

# EUROHOLD BULGARIA

## ANNUAL MANAGEMENT REPORT



2023

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### **note on statements**

- » the references in this report to "Eurohold", "the Company", refer to "Eurohold Bulgaria" AD,
- » while references to "Eurohold Group", "the Group" refer to "Eurohold Bulgaria" AD and its subsidiaries

## § ABOUT THIS REPORT

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

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

### **» Regarding the annual separate financial statements**

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#### Basis for preparation

The annual separate financial statements of Eurohold Bulgaria AD have been prepared in accordance with the International Financial Reporting Standards (IFRS), developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS adopted by the EU in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council).

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

### **» Regarding the annual individual activity report**

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#### Basis for preparation

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

Information contained in the corporate governance statement:

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

Information contained in a remuneration report:

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

### **Reporting period**

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The annual individual report covers the period January 1 – 31 December 2023.

### **Reporting currency**

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

1 BGN = 1.95583 EUR

### **Translation**

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

### **Consolidated annual report**

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Eurohold Bulgaria AD also prepares a consolidated management report, which consolidates the results of the parent company, subsidiaries and associated enterprises. In order to gain a complete picture of the financial position of Eurohold Group, users of this annual separate report should read it together with the consolidated annual report of Eurohold Group for 2023.

***Additional information about Eurohold Bulgaria is available on the Company's website: [www.eurohold.bg](http://www.eurohold.bg)***

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# A

# ACTIVITY REPORT

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## A.1 OPERATIONAL AND FINANCIAL REVIEW

### BUSINESS HIGHLIGHTS

#### Eurohold Bulgaria AD

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

the company's shares are registered for trading on:

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

## 2023

#### BUSINESS OPERATIONS

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

#### BUSINESS ASSETS

- ↳ Eastern European Electric Company II B.V. - energetics  
A company uniting the energy companies acquired in 2021
- ↳ Euroins Insurance Group AD - insurance  
Insurer from CEE and SEE with leading positions in Romania and Bulgaria.
- ↳ Euro-Finance AD - investment intermediation and asset management  
Market turnover leader on the Bulgarian Stock Exchange, Member of the Deutsche Börse Group.

## CORPORATE PROFILE

Eurohold Bulgaria is a holding company and one of the leading listed companies whose shares are traded on the Bulgarian Stock Exchange and the Warsaw Stock Exchange.

Founded more than 28 years ago, the Eurohold Group has grown into an organization with a physical presence in 13 countries in Europe and a staff of over 5,000 permanent employees.

Eurohold Bulgaria is a leading diversified group of companies operating in the fields of energy, insurance and financial services (investment mediation and asset management). All companies in the group are subject to sector regulatory oversight. The Eurohold Group provides the market with a full range of competitive products and services with significant future opportunities for rapid growth of the market shares of the companies in the Group, optimization of costs, strengthening of competitiveness and increase of consolidated profit.

The main driver for the development of the group is the highly professional leadership and management team with proven experience in both the holding and business units, possessing significant experience in acquiring companies and raising equity and debt capital on the international capital markets.

The management of the group is based on a high level of corporate governance in accordance with the best international practices and in compliance with the National Corporate Governance Code.

### Main highlights in Eurohold's development line



### 1

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

### 2

In 2010, Eurohold restructured its investments, identifying as strategic its investments in companies operating in insurance, leasing, automobiles, as well as investment brokerage and asset management. Eurohold divested its investments in the non-residential and tourism property management and industry.

### 3

In 2021, Eurohold acquired the assets of CEZ Group in Bulgaria - now the ELEKTROHOLD group. After the acquisition of the energy companies, Eurohold determined its strategic investments in the energy and insurance business.

### 4

In 2022, Eurohold sold its investments in the automotive and leasing group. This decision aims to focus on the development of the energy and insurance business.

### 5

A leading holding company in CEE/SE with leadership positions in two strategic pillars - energy and insurance.

- » Leading insurance business in Bulgaria and in the CEE / SEE markets, serving over 4 million customers
- » Leading market positions in Bulgaria with 40% market share in electricity distribution and >3 million customers on a national scale
- » Recognizable brand worldwide

## VISION

**Our vision is based on our rich history and experience of being leaders and innovators in all of our business operations**

## MISSION

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

## MAIN OBJECTIVES

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

## GROUP STRATEGY

**Our group strategy is based on the following principles:**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>» Development and maintenance of leading positions in key markets in the region of Southeast Europe in the insurance, energy and investment business;</li> <li>» Focus on organic growth, complemented by acquisition of enterprises that meet Eurohold's criteria;</li> <li>» Promoting synergies in all business sectors by centralizing and optimizing operations, marketing and business processes;</li> </ul> | <ul style="list-style-type: none"> <li>» <b>Focus on risk management, guaranteed profitability and stable financial condition of each enterprise within the Eurohold Group;</b></li> <li>» Development, training and retention of highly qualified leaders, managers and employees by providing opportunities for professional growth;</li> <li>» Setting common goals in each business regarding the negotiation of better conditions for suppliers, advertising and participation in public tenders.</li> </ul> |
|---|---|

## CORPORATE RESPONSIBILITY AND SUSTAINABILITY

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

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

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

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

## FINANCIAL HIGHLIGHTS 2023

### Individual base

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

Until 30.06.2022, the Company also owned significant investments in the automotive and leasing business.

The operating income of the Company on an individual basis is related to acquisition, management and development of companies, sale of companies, transactions with financial instruments, etc. All these revenues are manifested in different reporting periods and are not permanent in nature. Due to this important factor, investors and interested parties should read this individual report together with the consolidated activity report for 2023, giving a clear and complete view of the risks, results, financial position, strategies and development prospects of the Eurohold group.

	<b>Assets</b>	<b>Investments in subsidiaries</b>	<b>Share capital</b>	<b>Equity</b>	<b>Liabilities and subordinated debts</b>
	<b>-9.2%</b>	<b>-6.6%</b>	<b>-</b>	<b>-9.9%</b>	<b>-8.8%</b>
<b>2023</b>	<b>632 million BGN</b>	<b>609 million BGN</b>	<b>261 million BGN</b>	<b>219 million BGN</b>	<b>413 million BGN</b>
<b>2022</b>	<b>696 million BGN</b>	<b>652 million BGN</b>	<b>261 million BGN</b>	<b>243 million BGN</b>	<b>453 million BGN</b>



## A.2 SIGNIFICANT EVENTS IN 2023

### A.2.1 Important events, which occurred for the activity of Eurohold Bulgaria AD

#### June

- ✓ **On June 21, 2023**, one of the major credit rating agencies in the world - Fitch Ratings, confirmed a long-term 'B' rating with a stable outlook for Eurohold Bulgaria AD. In a message from the agency, they also indicate that they are removing the holding from their watch list for a possible negative outlook on the rating (Rating Watch Negative, RWN).

Fitch's assessment reflects the reduction of the company's indebtedness, the reduced reputational risk and the absence of the danger of a liquidity crisis due to the events with the subsidiary Euroins Romania. Fitch also positively assesses the agreement of Eurohold's creditors and bondholders not to make claims in connection with the case with the Romanian insurance company, for which they have committed themselves in writing, providing full support for the company.

Fitch also rates Eurohold's results for 2022 as better than expected. As a result, the indebtedness of the holding decreased to a lower than expected level, and the agency predicts a further improvement of the indicator this year. The strong performance of the holding's energy business contributes to this trend.

- ✓ **In June 2023**, the management of Eurohold Bulgaria AD decided to return additional capital contributions from Eastern European Electric Company II B.V. in the amount of 22 million euros.

#### August

- ✓ **On August 7, 2023**, Fitch Ratings affirmed Euroins' B plus rating with a stable outlook and removed the company's watch

Fitch Ratings has confirmed a long-term 'B+' rating with a stable outlook for IC Euroins AD (Euroins Bulgaria) - the largest subsidiary of Euroins Insurance Group AD (EIG), part of Eurohold Bulgaria AD. The same rating was awarded to the reinsurer of the group - EIG Re AD.

Fitch Ratings also indicated that it is removing the two companies from the watch list for a possible negative outlook on the rating (Rating Watch Negative, RWN). This is dictated both by their results and performance, and by the judgment that the business of the group companies remains stable even after leaving the Romanian market.

#### October

- ✓ **On October 11, 2023**, Eurohold donated funds to support the Sports and Social School of the "Real Madrid" Foundation in Vidin.

Over 80 children from the Sports and Social School in Vidin, managed by the Real Madrid Foundation in cooperation with the Friends of Sport Foundation, received invaluable support for the cause of their future development. At a charity auction in Sofia, in the presence of Real Madrid legend Emilio Butragueño, funds were collected for the sustainability of the project in Vidin and for considering the possibility of opening a second sports and social school in Bulgaria.

Eurohold, as a socially responsible company, supports Bulgarian children and especially disadvantaged children, deprived of parental care with a focus on children's health, development and education, for their better future.

- ✓ **On October 26, 2023**, Eurohold Bulgaria AD and Euroins Insurance Group AD officially informed the Government of Romania of their intention to file an international arbitration case to protect the holding's investment in Romania, in the event that the current case dispute with Euroins Romania is not resolved quickly and if the group is not properly compensated for the losses suffered.

### Debts repaid in 2023

- ✓ The company paid BGN 54 million to JP Morgan ES, of which BGN 49 million is principal under a loan agreement. The remainder of the principal in the amount of BGN 30 million (EUR 15 million) has been renegotiated until June 2025.
- ✓ Short-term commercial paper (ECP) with ISIN XS2491929290 for EUR 2.5 million and ISIN XS2565406654 for EUR 27.5 million matured during the year.
- ✓ The company has fully repaid the loan liabilities to the International Bank for Economic Cooperation in the amount of EUR 12 million.

## A.2.2 Significant events, related to the activities of the subsidiaries and to a change in the economic group

### February

- ✓ On February 10, 2023, Eurohold Bulgaria informed the public about illegal actions of employees of the Romanian insurance supervision against the Romanian insurance company "Euroins Romania Asigurare-Reasigurare" S.A. (Euroins Romania) part of the group.  
Eurohold has informed the FSC and a number of competent state and international bodies and institutions about these actions.  
On the website of Eurohold Bulgaria AD, in the news section ([www.eurohold.bg](http://www.eurohold.bg)), the information published by the company can be followed, as well as the subsequent actions and measures taken.
- ✓ On February 17, 2023 - The management of Eurohold Bulgaria AD informed the public (news section of [www.eurohold.bg](http://www.eurohold.bg)) that despite its disagreement with the actions of insurance supervision officials in Romania against the local division of Euroins in order to protect the company from further regulatory overpressure, Euroins Romania concluded a new reinsurance contract with the group's reinsurer - IC EIG Re EAD (EIG Re). This contract guarantees the payment of all claims of the Romanian insurer and ensures the transfer of a significant part (87%) of the risk in its portfolio outside the company, thereby retroceded to leading European reinsurers.

### March

- ✓ **On March 17, 2023** - the Romanian financial regulator ASF decided to revoke the insurance activity license of Euroins Romania, part of Euroins Insurance Group AD (EIG), open bankruptcy proceedings and appoint the Insurance Guarantee Fund (FGA) as a temporary company administrator.  
In this regard, Eurohold's management made a statement that, notwithstanding this, apart from Euroins Romania, all other subsidiaries and businesses of Eurohold in all the other 11 markets in which they operate, including insurance and energy, are operating and will continue to operate as usual and without any problems, serving their customers and duties and executing their business plans.  
Since the beginning of February, when Eurohold publicly raised the alarm about the illegal actions against Euroins Romania, within a month and a half the management of the holding took all the necessary actions to protect the other companies of the group and guarantee their stable and normal functioning, so that in no way will the activity of the other companies in the Eurohold group be affected.  
As a consequence of the decision of the Romanian financial regulator against Euroins Romania, the holding company announced that it has launched a procedure to challenge this decision in all competent courts in Europe and around the world.
- ✓ **On March 21, 2023** - Eurohold requested the return of the Euroins Romania license.  
At a press conference in Bucharest, the holding warned that the ASF's decision to revoke the license and request for bankruptcy leads to the termination of all reinsurance contracts of the Romanian company, as a result of which all damages and claims will have to be paid by the Guarantee Fund (this condition is basic and standard for each reinsurance contract).  
The entire published announcement, including the presentation from the press conference, can be viewed in the news section of the announcement of 21.03.2023 on the website [www.eurohold.bg](http://www.eurohold.bg).

- ✓ **On March 29, 2023** - Fitch confirmed the limited impact of the case with Euroins Romania on EIG and its other subsidiaries.

At the same time, Fitch Ratings leaves unchanged the ratings of the other companies evaluated by it, which are part of Euroins Insurance Group AD - IC Euroins AD and the reinsurer EIG Re AD, as well as the group itself. The agency only places them under surveillance with a negative outlook.

## April

- ✓ **On April 10, 2023** - The European Bank for Reconstruction and Development (EBRD), which is a minority shareholder in Euroins Insurance Group AD (EIG), part of Eurohold Bulgaria AD, published on its website on April 5 a position on the case with Euroins Romania and about the state of the Romanian insurance market.

The EBRD is in active discussions with all responsible parties to reach a solution in relation to the market turmoil caused by the revocation of Euroins Romania's license.

The EBRD wants to help find a solution, therefore, together with EIG, the bank made a proposal to the ASF to find such a solution. In relation to this proposal, EBRD, EIG and ASF continue to hold constructive discussions.

## May

- ✓ **On 29.05.2023**, Euroins Insurance Group (EIG) acquired a subsidiary in Georgia. EIG is the 100% owner of the trading company "Shardeni 2017" Ltd., Georgia.

## June

- ✓ **On June 9, 2023**, the court in Bucharest decided to declare bankruptcy of Euroins Romania Insurance - Reinsurance S.A., which is a subsidiary of EIG.
- ✓ **On 12.06.2023**, EIG Insurance Group established a subsidiary in Romania PHOENIX MGA SERVICES S.R.L., Romania. EIG is the sole owner of the capital of the newly established company. The main activity of the company is: Consulting in the field of business and management.
- ✓ **In June 2023**, the management of "Eurohold Bulgaria" AD decided to return additional capital contributions from Eastern European Electric Company II B.V. in the amount of BGN 43,028 thousand (EUR 22 million).

## October

- ✓ **On October 2, 2023**, the insurance company Euroins AD, which is part of the insurance group of Eurohold – within the segment owned by Euroins Insurance Group AD – the company increased its share capital by BGN 15 million (EUR 7.7 million). The capital increase is through the issuance of 3,750,000 new shares with an issue value of BGN 4 each, of the same type and class as the company's existing share issue, with a nominal value of BGN 1. The amount of capital is increased from 40,971 BGN 200 to BGN 44,721,200, and the shareholding of Euroins Insurance Group AD in the capital of IC Euroins after the increase is 98.75%. The funds have been paid and contributed, and will be used to finance the development of the company in foreign markets, primarily in Greece and Poland - the two largest in which the company operates outside of Bulgaria.

With the capital increase, Euroins will further improve its solvency to a level that fully covers and even exceeds the company's risk appetite. Also, the Company strengthens its capital position and provides additional business development opportunities in Southeast Europe.

- ✓ **On October 26, 2023**, Eurohold Bulgaria AD and Euroins Insurance Group AD officially informed the Government of Romania of their intention to file an international arbitration case to protect the holding's investment in Romania, in the event that the current case dispute with Euroins Romania is not resolved quickly and if the group is not properly compensated for the losses suffered.

Euroins Insurance Group AD (EIG) has taken action to have the investment dispute with the Romanian State handled by the International Center for Settlement Disputes. The damages caused to Euroins Insurance Group regarding: the revocation of the license of Euroins Romania Asigurare-Reasigurare S.A.; the bankruptcy proceedings opened; and all legal proceedings undertaken by Euroins Insurance Group AD to protect its rights and legitimate interests, amount to EUR 517.8 million. The expectations of Euroins Insurance Group for the caused damages are to be upheld in an amount of not less than EUR 500 million.

## December

- ✓ **As of 31.12.2023**, control in IC EIG Re EAD has been lost, and all necessary notifications to the competent authority have been made, according to the applicable legislation. The loss of control is the result of a preliminary contract concluded by EIG AD for the sale of IC EIG RE EAD.

