe for the desired number of shares without exceeding the amount of rights he holds. The number of subscribed shares and the amount due shall be specified in the subscription order, which each investor submits through the investment intermediary of its choice.

Expenses and net income. The estimated costs at a minimum issue amount to BGN 46,874. The net proceeds from the public offering in case the issue is subscribed and paid in the minimum envisaged amount will amount to BGN 78,963,366. Expenses at the maximum amount of the issue amount to BGN 51,825. The net proceeds from the public offering, in case the issue is subscribed and paid at the maximum provided amount, will amount to BGN 197,473,775.

Dilution. In this case, the issue value of one new share of the current issue amounts to BGN 2.50 per share, which is higher than the book value of one share after a successful capital increase, amounting to respectively BGN 1.81 (at maximum subscription) and BGN 1.67 (at minimum subscription per share), calculated as of the date of the last published unaudited interim consolidated financial statement of the Company as of 31.12.2020. Therefore, in this public offering there is no dilution effect in relation to the balance sheet value of one share considering that the existing shareholders of Eurohold Bulgaria AD will not be diluted. Calculation of the immediate dilution of shareholders who do not participate in the capital increase. In this case, if the existing shareholders do not participate in the subscription of the offer, their participation will be diluted at the following percentages: At maximum subscribed capital of the increase, the dilution of the non-participating shareholders will amount to 28.57%. At minimum subscribed capital of the increase, the dilution of the non-participating shareholders will amount to 13.79%.

B. "WHO IS THE OFFEROR AND/OR THE PERSON ASKING FOR ADMISSION TO TRADING? "

The new shares from the capital increase of Eurohold Bulgaria AD are offered by the Company as Issuer. There is no offeror other than the Issuer, nor any other person who conducting the initial public offering of shares.

"WHY IS THIS PROSPECTUS BEING PRODUCED?"**i. Use and estimated net amount of the proceeds**

This Prospectus has been prepared for the purpose of provide information to potential investors on the basis of which they can assess their possible investment in the initial public offering of shares from the capital increase of Eurohold Bulgaria AD and their admission to trading. The public offering purposes is fundraising through public offering of 79 010 240 shares of the same type and class as the existing issue of shares of the Company. The net proceeds from the public offering in case the issue is subscribed and paid in the minimum envisaged amount will amount to BGN 78,963,366. The net proceeds from the public offering, in case the issue is subscribed and paid at the maximum provided amount, will amount to BGN 197,473,775.

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.

ii. An indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered

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.

iii. An indication of the most material conflicts of interest pertaining to the offer or the admission to trading

The persons who prepared and/or are responsible for the content of this prospectus do not own significant interests in the capital of Eurohold Bulgaria AD, including conflicting interests, that are significant for the current issue/offer.

No remuneration associated with the success of this public offering is provided for any of the compilers and/or the persons responsible for the content of the prospectus. Part of the total amount of the remuneration of the authorized investment intermediary is formed as a percentage on the actually subscribed and paid shares.

The Issuer is not aware of any conflicts, potential or arisen, between its interests and the private interests of the persons responsible for the preparation of this prospectus and for the organization of the public offering as a whole.

V. 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