## A.2.3 Significant events after the end of the reporting period

### January

- ✓ In January 2024, Eurohold Bulgaria was awarded at an event organized by the Bulgarian Stock Exchange. Eurohold was ranked second among the most liquid companies on the Bulgarian Stock Exchange (BSE) for 2023. Eurohold's books are traded on the "Standard" segment, which is the largest on the BSE by number of listed companies.
- ✓ Pursuant to the Agreement dated 18.3.2024, an additional capital contribution of 940,000 euros was made to the subsidiary Eastern European Electric Company II B.V. The amount was paid to EEEEC II B.V. in two tranches - EUR 600,000 on March 14, 2024 and EUR 340,000 on March 15, 2024.

### March

- ✓ **On March 29, 2024**, IC Euroins AD (Euroins Bulgaria), part of the insurance group of Eurohold - Euroins Insurance Group AD (EIG) applied for an increase of its capital by BGN 20 million for registration in the Commercial Register.  
The capital increase is through the issuance of 5,000,000 new shares with an issue value of BGN 4 each, of the same type and class as the company's existing share issue, with a nominal value of BGN 1. The amount of capital is increased from BGN 410,971 200 to BGN 44,721,200, and the shareholding of Euroins Insurance Group AD in the capital of IC Euroins after registration in the Commercial Register will be 98.88%. The funds from the capital increase were deposited into the collection account on 27.03.2024.
- ✓ **On March 29, 2024**, during a meeting of the Management Board of the Company was made a decision to convene an extraordinary general meeting of shareholders on the adoption of a resolution to issue up to 260,500,000 (two hundred and sixty million and five hundred thousand) dematerialized, registered, freely transferable under the terms of a public offering according to the pursuant to the provisions of the Public Offering of Securities Act (POSA). The warrants have an issue value of BGN 0.50, (fifty stotinki) for each warrant holders to exercise within a 10 years period their right to subscribe for the corresponding number of shares (of the same type and class as the existing issue of shares of the company - 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) - the underlying asset of the warrants under issue value BGN 2.00 (two Bulgarian lev) per share, at a warrant/share conversion ratio of 1:1, which shares "Eurohold Bulgaria" AD will issue in the future conditional capital increase/s, under the condition, that the new shares are issued only for subscription by the owners of the warrants.  
The public offering of the issue of warrants of Eurohold Bulgaria AD shall be considered successfully completed only if at least 78 150 000 warrants are subscribed and fully paid, representing 30% (thirty percent) of the offered for issuance securities. It is not possible to subscribe for warrants above the maximum permissible amount of securities offered for issuance amounting to 260 500 000 warrants.

No significant events occurred after the end of the reporting period that would require additional disclosure or adjustments to the separate financial statements of Eurohold Bulgaria AD as of 31 December 2023.

## A.3 CORPORATE INFORMATION

### A.3.1 Company data

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

#### Activity

Acquisition, management, evaluation and sale of investments in Bulgarian and foreign companies, acquisition, management and sale of bonds, acquisition, evaluation and sale of patents, assignment of licenses for the use of patents to companies in which the company participates, financing of companies, in which the company participates.

#### Main activity

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

#### Research activity

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

#### Statute

"Eurohold Bulgaria" JSC is a public joint-stock company within the meaning of the Public Securities Act. The company's shares are listed for trading on the main market of:

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

#### Branches and representative offices

"Eurohold Bulgaria" AD is located in the city of Sofia and does not have branches or representative offices in other settlements.

#### Collective bargaining

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

Credit ratings assigned	
<p><b>EuroHold</b>  <b>Issuer Default Rating "B"</b>  <b>Outlook: stable</b></p>	<p>est. 2002</p> <p><b>ISIN: BG2100013205;</b>  <b>ISIN: BG2100002224</b></p> <p><b>EuroHold</b>  <b>Long-term: BBB-</b>  <b>Outlook: stable</b>  <b>Short-term: A-3</b></p> <p><b>bonds issues</b>  <b>Long-term: BBB-</b>  <b>Outlook: stable</b>  <b>Short-term: A-3</b></p>

## A.3.2 Equity and capital structure

### SHARE CAPITAL

#### Initial registered capital

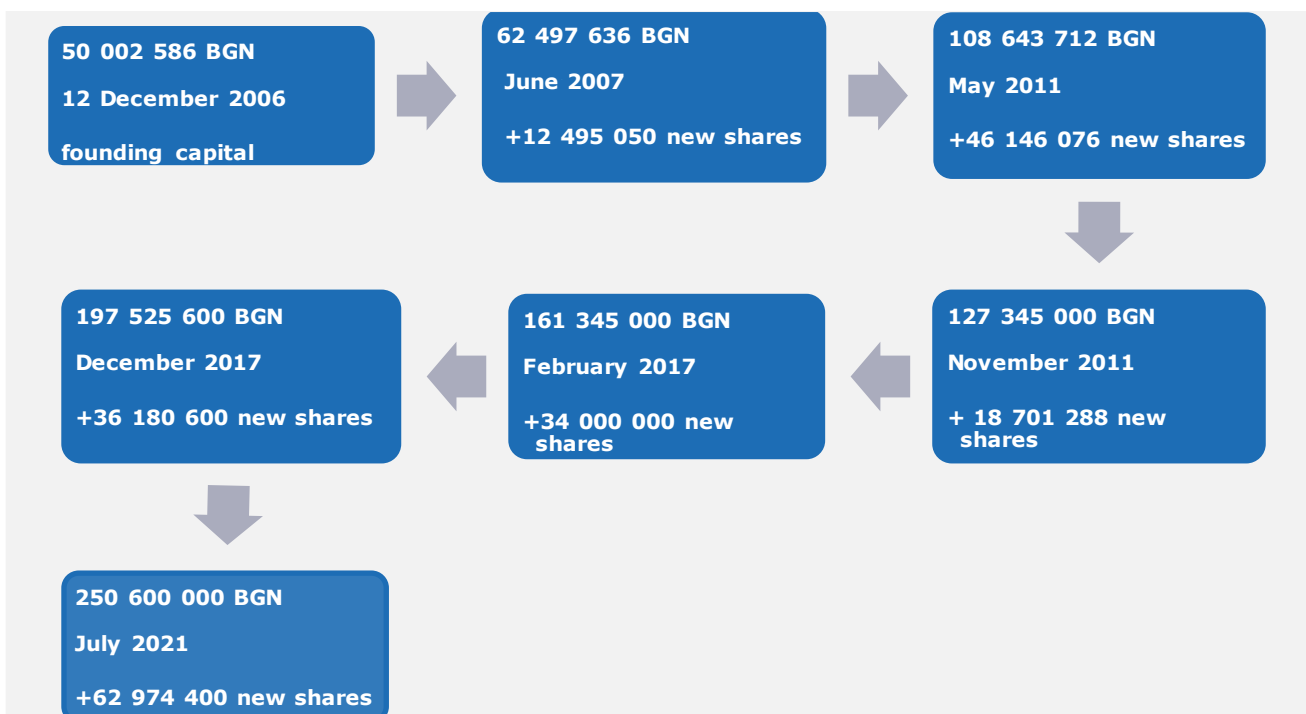
Eurohold Bulgaria AD is registered with an initial share capital of BGN 50,002,586, divided into 50,002,586 ordinary, non-privileged, registered, dematerialized shares, with the right to one vote in the General Meeting of Shareholders, the right to a dividend and a liquidation share, with a nominal value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

#### Current capital

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

### Changes in share capital

The chart below shows the history of all increases in share capital from the company's incorporation to date.



All increases in the share capital of Eurohold Bulgaria were carried out under the conditions of a public offering of shares of the same type and class as the initially registered share issue, with a nominal value of BGN 1.00 (one) each. The funds raised from all increases in the Company's share capital have been used to support the subsidiary companies and to reduce the Company's long-term indebtedness.

The subscribed authorized capital of Eurohold Bulgaria AD is fully subscribed, there is no authorized but unissued capital.

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

There are no persons who hold options on the capital of the Issuer or on the capital of other companies from the Group of "Eurohold Bulgaria" AD, as well as in relation to whom there is a conditional or unconditional commitment to issue such options in their favor.

## Shares

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

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

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

### ⇒ Stock trading

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

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

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

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

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

As of 31.12.2023 and as of the date of preparation of this activity report, the Company has not repurchased, and accordingly does not own, its own shares.

As of 31.12.2023, 77,227 voting shares of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2021 – 77,227 voting shares), representing 0.03% of the capital of the company.

## Conditions for increase of share capital

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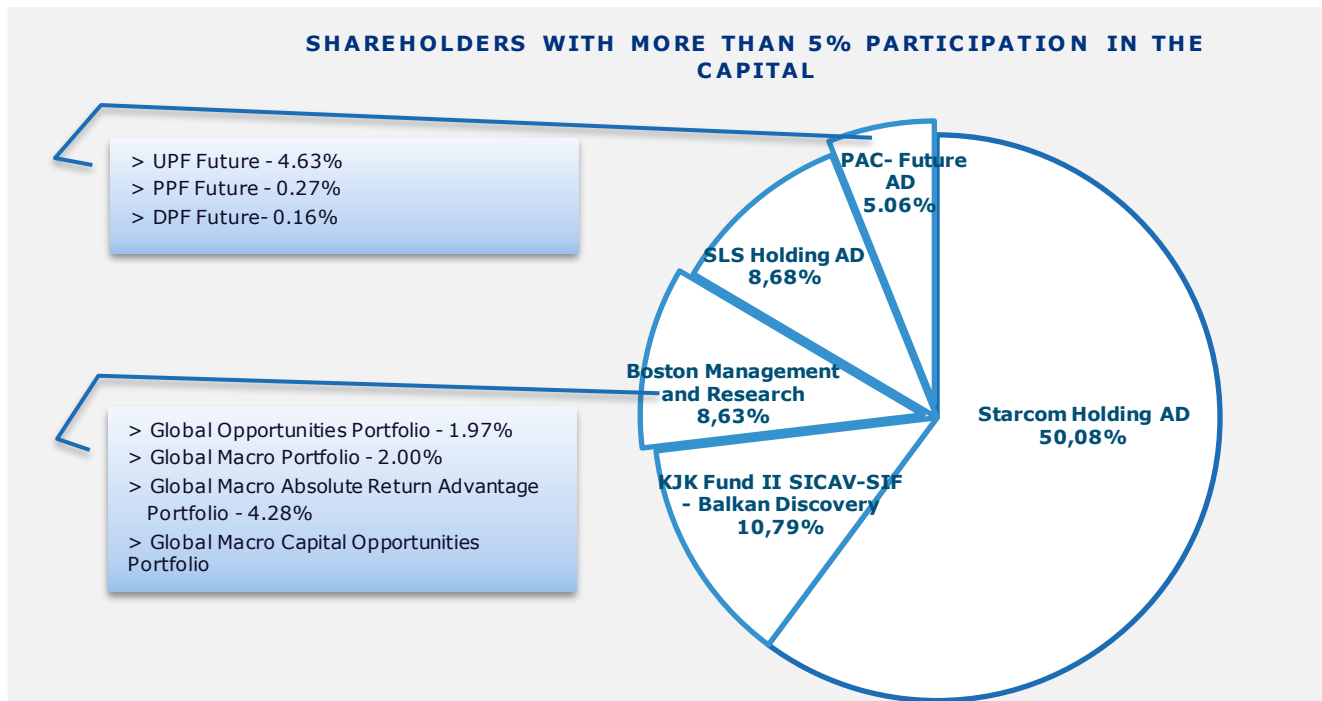
The body that is competent to take decisions in connection with the increase of the Company's capital is the General Meeting of Shareholders.

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

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## SHARE CAPITAL STRUCTURE

As of 31.12.2023 and as of the date of preparation of this activity report, there are five legal entities that own directly 5 percent or more of the shares with the right to vote in the Company's general meeting. There are no individual shareholders who directly own more than 5 percent of the voting shares.



### ⇒ Shareholder structure as of 31.12.2023

Shareholders	number of voting shares	% of capital
<b>Total shareholders legal entities, including:</b>	<b>256 062 294</b>	<b>98.30%</b>
➤ Total shareholders over 5% (legal entities)	216 839 279	83.24%
➤ Other legal entities	29 223 015	15.06%
<b>Total shareholders natural persons</b>	<b>4 437 706</b>	<b>1.70%</b>
<b>Total number of shares with voting rights</b>	<b>260 500 000</b>	<b>100.00%</b>

#### Majority shareholder

The majority shareholder in Eurohold Bulgaria is Starcom Holding AD, owning as of 31.12.2023 130,454,157 shares. shares with voting rights representing a controlling stake of 50.08% of the capital of Eurohold Bulgaria AD. Starcom Holding AD is a holding company registered in the Republic of Bulgaria, which operates in accordance with Bulgarian legislation.

#### Other shareholders with more than 5% participation

- KJK FUND II SICAV-SIF BALKAN DISCOVERY is the second major shareholder in Eurohold Bulgaria AD, which holds a qualified participation in the Company's capital. As of the end of 2022, KJK FUND II SICAV-SIF BALKAN DISCOVERY owns 28,116,873 shares. shares representing 10.79% of the issued shares of the capital of Eurohold Bulgaria AD.
- Boston Management and Research owns 22,482,578 shares, representing 8.63% of the capital of Eurohold Bulgaria AD, through the following funds managed by it: Global Opportunities Portfolio,
  - Global Macro Portfolio,
  - Global Macro Absolute Return Advantage Portfolio,
  - Global Macro Capital Opportunities Portfolio.



- » SLS Holding AD owns 22,606,273 shares with voting rights representing 8.68% of the capital of Eurohold Bulgaria AD
- » Pension Assurance Company-Future owns 13,179,398 shares representing 5.06% of the capital of Eurohold Bulgaria AD, through the following funds managed by it:
  - UPF Future
  - PPF Future
  - DPF Future

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## Information about the majority shareholder

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

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

Starcom Holding AD has a one-level management system - a Board of Directors consisting of three people - Assen 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 Assen Hristov.

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

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

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## Direct and indirect control over Eurohold Bulgaria AD

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### » Direct control

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

### » Indirect control

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

- Assen 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.

## A.4 CORPORATE MANAGEMENT

### A.4.1 System of management

#### Eurohold Bulgaria AD has a two-tier management system:

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

#### SUPERVISORY BOARD (as of 31.12.2023)

##### Assen Milkov Christov - Chairman

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.

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. Assen Christov has held the position of Chairman of the Board of Directors of Auto Union AD between 20.06.2009 and 26.10.2018, holding entity, offering several brands of cars, motorcycles, scooter, oils, lubricants and fluids. Since August 2021 Mr Christov is a Chairman of the Supervisory Board of Electrodistribution Grid West EAD, entity operating in the field of energy.

##### Dimitar Stoyanov Dimitrov - Deputy Chairman

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

##### Kustaa Lauri Äimä - Independent member

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

##### Ivaylo Krasimirov Angarski – Independent member

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

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

##### Louise Gabrielle Roman - Member

Ms. 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.

Ms. Roman practiced law as a leading international capital markets and corporate finance lawyer and a partner in a large global corporate law firm for more than 25 years advising on a full range of complex cross-border capital markets and corporate finance transactions. She spent nearly 20 years based in London and Dubai, where her practice focused on advising clients in emerging markets, including across Central Asia, Eastern Europe and the Middle East. In 2020 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. In 2023, she also became General Counsel & Managing Director, Transaction Execution, for an early-stage, specialty healthcare venture capital firm with a focus on sourcing in Singapore and the broader APAC region and a differentiated model for accelerated access to the U.S. health market.

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

##### Radi Georgiev Georgiev - Member

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

- **Change in the composition of the Supervisory Board in 2023.**

In 2023, there was no change in the composition of the Supervisory Board of the Company.

- ↳ **MANAGEMENT BOARD (as of 31.12.2023)**

#### **Kiril Ivanov Boshov - Chairman and Executive member**

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.

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. Mr. Boshov has held the position of Deputy Chairman of the Board of Directors of Auto Union AD between 20.06.2009 and 28.06.2021, holding entity, offering several brands of cars, motorcycles, scooter, oils, lubricants and fluids. Since August 2021 Mr. Boshov is a Chairman of the Supervisory Board of Electrohold Sales EAD, entity operating in the field of energy.

#### **Assen Minchev Minchev - Executive Member**

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

Assen Minchev was an Executive Director of the holding company Eurohold AD for the period 1998 - 2006 until its merger with Starcom Holding AD. From 1996 to 2000 he was a member of the Management Board of IC Euroins AD, and was also a representative of the Deputy Chairperson of the Supervisory Board of Euroins - Health Insurance AD. Since August 2021 Mr. Minchev is a Deputy Chairman of the Supervisory Board of Electrodistribution Grid West EAD, entity operating in the field of energy.

- **Change in the composition of the Management Board in 2023.**

In 2023, there was no change in the composition of the Management Board of the Company

- ↳ **PROCURATOR (as of 31.12.2023)**

#### **Milena Milchova Guentcheva - Procurator**

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.

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.

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.

- **Change in persons appointed under a contract for the Prosecutor's Office in 2023.**

In 2023, there was no change in the persons appointed under the contract for the Prosecutor's Office.

#### ↳ REPRESENTATION

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

#### ↳ DEPENDENCE ON OTHER PERSONS

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

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

#### ↳ KINSHIP TIES

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

## A.4.2 Committees

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

### AUDIT COMMITTEE

In May 2009, the Company established its Audit Committee.

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

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

#### COMPOSITION OF THE AUDIT COMMITTEE:

##### **Ivan Georgiev Mankov**

Independent member and  
Chairman of the Audit Committee

##### **Dimitar Stoyanov Dimitrov**

Member of the Audit Committee

##### **Rositsa Mihailova Pencheva**

Independent member of the  
Audit Committee

### REMUNERATION COMMITTEE

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

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

## A.5 BUSINESS OPERATIONS

### MAIN ACTIVITY

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

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

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

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

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

### ECONOMIC GROUP

Eurohold's organizational structure is at three levels:

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

*Each of the three structural levels has its specific functions, business activities and objectives.*

#### Business activities in 2023

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

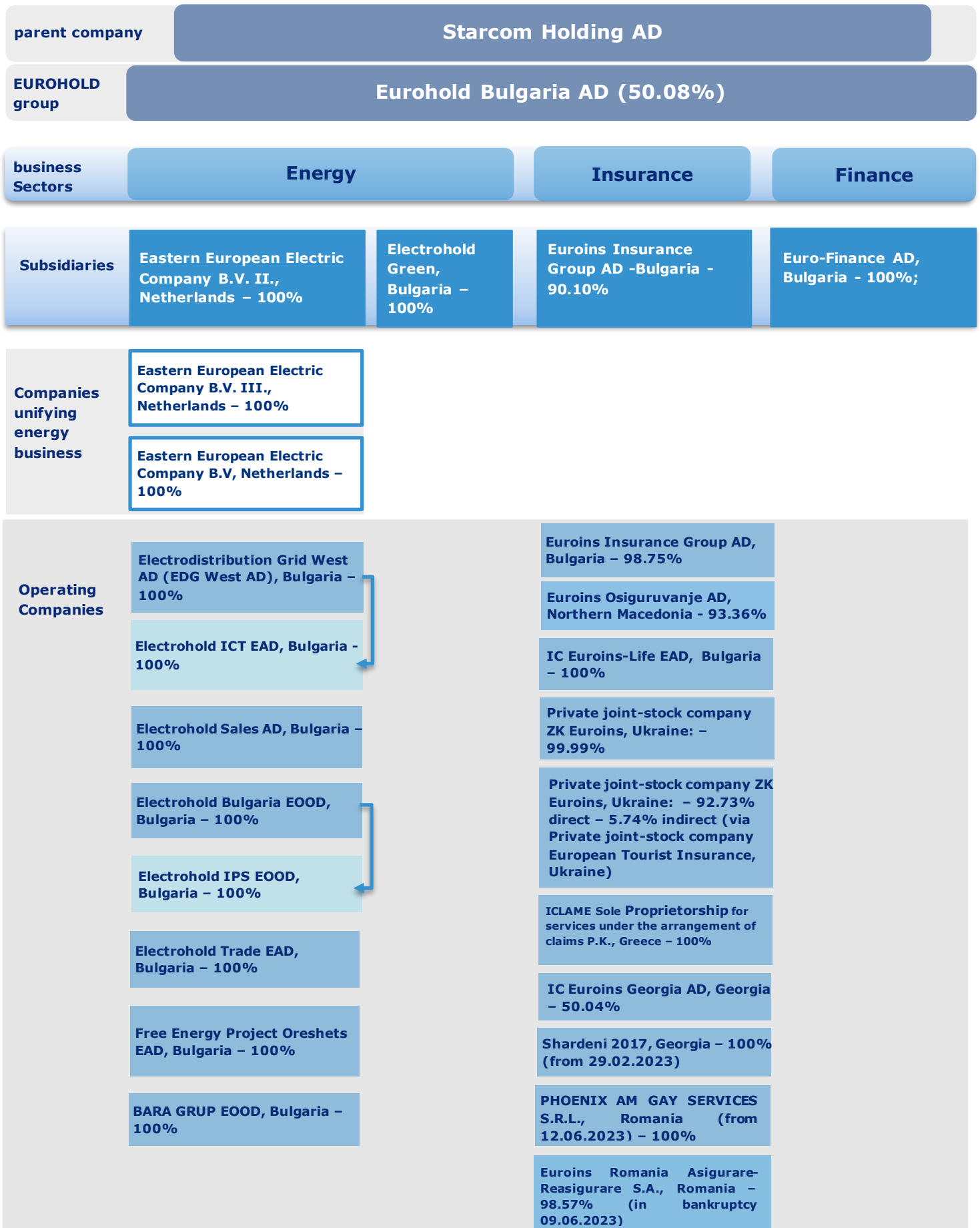
- **Energy** (operating since the end of July 2021);
- **Insurance; and**
- **Investment brokerage and asset management**

#### The Eurohold Group at the end of 2023

**As of 31.12.2023 and as of the date of this report, Eurohold Bulgaria AD has holdings in 23 companies**

direct participation	indirect participation
<ul style="list-style-type: none"> <li>» 4 subsidiaries, including               <ul style="list-style-type: none"> <li>✓ two sub-holding structures (energy and insurance),</li> <li>✓ two operating companies (investment brokerage and energy)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>» 2 specially created companies for the development of the energy business</li> <li>» 17 operating companies (8 energy and 9 insurance)</li> </ul>

**ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP EUROHOLD BULGARIA AS OF 31.12.2023**



### Discontinued operations in 2023.

#### Discontinued business operations in existing businesses

At the end of 2023, EIG AD, a subsidiary of Eurohold Bulgaria AD, concluded a preliminary agreement for the sale of the subsidiary EIG Re EAD. As of 31.12.2023, the control of "IC EIG Re" EAD, a subsidiary of "Euroins Insurance Group" AD, has been lost, and all necessary notifications to the competent authority have been made, according to the applicable legislation.

### Discontinued operations in 2022.

#### Completely ceased business activities (on 30.06.2022)

- **Automobiles;** (car sales and servicing) through its subsidiary Auto Union AD; and
- **Leasing** (financial and operational leasing) through its subsidiary Eurolease Group AD

#### Discontinued regional business operations in existing businesses

- **Belarus and Russia;**

- **Romania**

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

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

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

## TYPES OF SERVICES AND PRODUCTS, REGIONAL PRESENTATION

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

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

## Regional presentation by types of services / products

### ENERGY

#### Services and products provided

#### Country

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

### INSURANCE

#### Services and products provided

#### Country

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

### INVESTMENT BROKERAGE AND ASSET MANAGEMENT

#### Services and products provided

#### Country

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

## REGIONAL PERFORMANCE BY MARKETS

- ↳ In the regional presentation by markets, Bulgaria has the largest share and covers all types of services/products offered by operating companies from all business segments in which the group operates.
- ↳ In Bulgaria, leading business operations are energy companies (acquired at the end of July 2021), followed by insurance companies operating in the country, with the largest share being IG Euroins AD.
- ↳ The insurance group has the widest regional representation, which in 2023 operates in 12 markets in Europe, with Bulgaria has the largest volume of business among insurance companies.



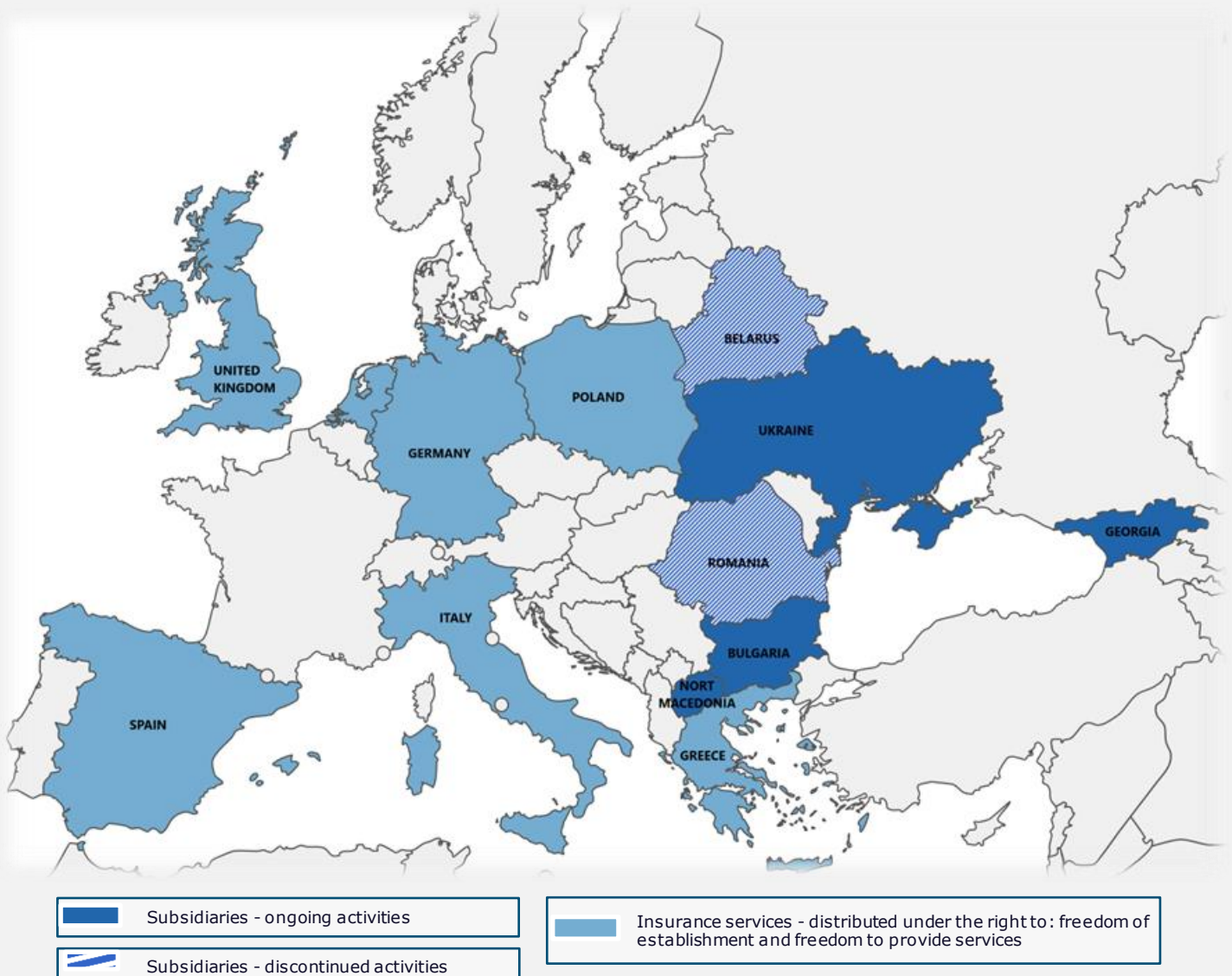
**Main markets**

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

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

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

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



## A.6 FINANCIAL ANALYSIS

### Results on an individual basis

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

As of 31.12.2023, Eurohold manages a portfolio of companies in the sectors: energy, insurance, investment brokerage and asset management (financial and investment services).

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

Information on the activities, results, market positions and development trends of the subsidiaries can be found in the annual consolidated report of Eurohold Bulgaria AD for 2023.

In this regard, investors and interested parties should analyze the results of this individual financial report together with the consolidated report for 2023, giving a clear and complete view of the results, financial position, strategies and development prospects of the Eurohold group

### A.6.1 Analysis of the financial condition

#### ASSETS

2023 ends with assets worth BGN 631.8 million, marking a decrease of 9.2% compared to 2022, when the Company's total assets amounted to BGN 695.6 million.

The decrease in Assets is primarily the result of the one-off effects of the sale of investments (see below: Investments in subsidiaries).

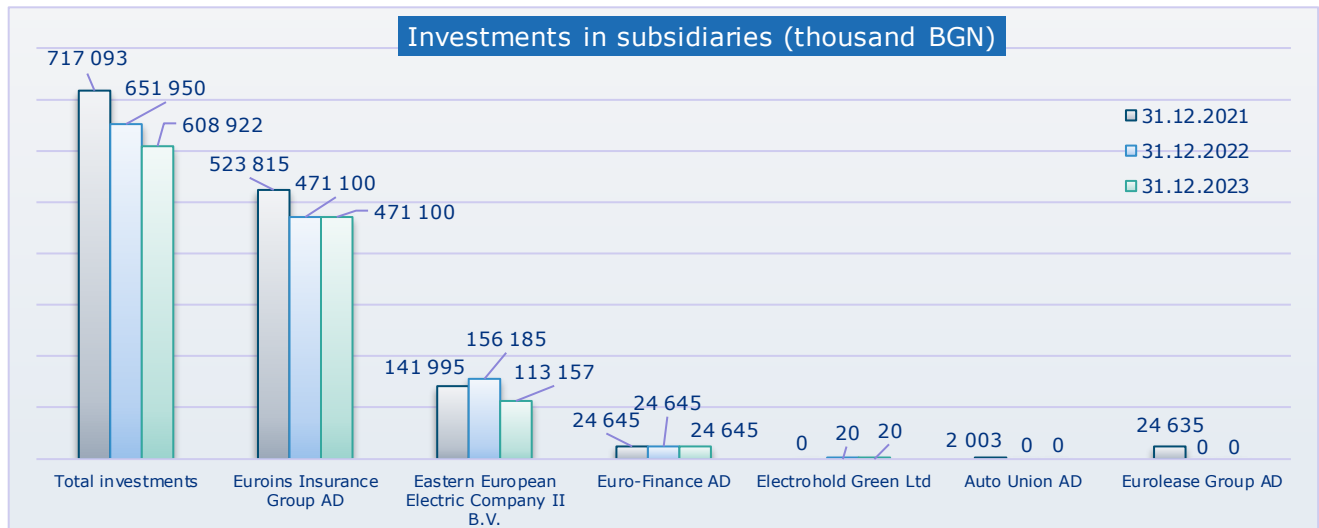
ASSETS		Δ	31.12.2023	Δ	31.12.2022
		%	BGN thousand	BGN thousand	BGN thousand
<b>Non-current assets</b>	Investments in subsidiaries	(6.6%)	608 922	(43 028)	651 950
	Property, machinery and equipment	(12.9%)	1 048	(156)	1 204
	Intangible assets	(100%)	0	(1)	1
<b>Current assets</b>	Receivables from related parties	14.8%	20 235	(3 524)	23 759
	Other receivables	(90.7)%	1 532	(14 928)	16 460
	Cash and cash equivalents	(95.8)%	93	(2 145)	2 238
<b>Total Assets</b>		<b>(9.2)%</b>	<b>631 830</b>	<b>(63 782)</b>	<b>695 612</b>

## Investments in subsidiaries

The main activity of Eurohold is decisive for the structure of the Company's assets, as a result of which investments in subsidiary enterprises occupy nearly 96% of all assets.

As of 31.12.2023, the amount of investments in enterprises amounted to BGN 608.9 million, which is the noted decrease of 6.6% compared to the value of investments at the end of 2022, when they amounted to BGN 652 million.

### Change in the amount of investments in subsidiaries



Over the past two years, investments in subsidiaries have decreased primarily as a result of sales of businesses and closure of business operations, as well as impairment of investments.

#### In 2023

- » reduction of investment in Eastern European Electric Company II B.V. after a decision made by the management of Eurohold Bulgaria AD to return additional capital contributions in the amount of 22 million euros (BGN 43,028 thousand).

#### In 2022

- » as a result of strategic decisions taken, the following are leaving the Company's investment portfolio: the automobile group "Auto Union" AD (2,003 thousand BGN) and the leasing group "Eurolease Group" AD (24,635 thousand BGN)
- » expenses were accrued for the impairment of an investment in Euroins Insurance Group AD due to the revocation of a license by the regulator of its subsidiary Euroins Romania Insurance - Reinsurance S.A. in the amount of (BGN 52,715 thousand)
- » the capital of Eastern European Electric Company II B.V. was increased. through cash contributions to the premium reserve with a total of BGN 14,190 thousand.
- » a new subsidiary company Electrohold Green EOOD was established with a registered and paid-in capital of BGN 20,000.

## Fixed tangible and intangible assets

Eurohold Bulgaria does not have any significant Fixed tangible and intangible assets. Fixed assets in the Company's balance sheet at the end of 2023 are:

- » Assets with the right to use in connection with a rented office – BGN 951 thousand.
- » Means of transport – BGN 81 thousand.
- » Business inventory – BGN 16 thousand.

### Current receivables from related enterprises

The value of current receivables from related enterprises decreased by BGN 3,554 thousand, amounting to BGN 20.2 million at the end of 2023 (BGN 23.8 million at the end of 2022).

These receivables mainly represent receivables from the subsidiary insurance company Euroins Insurance Group AD and arose under a loan agreement and a debt substitution agreement under the following parameters:

Creditor	Liabe person	Currency	Contract limit	Principal due 31.12.2023	Principal due 31.12.2022	Interest rate	Due date
<b>Borrowing under a loan agreement with related parties:</b>							
Eurohold Bulgaria AD	Euroins Insurance Group AD	BGN	8 010 000	4 555 124	8 010 000	8.00%	08.11.2024
<b>Collection under assignment agreement with related parties:</b>							
Eurohold Bulgaria AD	Euroins Insurance Group AD	BGN	14 425 523	13 151 506	13 271 064	2.50%	01.01.2025
<b>Total claims on loans/assignments from related parties:</b>				<b>17 706 630</b>	<b>21 281 064</b>		

### Other receivables

Other receivables decrease substantially by nearly BGN 15 million after impairment. Their value at the end of the period is BGN 1.5 million (2022: BGN 16.5 million after depreciation).

The other receivables at the end of 2022 mainly represent a receivable under a debt substitution agreement with an unrelated third party, under the following parameters:

Creditor	Liabe person	Currency	Contract limit	Principal due 31.12.2023	Principal due 31.12.2022	Due date
Eurohold Bulgaria AD	Third - an unrelated person	BGN	21 000 000	-	18 000 000	03.04.2024

In 2023, the third-party claim was settled.

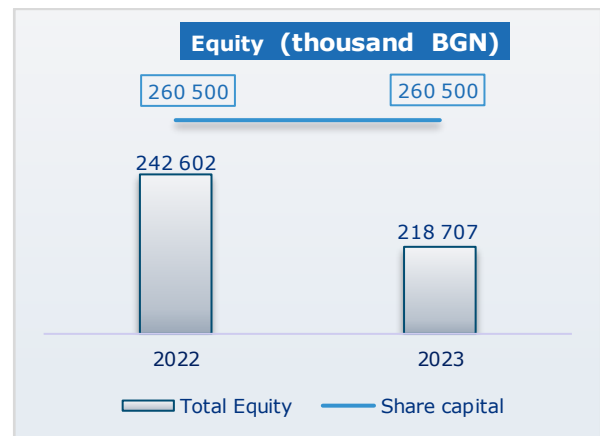
## EQUITY AND LIABILITIES

EQUITY AND LIABILITIES		Δ	31.12.2023	Δ	31.12.2022
		%	BGN thousand	BGN thousand	BGN thousand
<b>Equity</b>	Share capital	-	260 500	-	260 500
	Share premium	-	144 030	-	144 030
	General reserves	-	7 641	-	7 641
	Retained loss	14.1%	(193 464)	(23 895)	(169 569)
<b>Non-current liabilities</b>	Bond liabilities	3.3%	241 755	7 644	234 111
	Loans from financial and non-financial institutions	28.5%	21 271	4 716	16 555
	Liabilities to related parties	(98.3)%	386	(21 991)	22 377
	Other payables	n/a	58 675	58 675	0
	Lease liabilities	(17.1)%	917	-189	1 106
	Pension liabilities	(5.7)%	33	(2)	35

<b>Current liabilities</b>	Loans from financial and non-financial institutions	(78.9)%	34 794	(130 330)	165 124
	Bond loans	(0.1)%	1 569	(2)	1 571
	Liabilities to related parties	(324.4)%	39 792	30 416	9 376
	Trade and other payables	(474.4)%	13 492	11 143	2 349
	Lease liabilities	33.2%	269	67	202
	Liabilities to personnel	(16.7)%	170	-34	204
<b>Total Equity and Liabilities</b>		<b>(9.2)%</b>	<b>631 830</b>	<b>(63 782)</b>	<b>695 612</b>

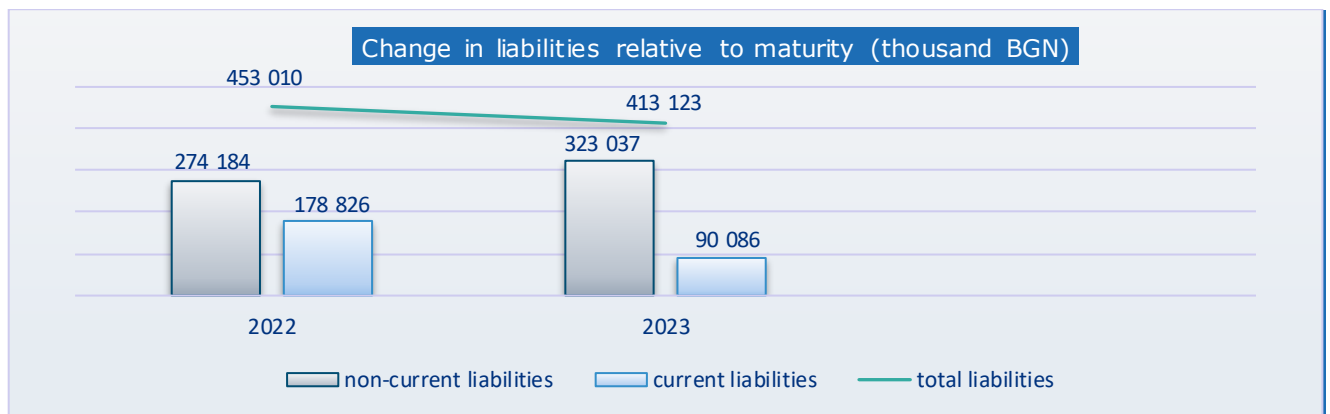
## Equity

The share capital of Eurohold remains unchanged at BGN 260.5 million. The equity of Eurohold as of 31.12.2023 is in the amount of BGN 218.7 million, which is 9.8% compared to the end of 2022 due to the realized loss for the reporting period.



## Liabilities

The company's liabilities amount to BGN 413.1 million, decreasing by 8.8% compared to the end of 2022.



The main liabilities of the Company are primarily debt obligations.

**Structure of loan obligations by type and nature:**

Loan liabilities	Δ	31.12.2023	Δ	31.12.2022
	B %	BGN thousand	BGN thousand.	BGN thousand
<b>Liabilities under bank loans:</b>	<b>(54.9)%</b>	<b>56 065</b>	<b>(68 229)</b>	<b>124 294</b>
Non-current liabilities to banks	28.5%	21 271	4 716	16 555
Current liabilities to banks	(67.7)%	34 794	(72 945)	107 739
<b>Debt loan liabilities:</b>	<b>3.2%</b>	<b>243 324</b>	<b>7 642</b>	<b>235 682</b>
Non-current liabilities on debenture loans:	3.3%	241 755	7 644	234 111
<i>EMTN Programme ISIN: XS1731768302</i>	9.8%	85 317	7 644	77 673
<i>EMTN Programme ISIN: XS1542984288</i>	-	19 558	-	19 558
<i>Debenture loan with ISIN code BG2100013205</i>	-	58 675	-	58 675
Current liabilities on debenture loans:	-	78 205	-	78 205
<i>EMTN Programme ISIN: XS1731768302</i>	(0,1)%	1 569	(2)	1 571
<i>EMTN Programme ISIN: XS1542984288</i>	(0,1)%	1 569	(2)	1 571
<i>Interest payable on debenture loans</i>	<b>(100)%</b>	-	<b>(57 385)</b>	<b>57 385</b>
<b>Liabilities to non-financial institutions:</b>	<b>(100)%</b>	-	<b>(57 385)</b>	<b>57 385</b>
Current other loans (Euro Trade Securities - ECP)	(100)%	-	(57 385)	
<b>Loan liabilities and other to related parties:</b>	<b>26.5%</b>	<b>40 178</b>	<b>8 425</b>	<b>31 753</b>
Non-current	(98.3)%	386	(21 991)	22 377
Current	324.4%	39 792	30 416	9 376
<b>Liabilities under the contract for the transfer of receivables:</b>	<b>100%</b>	<b>58 675</b>	<b>58 675</b>	-
Current liabilities to transferor	<b>100%</b>	58 675	58 675	-
<b>Total amount of loan liabilities</b>	<b>(11.3)%</b>	<b>398 242</b>	<b>(50 872)</b>	<b>449 014</b>
Non-current liabilities	(3.5)%	263 412	(9 631)	273 043
Current liabilities	(23.4)%	134 830	(41 241)	176 071

**Bank loan liabilities** decreased significantly during the reporting period - by 55% (BGN 68,229 thousand), since the Company is:

- » paid EUR 24.9 million (BGN 48.7 million) to JP Morgan ESI in principal under a loan agreement. The remainder of the principal in the amount of BGN 30 million (EUR 15 million) has been renegotiated until June 2025.
- » fully repaid the principal of a loan to the International Bank for Economic Cooperation in the amount of EUR 12 million (BGN 23.5 million).
- » aid EUR 1 million (BGN 1.96 million) in principal on two loans from the International Investment Bank

**Obligations under bond loans**

During the reporting period, the Company did not issue new bond loans.

Eurohold has issued four bond issues, all issues are traded on a regulated securities market.

- ⇒ EMTN Program (European Medium Term Bond Programme) in EUR traded on the Irish Stock Exchange:

- » ISIN: XS1731768302, raised amount of EUR 70,000. As of 31.12.2023, the Company owns repurchased own securities with a nominal value of EUR 27,000 thousand.
  - » ISIN: XS1542984288, raised amount of EUR 10,000.
- ⇒ Corporate issue bond loan in EUR, traded on the Bulgarian Stock Exchange AD (BSE):
- » ISIN: BG2100013205, raised amount of EUR 30,000,000
  - » ISIN: BG2100002224, raised amount of EUR 40,000,000

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

### Liabilities to non-financial institutions

In 2023, short-term commercial paper (ECP) with ISIN XS2491929290 for EUR 2.5 million and ISIN XS2565406654 for EUR 27.5 million matured. The two issues have been de-registered from the relevant securities register due to maturity.

### Loan obligations to related parties:

Eurohold has an obligation for three loans to Starcom Holding AD with a total amount of BGN 40 million, as follows:

- Loan1 - BGN 386 thousand in the form of subordinated debt with an annual interest rate of 5.0%, due on 09.08.2026 and a contractual limit of BGN 50 million (non-current)
- Loan2 - BGN 28,984 thousand with an annual interest rate of 5.5%, due on 31.12.2024 and a contractual limit of BGN 40 million (disbursed in 2023 - current)
- Loan3 - 8,214 thousand BGN with an annual interest rate of 6.0% + 3M EURIBOR, due on 31.12.2024 and a contractual limit of 4.2 million euros. (adopted in 2023 - current)

During the reporting period, two loans to related parties were repaid:

- Liability in the amount of BGN 3.4 million under a contract with Euroins Romania Insurance - Reinsurance S.A. (in bankruptcy) for a loan of financial instruments has an annual interest rate of 7.0% and maturity on 05.12.2023.
- Liability in the amount of BGN 4.3 million under the contract with IC Euroins AD for the loan of financial instruments has an annual interest rate of 7.0% and maturity on 05.12.2023.

### Unavailable transactions

During the current and comparable reporting period, the Company has carried out investment and financial transactions in which no cash or cash equivalents were used and which were not reflected in the statement of cash flows. These transactions are disclosed in Appendix 24. "Non-available transactions" of the 2023 Annual Individual Financial Statement.

### Related party transactions

The company has made transactions with related parties, these transactions are disclosed in Appendix 23.1. "Related party transactions" from the 2023 Annual Individual Financial Statement.



## A.6.2 Analysis of activity results

### ↳ FINANCIAL RESULT

Eurohold Bulgaria AD for the period January 1 – 31 December 2023 reports a financial result on an individual basis loss in the amount of BGN 23.9 million.

For comparison, the financial result for 2022 is a loss of BGN 102.1 million (after the one-off effect of the sale of investments in subsidiaries BGN 13,469 thousand and the impairment of the investment in Euroins Insurance Group AD BGN 52 715 thousand).

### ↳ INCOME AND EXPENSES

#### ⇒ Income

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

Income from operating activities	Change in %	2023 thousand BGN	2022 thousand BGN
▪ Dividend income	(38)%	1 306	2 102
▪ Other income	988%	2 730	251
▪ Gains/(losses) from financial instruments transaction, net	(143)%	749	(1 739)
▪ Finance income	96%	705	359
<b>Total operating income</b>	<b>464%</b>	<b>5 490</b>	<b>973</b>

### Dividends

Eurohold Bulgaria received a dividend from its subsidiary Euro-Finance AD in the amount of BGN 1.3 million (for 2022 – BGN 2.1 million)

### Gains /(losses) from transactions with financial instruments, net

- ✓ BGN 1,194 thousand (2022: BGN 1,105 thousand) profits from operations with financial instruments
  - BGN 1,131 thousand (2022: BGN 337 thousand) profits from operations with investments and financial instruments - from transactions with purchased own Euro Trading Book (ECP)
  - BGN 63 thousand (2022: BGN 768 thousand) the profits from revaluations of debt instruments valued at fair value - from revaluation of purchased own bonds



- ✓ BGN 445 thousand (2022: BGN 2,844 thousand) losses from operations with financial instruments
  - BGN 431 thousand (2022: BGN 1,125 thousand) from transactions with purchased own Euro Commercial Book (ECP)
  - BGN 13 thousand (2022: BGN 139 thousand) fees and commissions for investment intermediary services
  - BGN 1 thousand (2022: BGN 2,844 thousand) losses from revaluations of financial instruments

### Financial income

- ✓ BGN 705 thousand (2022: BGN 356 thousand) income from interest on loans granted to related parties
- ✓ - (2022: BGN 3 thousand) income from interest on loans granted to third parties

### Gains from the sale of investments in subsidiaries, operations with financial instruments and subsequent valuations:

#### In 2023:

- ✓ BGN 62 thousand from revaluation of own bonds bought by EMTN Program in EUR with ISIN XS1731768302
- ✓ BGN 1 thousand from revaluation of purchased own bonds with ISIN BG2100002224.
- ✓ BGN 1,131 thousand profits from operations with investments and financial instruments realized from transactions with purchased own Euro Trading Book (ECP)

#### In 2022:

- ✓ BGN 97 thousand profits from the sale of investments in subsidiary companies related to the transfer of the ownership of the shares of Auto Union AD to a third party;
- ✓ Profits from operations with investments and financial instruments include:
  - BGN 133 thousand profit from the sale of purchased own bonds from the EMTN Program in EUR with ISIN XS1731768302;
  - BGN 195 thousand profit from operations with purchased own Euro Trade Book (ECP) with ISIN: XS2430057443;
  - BGN 5 thousand profit from the sale of purchased own bonds with ISIN BG2100002224;
  - BGN 4 thousand profit from the sale of other financial instruments.
- ✓ Income from revaluations of debt instruments valued at fair value are:
  - BGN 591 thousand from revaluation of purchased own bonds from EMTN Program in EUR with ISIN XS1731768302;
  - BGN 110 thousand from revaluation of purchased own bonds with ISIN BG2100002224;
  - BGN 67 thousand from revaluation of other financial instruments.

### ⇒ Expenses

Eurohold's operating expenses are mainly related to the implementation of specific current projects related to interest on borrowed funds, absorbed/collected for the purpose of financial activity of the Holding and the improvement and support of the subsidiary companies of its economic group, as well as operations with financial instruments and other of a financial nature.

Eurohold also takes into account fixed costs for personnel and other external services such as rent of office premises, consumables and others related to the normal course and execution of the activity.

Operating expenses	Change	2023	2022
	in %	thousand BGN	thousand BGN
▪ Finance expenses	(14)%	(24 059)	(27 939)
▪ Hired services expenses	19%	(5 618)	(4 733)
▪ Employee benefits expense	4%	(1 016)	(980)
▪ Depreciation	(30)%	(207)	(295)
▪ (Expenses) / Reversal of expenses from impairment of financial assets, net	(186)%	1 988	(2 310)
▪ Other expenses	(39)%	(473)	(776)
▪ Impairment loss of a subsidiary	(100)%	-	(52 715)
▪ Loss from sale of subsidiary companies	(100)%	-	(13 372)
<b>Total operating costs</b>	<b>(72)%</b>	<b>(29 385)</b>	<b>(103 120)</b>

## Financial expenses

Financial expenses decreased for the reporting period by BGN 3.9 million.

- ✓ BGN 23,432,000 (2022: BGN 21,763,000) interest expenses – will increase in 2023 in connection with new funds raised in 2022. Interest expenses can be grouped into three categories depending on the financing, namely:
  - BGN 9,634 thousand (2022: BGN 5,008 thousand) interest on loans from banks and non-bank financial institutions - increased by BGN 4.6 million;
  - BGN 11,253 thousand (2022: BGN 15,190 thousand) interest on bond loans in the amount of – a decrease of BGN 3.9 million. BGN;
  - BGN 2,545 thousand (2022: BGN 1,565 thousand) interest on: loans received from related and third parties and leasing – an increase of nearly BGN 1 million.
  - Other financial charges, including: bank charges, exchange rate changes and others
  - BGN 627 thousand (2022: BGN 6,176 thousand) – a decrease of BGN 5.5 million.

## One-off losses in 2022

- ✓ In 2022, non-recurring expenses related to the effects of management of subsidiary enterprises were recorded:
  - BGN 13,372 thousand losses from the sale of subsidiaries (leasing and automobile business) have been reported
  - BGN 52,715 thousand losses from impairment of the insurance company Euroins Romania Asigurare-Reasigurare S.A., Romania declared bankrupt.

## Adjusted score for one-off effects

For a better understanding of the results of the activity, we present a result adjusted for the impact of one-time effects.

Operating expenses	Δ	2023	2022
		thousand BGN	thousand BGN
▪ Total income from operating activities	+4 517	5 490	973
▪ Total expenses for operational activity	+73 735	(29 385)	(103 120)
<b>Loss for the year</b>	<b>+78 252</b>	<b>(23 895)</b>	<b>(102 147)</b>
▪ Adjusted with Subsidiary Impairment Loss		-	(52 715)
▪ Adjusted with Loss on sale of subsidiaries		-	(13 372)
<b>Adjusted loss for the year</b>	<b>+12 165</b>	<b>(23 895)</b>	<b>(36 060)</b>

The adjusted result, which excludes the influence of the one-time effects recorded during the comparable period, shows that the Company has improved its operational activity by BGN 12.2 million.

### A.6.3 Dividends

Eurohold Bulgaria maintains a dividend distribution policy, and from 2015 to 2019 inclusive, a total dividend was distributed from the Company's profits in the amount of BGN 5,831 thousand. In 2020, 2021, 2022 and 2023, the Company did not distribute dividends.

### A.6.4 Cash flows

The Company's cash flows are formed mainly from the financial and investment activity related to the restructuring of long-term debts, as well as from the accumulation of free cash from subsidiary enterprises and directing them to finance the current and investment activities of other subsidiary enterprises.

#### Cash flow analysis

Cash flows	Δ in %	31.12.2023 thousand BGN	31.12.2022 thousand BGN
▪ Net cash flow from operating activities	(589)%	23 979	(4 907)
▪ Net cash flow from investing activities	(299)%	44 334	(22 198)
▪ Net cash flow from financing activities	(341)%	(70 458)	29 236
<b>Net cash flows</b>	<b>(201)%</b>	<b>(2 145)</b>	<b>2 131</b>
▪ Effect of IFRS 9	-	-	(8)
▪ Cash and cash equivalents at the beginning of the year	1 846%	2 238	115
<b>Cash and cash equivalents at the end of the year</b>	<b>(96)%</b>	<b>93</b>	<b>2 238</b>

Cash and cash equivalents for 2023 are mainly formed by:

Net cash flow from operating activities including: BGN (8.4) million payments to suppliers, (0.9) thousand BGN payments related to remuneration, (0.8) BGN paid/refunded taxes (excluding corporate income tax, (0.004) million BGN exchange rate differences and +34.1 million BGN other receipts/payments from operational activity.

The net cash flow from investment activity including: +43 million BGN returned additional capital contributions from Eastern European Electric Company II B.V., +1.3 million BGN dividend paid by Euro-Finance AD.

The net cash flow from financial activity including: +44.8 million BGN inflow from receipts of borrowed funds and (96.2) million BGN outflow from disbursement of borrowed funds, (18.6) million BGN paid interest, fees and commissions on loans, BGN (0.3) million paid liabilities under leasing contracts and BGN (0.2) million other receipts/payments from financial activity.

## A.6.5 Climate related matters

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

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

Considering the nature of the Company's activity, as well as the fact that there are no significant environmental liabilities, costs, assets or contingencies caused by climate change, it has not identified any significant risks that could have negative and material impact on its capital, financial condition and results.

Therefore, at the time of preparation of this annual individual financial statement, Eurohold Bulgaria does not see any additional risk from the environment or climate change that will have a material impact on equity, financial position and results in 2023, as well as in the calculation of future expected losses.

Environmental and climate-related issues will be comprehensively addressed at group level in the 2023 annual consolidated report. The Group considers environmental and climate-related issues/factors to be those that could affect existing risks in the medium to long term plan. On the one hand, this includes those arising from the physical factors of climate change, generated by one-off events, as well as chronic changes in the environment. On the other hand, there are those issues arising from the process of transition to a business model with lower emissions, as well as those related to legislative and technological factors or changes in the behavior of economic entities.

Essentially at this stage, the Group is still in the process of assessing and developing methodologies to assess environmental, regulatory and other factors responding to climate change risks. Therefore, the 2023 annual consolidated financial statement would not be able to cover all possible future outcomes regarding climate change issues, due to their unknown nature at this time.

## A.6.6 Financial indicators

INDICATORS	unit	2023 thousand BGN	Change in %	2022 thousand BGN
<b>Income statement</b>				
1. Profit / loss before tax	thousand BGN	(23 895)	(76.6)%	(102 147)
2. Net profit / loss (after tax)	thousand BGN	(23 895)	(76.6)%	(102 147)
3. Income from operating activities	thousand BGN	5 490	49.0%	973
<b>Statement of financial position as of 31 December</b>				
4. Equity	thousand BGN	218 707	(6.6)%	242 602
5. Liabilities (non-current + current)	thousand BGN	413 123	(8.8)%	453 010
6. Non-current liabilities	thousand BGN	323 037	(17.8)%	274 184
7. Assets	thousand BGN	631 830	(9.2)%	695 612
<b>Equity</b>				
Share capital	thousand BGN	260 500 000	0.0%	260 500 000
Weighted average number of shares	Number	260 500 000	0.0%	260 500 000
Loss per share	BGN	(0.0917)	(76.6)%	(0.3921)
<b>Ratios</b>				
Financial autonomy ratios (4/5)		0.529	2.4%	0.536
Indebtedness ratio (5/4)		1.889	(2.4)%	1.867
Equity / Assets (4/7)		34.6%	2.9%	34.9%
Non-current liabilities / Equity (6/4)		1.477	26.1%	1.130
Net return on revenue (2/3)		(4.352)	(84.3)%	(104.982)
Net return on equity (2/4)		(0.109)	(75.0)%	(0.421)
Net return on liabilities (2/5)		(0.058)	(74.3)%	(0.225)
Net return on assets (2/7)		(0.038)	(74.2)%	(0.147)

## A.7 STRATEGY AND FUTURE DEVELOPMENT

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

The main activity of Eurohold Bulgaria AD as a holding company will continue in the future to be the management of subsidiaries in the Eurohold group. In 2024, the company is not expected to change its activities and realize income of different origins, except for those related to the usual activity of the company. No significant investments or transactions of material importance are planned beyond the usual ones related to the management of the subsidiaries. In this regard, the development strategy of Eurohold Bulgaria AD is considered at the group level and covers the trends for the future development of all companies in the Eurohold group.

### **Impact of factors on Group Strategy in 2023.**

Two years have passed since the announcement of the new Development Strategy of the Eurohold Group. This period was accompanied by numerous factors that affected the achievement of our strategic objectives and our ability to create and preserve value.

The more strongly represented factors affecting our performance:

- » Macroeconomic instability
- » Geopolitical conflict and uncertainty
- » Regulatory factors
- » Extreme, adverse weather and climate conditions
- » Increasing pressure for decarbonisation and other ESG-related expectations

#### **Macroeconomic instability**

In 2023, our business faced various challenges arising from global macroeconomic factors, including low economic growth rates, inflationary pressures, volatile commodity prices and exchange rates, and geopolitical tensions.

#### **Geopolitical conflict and uncertainty**

The ongoing military actions on the territory of Ukraine caused our insurance business to make decisions related to the suspension (at the end of 2022) of activities on the territory of Belarus (100%) and Russia (associated participation 48.61%). The business in both countries was insignificant, forming less than 1% of the insurance group's revenues for 2022, which has no impact on revenues and assets at the group level. Separately, our insurance business in Ukraine was significantly affected, although at a group level the size of this business is immaterial.

#### **Regulatory factors**

In March 2023, the Romanian financial regulator (Autoritatea de Supraveghere Financiară) revoked the insurance activity license of Euroins Romania Insurance - Reinsurance S.A., a subsidiary of Euroins Insurance Group AD, by opening bankruptcy proceedings and appointing the Insurance Guarantee Fund (Fondul de Garantare a Insurantelor) as the company's temporary administrator. On June 9, 2023, Euroins Romania Insurance - Reinsurance S.A., Romania (Euroins Romania) was declared bankrupt.

### Extreme, adverse weather and climate conditions

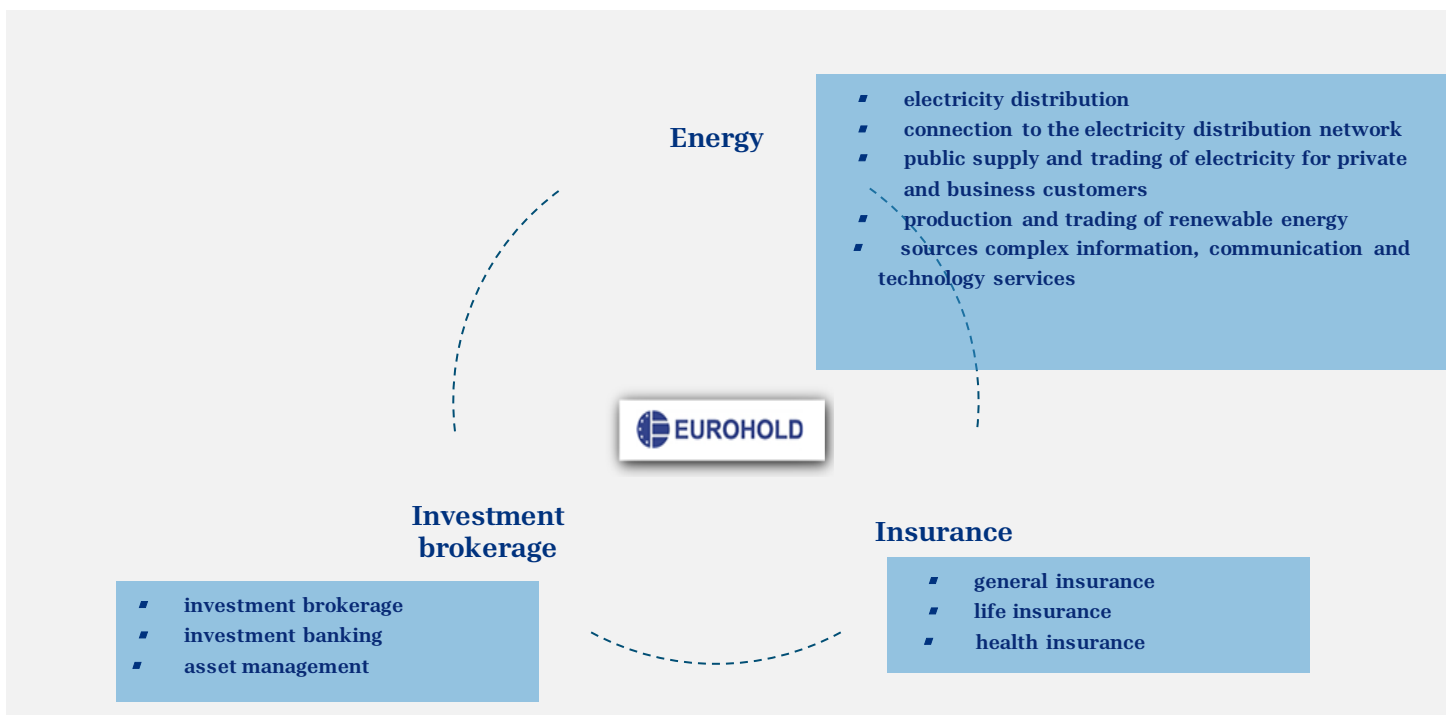
The frequent and unpredictable extreme and adverse weather conditions have a direct impact on the activity and results of the companies of the energy and insurance group.

Increasing pressure for decarbonisation and other ESG expectations

Plans for the decarbonization and energy independence of the energy sector, lead to significant investments in our energy group Electrohold.

### Strategy and future development of the Company

Today, our business is structured in three sector areas: Energy, Insurance, Investment Brokerage and Asset Management.



Our aspiration in our new development strategy is to create a stable business with a sound financial base, focused on growth through responsible actions and creating value for all our stakeholders.

**The first stage** of our strategy was focused on prioritising and restructuring the business. This stage was completed at the end of 2022 following the disposal in mid-2022 of investments in the automotive and leasing businesses, and at the end of 2022 of some insurance assets.

**We are now in the second stage of our strategy**, where our focus is on the development and future growth of priority businesses.

The development trends of Eurohold Bulgaria AD are related to the strategic goals in the development of the most important units in the group: the energy and insurance business.

Eurohold's focus for group development will be placed on the following areas:

- Providing opportunities for organic growth by expanding and diversifying our products and the markets in which we operate and developing international business;
- Improving efficiency, capitalization and profitability;
- Continuing the process of diversifying the product portfolio;
- Improving return on invested capital;

- Development of our ESG priority areas and strategy;
- Promoting sustainable business practices;
- Engaging and motivating our workforce and investing in training;
- Improving the needs and satisfaction of our customers, through product and service development, digitization, digitization and innovation.

To achieve the priority areas, Eurohold will continue to provide and provide full support to its subsidiaries regarding their capital position, sound financial condition and maintenance of a high liquidity position and solvency to ensure current servicing of Eurohold group's obligations to all banking and non-financial institutions, bondholders, suppliers, and other creditors. The focus is also on control, monitoring and optimized management in all business lines in order to prevent and protect against possible shocks.

### Capital investments

In 2024, Eurohold does not plan any significant capital investments other than its usual activities, including no acquisitions of new companies.

### Risk Management

The management of Eurohold Bulgaria AD will actively strive to:

- » to monitor and analyze the occurrence of risks such as: macroeconomic, political, legal, regulatory, those related to climate change, as well as other significant risks occurring in the countries where the subsidiary companies operate;
- » to evaluate the impact of the identified risks on the results of the group, and
- » to make decisions about their mitigation.

Due to the fact that all businesses in the Eurohold group are highly regulated, the development of the group is dependent on future regulatory changes, the future development of the Eurohold group is largely dependent on the applicable legislation, changes in the regulatory framework and the decisions of the regulatory authorities.

*In summary, the strategy and future development of Eurohold Bulgaria AD is considered at the group level and is entirely related to the achievements of the subsidiary companies, their opportunities for generating revenue and profit growth, maintaining a stable capital structure, creating innovative products, strengthening competitiveness, consolidation and growth of market positions in the regions in which they*

### Number of employed persons

In 2023, 2 employees were appointed to Eurohold Bulgaria AD, none left, no employees were hired on temporary contracts.

As of 31 December 2023, 29 persons were appointed to Eurohold Bulgaria AD under a contract, of which 10 persons under a management contract - members of the National Assembly and the Board of Directors and 1 person under a contract for a procurator, 18 employees under an employment contract. (2022: a total of 27 persons, of which 10 persons under a management contract - members of the National Assembly and the Board of Directors and 1 person under a procurator's contract, 16 employees under an employment contract).

In connection with the nature of the activity of the holding company, as well as the fact that, as such, Eurohold does not carry out regular commercial and/or production or any other type of activity requiring the hiring of new personnel during the growth and development of the business, it is not expected for Eurohold Bulgaria significant development in the hiring of personnel in the company in the short and medium term.

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



## A.8 MAIN RISKS

*This section describes our risks and uncertainties that are considered to have the most significant potential effect on Eurohold's individual operations.*

*This list of risks is not intended to be exhaustive. The order in which the risks are presented does not indicate their probability of occurrence, nor their possible degree of impact on the Company's business, prospects, results of operations and financial condition.*

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

*The future results of the Company's activities may differ significantly from past results as a result of the occurrence of the risks described here. Although the Company monitors risks, some are beyond our control. Given the currently dynamic macroeconomic environment, it is possible that other risks and/or uncertain events may occur that are currently unknown or that we are unable to assess or are considered immaterial at this time and which risks may have a significant adverse effect on the Company's activities.*

### Climate risks

*When carrying out its individual activity, Eurohold Bulgaria AD does not take into account significant risks related to changes in the climate, which could have negative consequences for the company on the results of the activity and its financial condition. Such risks are identified at group level and will be disclosed in the Non-Financial Statement of the Eurohold Group, which is part of the 2023 Annual Consolidated Activity Report.*

*Eurohold Bulgaria AD falls under the scope of Directive (EU) 2022/2464 of 14.12.2022 on the reporting of enterprises in relation to sustainability (CSRD). CSRD reporting will take place for the first time in 2025 as part of the annual consolidated activity report for the reporting year 2024.*

*Eurohold Bulgaria has launched a project to accelerate its path to sustainability, including implementing the requirements of the Task Force on Climate-related Financial Disclosure (TCFD). As a Group, we have recognized the significant risks posed by climate change to our operations and the environment as a whole.*

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### Key risks

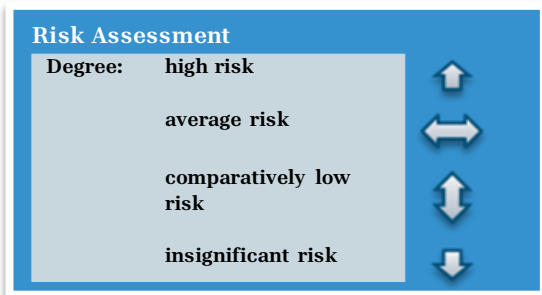
*On an individual level, key risks for Eurohold Bulgaria AD continue to be similar to those of previous years. Considering the international nature of our activity (through subsidiaries), an assessed risk for our business operations in 2023 is the dynamic development of the macroeconomic environment, incl. we are constantly monitoring the development of hostilities on the territory of Ukraine and the consequences of the Covid-19 pandemic (despite the low probability of a repetition on the same scale).*

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### Influence of group risks

*We pay attention that Eurohold Bulgaria JSC develops its activities through its subsidiaries, in this regard, the Company's financial condition, operational results and prospects for development are directly dependent on the condition, results and prospects of its subsidiaries. Every business sector, including the segments in which we operate, are subject to common risks, such as: changes in the macroeconomic environment, social, political, financial, regulatory and legislative changes. Our principal risks and uncertainties are those that may have the greatest impact on our Group key priorities. The most significant, basic risks for each business group and affecting the activity of the companies part of the Eurohold group, as well as the estimated risks arising in general group can be found in the Annual Consolidated Report of Eurohold Bulgaria for 2023.*

*Eurohold Bulgaria AD is exposed to*  
 1/ *Risks related to investments and development strategy, and*  
 2/ *General risks.*



**1/ RISKS RELATED TO THE INVESTMENT AND DEVELOPMENT STRATEGY**


**Risks related to the activity and structure of Eurohold**

risk	description	actions
↑	<p>Insofar as the activity of "Eurohold Bulgaria" AD is related to the management of assets of other companies, it cannot be attributed to a separate sector of the national economy and is exposed to the sectoral risks of the subsidiaries. Eurohold Bulgaria group companies operate in the following sectors: "insurance", "energy", and "investment intermediation and asset management".</p> <p>The Company's financial results are directly related to the financial results and development trends of the business units of its economic group. The influence of the individual risks of the subsidiary companies is proportional to the share of the respective industry in the structure of Eurohold's long-term investment portfolio.</p> <p>The main risk related to the activity of "Eurohold Bulgaria" AD is the possibility of reducing the income of the companies in which it participates and the receipt of dividends. In this regard, it can have an impact on the company's revenue growth as well as the change in its profitability.</p> <p>Deteriorated performance of one or more subsidiaries could lead to a deterioration of results on a consolidated basis. This, in turn, is related to the price of the company's shares, as a result of investors' expectations about the prospects of the company and the Eurohold group, since the market price of the shares takes into account the business potential and assets of the economic group as a whole.</p>	<p>Eurohold carries out continuous control and monitoring of the development strategy of its economic group. All identified risks and potential risks that may affect the activities of subsidiary companies are monitored.</p> <p>Eurohold Bulgaria acts flexibly in identifying risks related to subsidiary companies that may have a negative effect on the group as a whole, including if necessary, proceeds with the release of investments.</p>


**Risks related to the development strategy**

risk	description	actions
↔	<p>The future earnings and economic value of Eurohold depend on the strategy chosen by the senior management team of the company and its subsidiaries. Choosing the wrong strategy can lead to significant losses.</p>	<p>Eurohold Bulgaria AD strives to manage the risk of strategic errors through continuous monitoring of the various stages in the implementation of its market strategy and its results. This is of utmost importance to be able to react promptly if a change is needed at a certain stage in the strategic development plan. Untimely or inappropriate changes in strategy can also have a material negative effect on the company's business, operating results and financial condition.</p>


## Risks related to the management of Eurohold. Operational risk

risk	description	actions
	<p>Operational risk is the risk of direct and indirect losses for the Group arising from various internal factors related to operations, the integration of newly acquired companies, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risk and originate from legal requirements and generally accepted rules of corporate ethics.</p> <p>The risks related to the management of the Company can be: making wrong decisions; the impossibility of launching and/or implementing planned projects; possible technical errors of the information system; departure of key employees; risk of excessive growth of operating expenses; risk of fraud; as well as other events.</p>	<p>The probability of such events is considered to be relatively low.</p> <p>Eurohold performs continuous analysis and monitoring of the management of subsidiary companies.</p> <p>The company, including The Group pays particular attention to security and personal responsibility, particularly in relation to access to information (including classified information and personal data information), information system and cyber security.</p>


## Risks related to financing the activity

risk	description	actions
	<p>The possibilities of "Eurohold Bulgaria" AD to grow and implement its strategies depend to a great extent on the possibility of attracting 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.</p> <p>The management of "Eurohold Bulgaria" AD supports the efforts of the subsidiary companies in the Group to attract bank resources for investments and provision of working capital. The volumes of these borrowed funds are maintained at certain levels and are allowed after proving the economic efficiency for each company.</p>	<p>The management's policy is aimed at raising financial resources from the market, mainly in the form of 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 providing loans. Apart from that, Eurohold Bulgaria monitors the capital structure of each company and takes actions to maintain the regulatory capital requirements for each business segment by increasing their capital.</p> <p><i>for more information on the attracted financial resources of the group: see item 8 of the section "Information according to Ordinance № 2 of the Financial Supervisory Service"</i></p>


## Risk of concentration

risk	description	actions
	<p>There is concentration risk, which is the possibility that the company will suffer a loss due to the concentration of financial resources in a business sector or related parties. This risk is expressed in the possibility that the invested funds will not be returned in full due to a recession in the business in which it is invested. The Company's management actively monitors this risk and strives for decisions, measures and actions to diversify the business in which it operates.</p>	<p>With the acquisition of the energy group in 2021, Eurohold diversified the risk of concentration in the largest insurance business until then.</p>


## Risk of lack of liquidity

risk	description	actions
	<p>Liquidity risk is related to the possibility that "Eurohold Bulgaria" AD will not repay its obligations in the agreed amount and/or on time when they become due.</p>	<p>Eurohold strives to minimize this risk through optimal cash flow management within the group itself. The group applies an approach to ensure the necessary liquidity resource to meet the obligations incurred under normal or extraordinary conditions, without realizing unacceptable losses or damaging the reputation of individual companies and the economic group as a whole.</p> <p>Subsidiaries make financial planning, with which they seek to meet the payment of expenses and their current obligations, including the servicing of financial obligations. This financial planning minimizes or completely excludes the potential effect of the occurrence of extraordinary circumstances.</p> <p>In the process of liquidity risk management, the group companies carry out intra-group financing with free cash resources.</p> <p><i>Regarding currency risk analysis: see Appendix 2.23.3. "Liquidity Risk Analysis" from the 2023 Annual Individual Financial Statement.</i></p>


## Credit risk

risk	description	actions
	Credit risk is the risk that a counterparty will not pay its obligation to the Company. It is related to the possibility of deterioration in the collection of receivables, which could lead to disruption of cash flows and difficult payments on borrowed / borrowed funds.	The company is exposed to this risk in connection with various financial instruments, such as the granting of loans, the occurrence of receivables from customers, the deposit of funds and others. The Company's exposure to credit risk is limited to the amount of the book value of the financial assets recognized at the end of the reporting period.

## Risk related to personnel


risk	description	actions
	The business of Eurohold Bulgaria is dependent to a significant extent on the contribution of a certain number of persons, members of the management and control bodies, managers from the top and middle management level of the parent company and the subsidiary companies. There is no certainty that these key employees will continue to work for Eurohold in the future. Eurohold's success will also be related 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 activity of the economic group as a whole, its operational results, as well as its financial condition.	The Eurohold Group accepts this risk as essential and implements policies to increase employee motivation by providing a good environment for professional development, a competitive level of remuneration and a good work culture.

## Risk of possible transactions between the companies in the group, the conditions of which differ from market ones

risk	description	actions
	<p>Relationships with related parties result from contracts for temporary financial assistance to the subsidiaries and on the occasion of transactions related to the usual commercial activity of the subsidiaries.</p> <p>The risk of possible transactions between the companies in the Group under conditions that differ from those of the market is expressed in taking the risk of achieving a low yield from intra-group financing provided. Another risk that can be taken is that during the implementation of intra-group commercial transactions, sufficient revenues will not be realized, and hence a good profit for the respective company. At a consolidated level, this may reflect negatively on the profitability of the entire group.</p>	<p>Within Eurohold, transactions between the parent company and the subsidiaries and between the subsidiaries themselves, arising from the nature of their main activity, are constantly carried out. All transactions with related parties are carried out under conditions that do not differ from usual market prices and in compliance with IAS 24 "Disclosure of related parties".</p> <p>After the sale (in mid-2022) of the automotive and leasing business, this risk was significantly reduced.</p>

## 2/ GENERAL RISKS

### Macroeconomic risk

risk	description	influence
	<p>Macroeconomic risk is the risk of shocks that may affect economic growth, population income, supply and demand, the realization of profits by economic entities, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changing legislation and regulatory requirements, priorities of national governments, etc. Trends in the macroeconomic environment affect the market performance and the final results of the activity of all sectors of the economy.</p> <p>The risk of the influence of the international environment on companies cannot be diversified and affects all economic entities, but on the other hand, it can become an engine for the development and implementation of innovations and digitalization that drastically change and increase the efficiency of business on a global scale .</p> <p>Examples of macroeconomic shocks can be: the global economic crisis; the impact of the global Covid-19 pandemic that occurred at the beginning of 2020, incl. the measures taken by the governments of the affected countries; slowing down of economic growth; the risk of systematic global financial fluctuations; periodic fiscal imbalances; high inflation rates; changes in exchange rates for certain currencies; volatility in the prices of energy products; economic and political uncertainty in some regions of the world; the reduction of economic and consumer activity.</p> <p>Bulgaria has an open economy and its development depends directly on international market conditions. The development of Bulgaria's economy faces the risk of external influences and depends directly on international market conditions.</p>	<p>The macroeconomic situation and economic growth on a global scale are of fundamental importance for the development of "Eurohold Bulgaria" AD and its subsidiaries, including the government policies of the respective countries in which the Group operates and, in particular, the regulations and decisions made by the respective Central Banks that influence monetary and interest policy, exchange rates, taxes, GDP, inflation, budget deficit and external debt, unemployment rate and income structure.</p> <p>The presence in Bulgaria and in the countries of our operations of unfavorable macroeconomic conditions, including an increase in unemployment and inflation, as well as fiscal instability, may have a material adverse effect on the business of the Company/Group, the financial condition and/or the results of the activity or the expected growth of the group.</p> <p>The Eurohold Group carries out operations in addition to Bulgaria and in a number of other European countries, respectively its overall financial position and the results of its operations are affected by the economic, legal and political conditions in these countries. Any deterioration in macroeconomic conditions in such countries or in the wider CEE / SEE region could adversely affect certain products and services offered by the group and result in lower revenues than originally planned. In addition, general changes in government policy and regulatory systems in any such jurisdiction may increase the Group's operating costs and capital requirements. Any future periods of economic slowdown or slow economic growth in any of the markets in which the Group operates could have an adverse effect on the Group's business, financial condition, cash flows, results of operations or prospects.</p> <p>Eurohold Bulgaria strives to monitor the probability of the manifestation of macroeconomic risk and develops group measures to mitigate as much as possible the impact of the effects that the presence of this risk may have. However, the Holding cannot completely exclude and limit its influence on the business, financial position, profits and cash flows at the group level. There is also the possibility that the occurrence of this risk may exacerbate other risks or a combination of risks.</p>

#### ⇒ Macroeconomic risks observed in 2023

#### Military actions on the territory of Ukraine and the Middle East

The military conflicts in Ukraine and the Middle East give rise to possible manifestations of risks at the global level related to the reduction of economic activity and financial markets, problems with the supply chain, the growth of prices and inflation, etc.

The effects and economic consequences of hostilities between Russia and Ukraine and those in the Middle East cannot be fully assessed at this stage of development but indicate an extremely serious impact on the global economy. Weaker global economic activity or a further slowdown in world trade could also dampen growth in the eurozone.

If the conflict continues to develop, the economic damage will be significant for all sectors of the economy, both of Bulgaria and the EU, including the sectors and regions in which the Eurohold group operates. The management of Eurohold is following with concern the development of the military conflict between Russia and Ukraine, and is evaluating its impact on the Group's business, in order to take measures, decisions and concrete actions to mitigate the influences on the Group. Eurohold Bulgaria AD, through its subsidiary Euroins Insurance Group AD, owns investments in two insurance companies in Ukraine, and by the end of 2022 it also owned one company in Belarus and one with a minority stake in Russia.

The management of Eurohold, as far as possible, provides assistance and support to the personnel in Ukraine and their relatives.

At the end of 2022, the management of Eurohold Bulgaria and the subsidiary Euroins Insurance Group decided to release the insurance group from its participation in the companies in Belarus (100%) and Russia (associated participation 48.61%). On 30 December 2022, Euroins Insurance Group (EIG) signed an agreement for the sale of the two companies. These participations added insignificant values to the consolidated results against the background of the assets of the insurance subholding and the assets of Eurohold Bulgaria AD. EIG's business in the two countries accounted for less than 1% of the insurance group's 2022 revenue.

**The Covid-19 pandemic**

In 2023, the risk of impacts related to the Covid-19 pandemic was observed, despite the low probability of a repeat of the pandemic on the same scale. This risk is assessed in the overall monitoring of risks due to emergency situations. It is essential for Eurohold to monitor the potential impact of this risk on operations and employee health. For 2023, no significant impacts related to the Covid-19 pandemic have been identified.

The monitoring and identification of emergency risks aims to prepare appropriate risk management strategies and action plans for such emergency situations, as well as to mitigate the consequences of such a situation, to maintain the health of employees and business continuity.

**Macroeconomic forecast**

According to the latest Economic Bulletin of the ECB, № 2/2024 - Economic activity remains weak as consumers continue to refrain from spending, investment declines, exports also decline due to a slowdown in external demand and some loss of competitiveness. Nevertheless, according to the ECB, with inflation falling and wages continuing to rise, real incomes will recover, supporting growth in 2024. Unemployment is also falling, reaching its lowest level in the last quarter of 2023, and employment increased by 0.3%. In the medium term, the recovery is also expected to be supported by the gradual fading of the impact of the ECB's monetary policy tightening. Overall, average annual growth in real GDP is expected to be 0.6% in 2024 and to accelerate to 1.5% in 2025 and to 1.6% in 2026. Risks to economic growth still lean towards its lowering. Growth may be weaker if the effect of monetary policy turns out to be stronger than expected. Weaker global economic activity or a further slowdown in world trade could also dampen growth in the eurozone. Hostilities between Russia and Ukraine and the conflict in the Middle East are major sources of geopolitical risk. As a result, the confidence of economic entities and households about future developments is likely to decline and global trade may be disrupted.

Source: [www.ecb.europa.eu](http://www.ecb.europa.eu)

In the Macroeconomic Forecast of the BNB from December 2023, the expectations for real GDP growth in Bulgaria for 2023 is to finally amount to 1.8% (compared to 3.9% in 2022), which will be determined mostly by the growth of private consumption and the positive contribution of net exports, while the change in inventories will have a significant negative contribution to the change in economic activity. In 2024, the growth of economic activity is expected to accelerate to 2.5%. The main contributors to higher real GDP growth in 2024 will be the cessation of the negative contribution of inventory changes, continued growth in domestic demand at a pace similar to the previous year, and a shift in exports of goods and services from decline in 2023 to growth in 2024. Labor market conditions remain tight in the first nine months of 2023, reflecting an increase in economic activity in the country with limited opportunities to increase the number of employed persons. Employment growth is expected to reach 0.6% in 2023, supported mainly by the services sector.

Source: [www.bnb.bg](http://www.bnb.bg)

**Risk of occurrence of force majeure events**

risk	description	influence
	Force majeure circumstances are all natural disasters and other cataclysms such as sudden climatic changes, floods, earthquakes, civil disobedience, clashes, strikes, terrorist acts and military actions and the like, which are of an unforeseen nature. Force majeure can also be accidents of the material base of a mechanical nature, due to human or system error. The occurrence of such events may disrupt the usual activity of the Company until the damage caused is removed. Also, they may lead to an unpredictable change in investor attitude and interest in relation to the market for equity and debt securities issued by the Company.	It is also possible that force majeure circumstances will occur, which will have a strong impact on the overall macroeconomic and international environment. An example of such a risk is the "Pandemic" declared by the World Health Organization from the coronavirus epidemic (COVID-19) that developed in early 2020, as well as the military conflict between Russia and Ukraine.

**Political risk**

risk	description	influence
	Political risk reflects the influence of political processes in the country on the economic and investment process and, more specifically, on the return on investment. The degree of political risk is determined by the probability of changes in an unfavorable direction of the government's long-term economic policy, which may have a negative impact on investment decisions. Other factors related to this risk are possible legislative changes and changes in the tax system regarding the economic and investment climate in the country.  The Republic of Bulgaria is a country with political and institutional stability, based on modern constitutional principles such as a multi-party parliamentary system, free elections, ethnic tolerance and a clearly defined system of separation of powers.  Among the political risks are the successful continuation of Bulgaria's integration into the European Union (EU).	After the admission of our country to the EU at the beginning of 2007, economic reforms were imposed in the name of the integration of our country into the European Union. In the future, economic growth will depend on the political will to continue economic reforms, with the aim of introducing the best market practices of the EU in economic, political, social, legal, financial terms.  Currently, the political situation in Bulgaria is not particularly stable. This instability manifested itself in April 2021 since the country faced the inability to form a regular and stable government. This also contributes to falling behind in Bulgaria's preparations for joining the Eurozone.  Despite the stable policy pursued so far, there is no certainty that factors will not appear in the country that will cause social and political tension, lead to a significant and abrupt change in the political and economic conditions, which may



have a significant adverse effect on the business of The company and its group.

## Credit risk of the country

risk	description	influence
	<p><b>Credit risk is the likelihood of a country's international credit ratings deteriorating.</b></p> <p><b>The adoption of a consistent and long-term economic policy in Bulgaria would be a valid reason for the potential increase in the country's credit rating.</b></p>	<p>A possible increase in the country's credit rating would have a favorable impact on the economic group of Eurohold, expressed in the Group's financing possibilities. In the event of a downgrading of Bulgaria's credit rating, as a result of the unstable governance of the country, there may be a negative impact on the Group and on the cost of financing.</p> <p>Low credit ratings of the country can lead to higher interest rates, more difficult financing conditions for economic entities, including Eurohold.</p> <p><i>Regarding analysis of credit ratings: see Appendix 2.23.12. "Credit Risk Analysis", from the 2023 Annual Individual Financial Statement.</i></p>

⇒ The latest credit ratings awarded to Bulgaria are as follows:

### On 25.11.2023, S&P Global Ratings raised the outlook for Bulgaria's rating.

S&P Global Ratings raised the outlook for our country's rating to positive from stable and confirmed Bulgaria's long-term and short-term credit rating in foreign and local currency 'BBB/A-2'. The positive outlook reflects the probability, at least one in three, that Bulgaria will join the Eurozone in the next 24 months. Even if Bulgaria does not join the eurozone in 2025, the rating agency expects that entry will likely be delayed until 1 January 2026. Despite an aging workforce, Bulgaria's economy has strong prospects for real growth, with average rates of 3 % for the period 2024-2026, driven mainly by domestic demand. Consumption will remain strong due to the good performance of the labor market, which is supporting real wage growth. S&P Global Ratings rates Bulgaria's fiscal performance as one of the best among Central and Eastern European countries and expects current fiscal plans to result in deficits below 3% of GDP in the period to 2026, keeping net government debt below 20 % of GDP. The positive outlook reflects the country's plans for eurozone membership, which could lead to further improvements in the country's external position indicators. Despite the delay in the process of joining the eurozone, the analysts of the rating agency believe that there is a broad political commitment to adopt the euro in 2025.

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

### On 28.10.2023, Fitch Ratings confirmed Bulgaria's 'BBB' rating with a positive outlook.

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


The rate of inflation (HICP) in Bulgaria follows a downward trend but remains significantly above that of the three EU member states with the lowest inflation and currently does not meet the price stability criterion. Given the significant uncertainty regarding inflationary processes, for Fitch Ratings the fulfilment of the price stability criterion in mid-2024 (the key date for adoption into the euro area in 2025) remains questionable. Fitch forecasts that headline HICP inflation will continue to gradually decelerate, while core inflation will decline more slowly due to strong private consumption, tight labour market conditions and spillover effects. The agency expects average annual inflation of 9.1% in 2023, 4.6% in 2024 and 2.9% in 2025.

Main factors that could lead to positive action on the rating are: progress towards joining the eurozone, including confidence that Bulgaria meets the membership criteria and the deadline for adopting the euro; improving the growth potential of the economy, for example by introducing structural and management reforms to improve the business environment and/or efficient use of EU funds.

Factors that could lead to negative rating actions are: lack of progress in joining the Eurozone due to continued political instability or failure to meet convergence criteria; lower medium-term growth prospects, caused for example by a significant adverse macroeconomic shock or inflation that has persisted at high levels.

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

## Inflation Risk

risk	description	influence
	Inflation risk is associated with the likelihood that inflation will affect real investment returns. The main risks related to the inflation forecast relate to the dynamics of international prices and the rate of economic growth in Bulgaria. International prices of raw materials and food products may rise more significantly as a result of political crises such as are currently available or an increase in demand. The limited supply of some agricultural goods and especially cereals internationally in connection with adverse climatic phenomena or force majeure circumstances may additionally cause higher inflation in the country.	<p>In general, inflation can affect the amount of the Company's expenses, since part of the company's liabilities are interest-bearing. Their service is linked to the current interest rates, which also reflect the inflation rates in the country. Therefore, maintaining low inflation levels in the country is considered a significant factor for the Company's activity and for its economic group.</p> <p>At the present moment and in general, the currency board mechanism provides guarantees that the inflation in the country will remain under control and will not have an adverse impact on the economy of the country, and in particular on the activities of the Company and its group, and from there on its possibility to service its debt positions.</p> <p>However, the current geopolitical situation in Europe makes the outlook for inflation in the Eurozone very uncertain and depends crucially on the development of the military conflict, the impact of current sanctions and possible further measures.</p> <p>Given this, users of this Report should carefully consider and account for both current levels of inflation risk and future opportunities for its manifestation.</p>

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

Consumer Price Index (CPI)		
Monthly inflation	February 2024 / January 2024	0,3%
Annual inflation	February 2024 / February 2023	3,3%
Inflation from early 2024	February 2024 / December 2023	0,8%
Average annual inflation	March 2023 - February 2024 / March 2022 - February 2023	7,4%
Harmonized Index of Consumer Prices (HICP)		
Monthly inflation	February 2024 / January 2024	0,3%
Annual inflation	February 2024 / February 2023	3,5%
Inflation from early 2024	February 2024 / December 2023	0,4%
Average annual inflation	March 2023 - February 2024 / March 2022 - February 2023	6,9%
Price index for the small basket (ICPM)		
Monthly inflation	February 2024 / January 2024	0,1%
Inflation from early 2024	February 2024 / December 2023	1,5%

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

### ⇒ The macroeconomic forecast of the BNB

According to the Macroeconomic Forecast of the BNB from December 2023, annual inflation is expected to slow down to 3.1% at the end of 2024 and remain at the same level at the end of 2025.

The expected downward dynamics of inflation is mainly the result of the assumed decrease in the prices of oil and agricultural raw materials on the international markets in 2024. At the same time, in the short and medium term, the pressure to increase the production costs of the companies resulting from the continued high growth is predicted of labor costs per unit of output and the labor shortage in the country, to remain strong. Another internal factor with a pro-inflationary influence is expected to be the predicted strong private consumption, which is a prerequisite for a limited transfer of the falling international prices of basic raw materials by companies to final consumer prices in Bulgaria.

Source: [www.bnb.bg](http://www.bnb.bg)

### ⇒ Macroeconomic forecasts for the Eurozone


The March 2024 ECB staff macroeconomic forecasts for the euro area (Economic Bulletin Issue 2/2024) show that inflation eased slightly to 2.8% in January, and according to Eurostat's preliminary estimate it has fallen further to 2.6% in February. Food inflation fell further to 5.6% in January and 4.0% in February, with energy prices continuing to decline year-on-year in these two months, but at a slower pace than in December. Commodity inflation also continued to ease, reaching 2.0% in January and 1.6% in February. In February, inflation in services fell slightly to 3.9%.

Expectations are that inflation will continue its downward trend in the coming months. Overall, average annual HICP inflation is expected to decline from 5.4% in 2023 to 2.3% in 2024, 2.0% in 2025 and 1.9% in 2026. As given the weak outlook for energy inflation, headline inflation is expected to remain below the level of core inflation (excluding energy and food components) throughout the forecast period. Compared to the December 2023 projections, HICP inflation has been revised downwards for 2024 and 2025, mainly due to the direct and indirect effects of lower assumptions for energy commodity prices and weaker pressures on labor costs, and is unchanged for 2026.


Source: [www.ecb.europa.eu](http://www.ecb.europa.eu)



## Currency risk

risk	description	influence
	<p>This risk is related to the possibility of depreciation of the local currency. For Bulgaria specifically, this is a risk of premature rejection of the conditions of the Currency Board at a fixed exchange rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism. The central exchange rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva. It was assumed that Bulgaria joins the currency mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB. The agreement on the participation of the Bulgarian lev in Currency Mechanism II (CM II) is accompanied by a firm commitment of the Bulgarian authorities to conduct prudent economic policies with the aim of preserving economic and financial stability and achieving a high degree of sustainable economic convergence.</p> <p>Any significant depreciation of the BGN may have a significant adverse effect on business entities in the country, including the Company. Risk also exists when the income and expenses of a business entity are formed in different currencies. The exposure of 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.</p>	<p>The Company's activity does not imply exposure to a significant currency risk, because almost all its operations and transactions are denominated in Bulgarian leva and euro, and the latter has a fixed exchange rate against the leva.</p> <p>Significant changes in the various exchange rates of subsidiaries outside Bulgaria, namely in North Macedonia, Ukraine, Georgia and Romania, respectively - Macedonian denar (MKD), Ukrainian hryvnia (UAH), Georgian lari (GEL) and Romanian leu (RON), whose exchange rate is determined almost freely in the local currency market would have a corresponding reflection in Eurohold's group results. The consolidated revenues of "Eurohold Bulgaria" AD will be exposed to currency risk depending on the movement of these currencies against the euro.</p> <p><i>Regarding currency risk analysis: see Appendix 2.23.4. "Currency risk", from the 2023 Annual Individual Financial Statement.</i></p>

## Interest rate risk


risk	description	influence
	<p>Interest rate risk is related to the possibility of changing the prevailing interest rates in the country. Its influence is expressed by the possibility that the net income of the companies will decrease as a result of an increase in the interest rates at which the Issuer finances its activity. This risk can be managed through the balanced use of different sources of financial resources.</p>	<p>The increase in interest rates, other things being equal, would affect the cost of the financial resource used by the Company in implementing various business projects. Also, it can affect the size of the company's expenses, since not a small part of the company's liabilities are interest-bearing and their servicing is related to current interest rates.</p> <p><i>Regarding interest rate risk analysis: see Appendix 2.23.5. "Interest rate risk", from the 2023 Annual Individual Financial Statement.</i></p>

### ⇒ Macroeconomic forecasts for the Eurozone

Interest rate trends, according to the ECB, are to maintain a restrictive policy on key interest rates long enough at an appropriate level to ensure a timely return of inflation to the medium-term target of 2%. At the moment, the interest rate on the main refinancing operations and the interest rates on the marginal credit facility and on the deposit facility remain unchanged - 4.50%, 4.75% and 4.00%, respectively.

Source: [www.ecb.europa.eu](http://www.ecb.europa.eu)

## Risk of high unemployment rates

risk	description	influence
	<p>The risk associated with unemployment is characterized by a drop in the demand for labor force, influenced by the real aggregate demand in the economy, as a result of which the real purchasing activity of a part of the economic entities decreases.</p>	<p>High levels of unemployment can seriously threaten economic growth in the country, which, in turn, can lead to a contraction of consumption and a decrease in the revenues realized by economic entities in the country, including the revenues realized by the companies in the Eurohold group.</p>

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

	Amendment 2023/ 2022	total	men	women
Unemployment rate in 2023	+0.2%	4.3%	4.4%	4.2%
Unemployed persons		132.4 thsd.	71.7 thsd.	60.7 thsd.
The long-term unemployment rate		2.3%	2.4%	2.1%
The relative share of the long-term unemployed among all unemployed		52.3%		


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

### ⇒ The macroeconomic forecast of the BNB

According to the Macroeconomic Forecast of the BNB from December 2023, in 2024 employment growth is forecast to slow down to 0.3% and the reached number of employed persons in the economy will remain almost unchanged in 2025. This forecast is a result of the unfavorable demographic trends in the country leading to a reduction in the workforce. The unemployment rate will rise slightly to 4.4% in 2023, mostly reflecting the deteriorating external environment, which is contributing to both an increase in newly registered unemployed in industry and an increase in those registered at labor offices, with previous employment in abroad.

Source: [www.bnb.bg](http://www.bnb.bg)

## Regulatory risk

risk	description	influence
	<p>Regulatory risk is related to the impact of the existing regulatory framework or its change on the Company's activities. This regulatory framework includes the legislation in Bulgaria, the EU and the countries where the Eurohold group companies operate.</p> <p>The regulatory risk will be affected by the changes in the regulations regulating the activities of public companies in Bulgaria and the EU, which will impose additional requirements and restrictions on public companies. It may also concern sectoral legislation relating to subsidiaries.</p>	<p>The Eurohold Group operates in a highly regulated environment in various European countries. The possibility of more radical changes in the regulatory framework, in the interpretation or practice of applying the legislation, as well as in divergence in the legislation and regulations in Bulgaria and in the countries in which the Group operates, may have an adverse effect on the activity as a whole, the operational results, and her financial status. Regulatory risk may be related to potential fines and penalties resulting from violations of the regulatory framework, as well as impact on the Company's reputation, which may impact the share price.</p>

## A.9 INFORMATION ACCORDING TO THE COMMERCIAL LAW AND ORDINANCE №2 OF FSC

### A.9.1 Information under Art. 187e of the Commercial Law

- 1 /** *The number and nominal value of own shares acquired and transferred during the year, the part of the capital they represent, as well as the price at which the acquisition or transfer took place.*

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

- 2 /** *The basis for the acquisitions made during the year*

There were no acquisitions of own shares in 2023.

- 3 /** *The number and nominal value of own shares and the part of the capital they represent*

As of 31.12.2023 and as of the date of preparation of this activity report, the Company has not repurchased, and accordingly does not own, its own shares.

As of 31.12.2023, 77,227 voting shares of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2022 – 77,227 voting shares), representing 0.03% of the capital of The company.

### A.9.2 Information under Art. 247 of the Commercial Law

- 1 /** *The remuneration received in total during the year by the members of the councils*

see item 17 of A.9.3 "Appendix № 2" of Ordinance № 2

- 2 /** *The shares and bonds of the company acquired, owned and transferred by the members of the councils during the year*

As of 31 December 2023, the members of the Management and Supervisory Board and the procurator of the Company own shares of the capital of Eurohold Bulgaria, as follows:

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

Source: „Eurohold Bulgaria” AD

### 3 / The rights of council members to acquire shares and bonds of the company

- ✓ As of the date of preparation of this activity report, no agreements or other arrangements have been reached with the employees of "Eurohold Bulgaria" AD for their participation in the Company's capital.
- ✓ The members of the Board of Directors, the Supervisory Board and the Procurator of the Company may freely acquire shares of the capital, as well as bonds of the Company on a regulated securities market in compliance with the provisions of the Law on the Implementation of Measures Against Market Abuse of Financial Instruments and the applicable European Regulation, as well as the Law on Public Offering of Securities.
- ✓ As of 31.12.2023 and as of the date of this report, the members of the Board of Directors, the Supervisory Board and the Procurator do not own bonds issued by the Company.
- ✓ In favor of the management and control bodies, employees or third parties, no options for acquiring shares from the Company have been issued.

### 4 / The participation of board members in commercial companies as unlimited partners, the ownership of more than 25 percent of the capital of another company, as well as their participation in the management of other companies or cooperatives as procurators, managers or board members

#### SUPERVISORY BOARD

<b>Assen Milkov Christov</b>	<b>Title - Chairman of the Supervisory Board</b>
<b>Office address</b>	<b>City of Sofia, Christopher Columbus Blvd. № 43</b>
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b>	
<ul style="list-style-type: none"> <li>▪ Euroins Insurance Group AD – Chairman of the Board of Directors;</li> <li>▪ Electrodistribution Grid West EAD (formerly CEZ Distribution Bulgaria AD) - Chairman of the Supervisory Board;</li> <li>▪ Starcom Holding AD – Executive member of the Board of Directors and shareholder holding 51 % of the capital.</li> </ul>	
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b>	
<b>Current:</b> <ul style="list-style-type: none"> <li>▪ Swiss Global Asset Management AG – Chairman of the Board of Directors;</li> <li>▪ "Magura" AD – Executive Director;</li> <li>▪ "Rabisha Agro" Ltd. - Sole owner of the capital and Manager;</li> <li>▪ Starcom Hold AD –Chairman of the Board of Directors and shareholder holding 99.67% of the capital;</li> <li>▪ Hanson Asset Management Ltd., United Kingdom – Director;</li> <li>▪ Wonder Group AD – Chairman of the Supervisory Board;</li> <li>▪ Quintar Capital Limited, Hong Kong – member of the Board of Directors;</li> <li>▪ Corporate Advisors EOOD – Manager and Sole owner of the capital;</li> <li>▪ Spisanie Moda EOOD – Sole owner of the capital and Manager;</li> <li>▪ Loudspeakers-CA – Sole owner of the capital.</li> <li>▪ <b>Current in other legal entities:</b></li> <li>▪ Association "Multi-Sport Students Club at Private Secondary School "Saint George" – Chairman of the Management Board</li> <li>▪ Association "Bulgarian Athletics Federation" – member of the Management Board</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ "Alfa Aktivi" EOOD (formerly "Alfa Euroactive" EOOD) - Sole owner of the capital and Manager of 20.07.2021</li> <li>▪ Formoplast 98 AD – Chairman of the Board of Directors until 04.09.2020, as at the date of this activity report the person is not Chairman of the Board of Directors;</li> <li>▪ Euroins Osiguruvanje AD, Skopje, North Macedonia – Chairman of the Board of Directors until 10.07.2020, as at the date of this activity report the person is not Chairman of the Board of Directors;</li> <li>▪ Euro-Finance AD – Chairman of the Board of Directors until 02.04.2020, as at the date of this activity report the person is not Chairman of the Board of Directors;</li> <li>▪ Euroins Romania Asigurare - Reasigurare S.A. – Chairman of the Board of Directors until 26.03.2020, as at the date of this activity report the person is not Chairman of the Board of Directors;</li> <li>▪ Starcom Hold AD –Executive member of the Board of Directors until 06.06.2019, as at the date of this activity report 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;</li> <li>▪ Avto Union EAD - Chairman of the Board of Directors until 26.10.2018, as at the date of this activity report the person is not a Chairman of the Board of Directors;</li> <li>▪ First Investment Bank JSC, Russia - Chairman of the Supervisory Board until 24.11.2022;</li> </ul>
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b>	
As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.	
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b>	
During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.	

<b>Dimitar Stoyanov Dimitrov</b>	<b>Title - Deputy - Chairman of the Supervisory Board</b>
<b>Office address</b>	<b>City of Sofia, Christopher Columbus Blvd. № 43</b>
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b>	
<ul style="list-style-type: none"> <li>▪ IC Euroins AD – Procurator.</li> <li>▪ Electrohold ICT EAD (formerly CEZ Information and Communication Technologies Bulgaria EAD) – member of the Board of Directors and Executive Director.</li> </ul>	
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b>	
<b>Current:</b> <ul style="list-style-type: none"> <li>▪ Eurologistic Technologies EOOD – Manager;</li> <li>▪ Cable Network AD – member of the Board of Directors and Executive Director;</li> <li>▪ Starcom Hold AD – member of the Board of Directors and Executive Director;</li> <li>▪ Starcom Finance EAD – member of the Board of Directors and Executive Director.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ Electrohold Bulgaria EOOD (formerly CEZ Bulgaria EAD) – Deputy Chairman of the Supervisory Board until 05.01.2022. The company was reorganized by means of change of the legal form from sole-owned joint-stock company to sole-owned limited liability company, therefore as at the date of this activity report the person is not Deputy Chairman of the Supervisory Board;</li> <li>▪ Lozari EOOD (formerly Creative Software Solutions EOOD) – Manager and Sole owner of the capital until 22.07.2021, as at the date of the report the person is not a Manager and Sole owner of the capita;</li> <li>▪ Alcomerce EOOD – Manager until 25.01.2018, as at the date of this activity report the person is not a Manager;</li> </ul>
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b>	
<ul style="list-style-type: none"> <li>▪ Far Consult OOD – in liquidation – Manager and partner. As of the date of the report, the company is in liquidation proceedings.</li> </ul> <p>As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.</p>	
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b>	
<p>During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>	

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

<b>Kustaa Lauri Äimä</b>	<b>Title - Independent member of the Supervisory Board</b>
<b>Office address</b>	<b>Finland, Helsinki, Tektaankatu 27-29A, 4th floor</b>
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b>	
<ul style="list-style-type: none"> <li>As of the date of the report, there is no data available on activities carried out outside the company that are significant in relation to the company.</li> </ul>	
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b>	
<b>Current:</b> <ul style="list-style-type: none"> <li>KJK Management S.A. – Chairman of the Board of Directors;</li> <li>KJK Fund II SICAV-SIF – Chairman of the Board of Directors;</li> <li>KJK Capital Oy – Executive Director, member of the Board of Directors;</li> <li>KJK Fund III Management S.a.r.l – member of the Management Board;</li> <li>KJK Investments S.a.r.l – member of the Management Board;</li> <li>AS Baltika – member of the Supervisory Board;</li> <li>Elan d.o.o – Chairman of the Board of Directors;</li> <li>AS PR Foods – Chairman of the Supervisory Board;</li> <li>AS Saaremere Kala – member of the Supervisory Board;</li> <li>Baltik Vairas – member of the Board of Directors;</li> <li>Tahe Outdoors OÜ – Member of the Supervisory Board;</li> <li>KJK Sports S.a.r.l. – member of the Board of Directors;</li> <li>KJK Investicije 2 d.o.o. – member of the Board of Directors;</li> <li>KJK Investicije 5 d.o.o. – member of the Board of Directors;</li> <li>KJK Investicije 8 d.o.o. – member of the Board of Directors;</li> <li>Kaima Capital Oy – Executive Director, Chairman of the Board of Directors and Sole owner of the company;</li> <li>Kaima Capital Eesti OÜ – member of the Board of Directors;</li> <li>UAB D Investiciju Valdymas – member of the Board of Directors;</li> <li>Amber Trust SCA – Director;</li> <li>Amber Trust II SCA – Director;</li> <li>Amber Trust Management S.A. – member of the Management Board;</li> <li>Amber Trust II Management S.A. – member of the Management Board;</li> <li>UAB Malsena Plus – member of the Board of Directors;</li> <li>Bostads AB Blåklinten – member of the Board of Directors.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>" Aurejärvi Varainhoito Oy - member of the Board of Directors until 25.03.2020, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>Tallink Group – member of the Management Board until 09.2019, as at the date of this activity report the person is not a member of the Management Board;</li> <li>KJK Investicije d.o.o. – member of the Board of Directors until 09.2019, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>KJK Investicije 3 d.o.o. – member of the Board of Directors until 08.2019, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>LeaderGroup 2016 AD – member of the Board of Directors until 08.07.2019, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>OÜ Tallink Silja AB – member of the Management Board until 05.2019, as at the date of this activity report the person is not a member of the Management Board;</li> <li>Salva Kindlistuse AS – Director until 07.02.2019, as at the date of this activity report the person is not a Director.</li> <li>KJK Investicije 6 d.o.o. – member of the Board of Directors until 10.2018, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>KJK Invest Oy – Director until 10.2018, as at the date of this activity report the person is not a Director;</li> <li>KJK Bulgaria Holding OOD (the entity was merged into Leader Group 2016 AD) – Manager until 11.10.2018, as at the date of this activity report the person is not a Manager;</li> <li>AAS Baltijas Apdrošijamasnams – Director until 09.04.2018, as at the date of this activity report the person is not a Director;</li> <li>KJK Fund SICAV-SIF – Chairman of the Board of Directors until 01.01.2018, as at the date of this activity report the person is not a Chairman of the Board of Directors;</li> <li>AB Baltic Mill – member of the Board of Directors until 12.2022, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>JSC Rigas Dzirnavnieks – Chairman of the Supervisory Board until 12.2022, as at the date of this activity report the person is not a Chairman of the Supervisory Board;</li> <li>KJK Investicije 4 d.o.o. – member of the Board of Directors until 07.2022, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>AS Toode – member of the Supervisory Board until 28.09.2023;</li> <li>Managetrade OÜ – member of the Supervisory Board until 28.09.2023;</li> </ul>
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b>	
<ul style="list-style-type: none"> <li>KJK Fund SICAV-SIF – Chairman of the Board of Directors until 01.01.2018, as at the date of this activity report 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;</li> <li>KJK Investicije 7 d.o.o. – member of the Board of Directors until 08.03.2023, as at the date of this activity report the person is not a Member of the Board of Directors and the company was liquidated in 09.05.2023.</li> </ul>	
As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.	
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b>	
During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.	



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

<b>Louise Gabrielle Roman</b>	<b>Title - Member of the Supervisory Board</b>
<b>Business address</b>	<b>436, High Head Road, Harpswell, ME 04079, United States of America</b>
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b>	
As of the date of the report, there are no data available on activities performed outside the company that are significant in relation to the company, except for the activities performed by the member of the Supervisory Board as a consultant to Minerva Global Consulting LLC.	
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b>	
<b>Current:</b> <ul style="list-style-type: none"> <li>Minerva Global Consulting LLC – founder;</li> <li>PacificBridge Capital LLC – partner;</li> <li>22Health Ventures (US) LLC – General Counsel &amp; Managing Director, Transaction Execution.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>Dechert LLP – Partner until June 2018, as at the date of this activity report the person is not a Partner;</li> <li>Dewey &amp; LeBoeuf – Partner until April 2012, as at the date of this activity report the person is not a Partner.</li> </ul>
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b>	
As of the date of the report, there is no information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been associated in the last 5 years.	
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b>	
During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.	

## MANAGEMENT BOARD

<b>Kiril Ivanov Boshov</b>	<b>Title - Chairman of the Management Board and representative</b>
<b>Business address</b>	<b>Sofia, 43 Christopher Columbus Blvd</b>
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b>	
<ul style="list-style-type: none"> <li>▪ Electrohold Sales EAD (formerly CEZ Electro Bulgaria AD) - Chairman of the Supervisory Board;</li> <li>▪ Starcom Holding AD – Chairman of the Board of Directors and shareholder holding 34 % of the capital.</li> </ul>	
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b>	
<b>Current:</b> <ul style="list-style-type: none"> <li>▪ Sorvind OOD (formerly Alcomerce EOOD) – Manager and partner holding 50% of the capital;</li> <li>▪ Capital-3000 AD – Chairman of the Board of Directors;</li> <li>▪ Starcom Hold AD – Deputy Chairman of the Board of Directors;</li> <li>▪ Hanson Asset Management Ltd., United Kingdom – Director;</li> <li>▪ Wonder Group AD – member of the Supervisory Board;</li> </ul> <b>Current in other legal entities:</b> <ul style="list-style-type: none"> <li>▪ Association "Bulgarian Industrial Capital" – member of the Management Board;</li> <li>▪ Association "Endeavor Bulgaria" – member of the Management Board;</li> <li>▪ Association "Association of Bulgarian Insurers" – member of the Management Board;</li> <li>▪ University of National and World Economy (UNWE), Sofia – member of the Trustees Council.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ Eurolease Auto EAD, Romania - Member of the Board of Directors until 21.10.2021, as of the date of the report the person is not a member of the Board of Directors;</li> <li>▪ Auto Union EAD - Deputy Chairman of the Board of Directors until June 28, 2021, as at the date of the report the person is not Deputy Chairman of the Board of Directors;</li> <li>▪ Euroins Osiguruvanje AD, Skopje, North Macedonia – member of the Board of Directors until 10.07.2020, as at the date of this activity report the person is not a member of the Board of Directors;</li> <li>▪ Euro-Finance AD – Deputy Chairman of the Board of Directors until 02.04.2020, as at the date of this activity report the person is not a Deputy Chairman of the Board of Directors;</li> <li>▪ Euroins Insurance Group AD – Executive Director until 18.09.2023 and Executive Director until 01.08.2023;</li> <li>▪ Euroins Romania Asigurare-Reasigurare S.A. /in insolvency/- Chairman of the Board of Directors until 17.03.2023;</li> </ul>
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b>	
<ul style="list-style-type: none"> <li>▪ Armada Capital AD – member of the Board of Directors until 28.02.2020, as at the date of this activity report 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;</li> <li>▪ Euroins Romania Asigurare-Reasigurare S.A. /in insolvency/- The company is in ongoing insolvency proceedings.</li> </ul> <p>As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.</p>	
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b>	
<p>During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>	

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



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

During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.

<b>Velislav Milkov Christov</b>	<b>Title - Member of the Management Board</b>		
<b>Business address</b>	<b>Sofia, 43, Christopher Columbus Blvd.</b>		
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b> <ul style="list-style-type: none"> <li>▪ Starcom Holding AD – member of the Board of Directors and shareholder holding 15 % of the capital;</li> <li>▪ IC EIG Re EAD – member of the Supervisory Board;</li> <li>▪ Starcom Finance EAD – Chairman of the Board of Directors;</li> <li>▪ Euroins Osiguruvanje AD, Skopje, North Macedonia – Chairman of the Board of Directors;</li> <li>▪ Electrohold Sales EAD (formerly CEZ Electro Bulgaria AD) - Member of the Supervisory Board.</li> </ul>			
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <b>Current:</b> <ul style="list-style-type: none"> <li>▪ Wonder Group AD – Chairman of the Supervisory Board;</li> <li>▪ Sovereign Real Estate Limited, Malta - Sole owner of the capital.</li> </ul> <b>Current in other legal entities:</b> <ul style="list-style-type: none"> <li>▪ Green Bulgaria Movement Association - member of the Management Board;</li> <li>▪ Euphoria for supporting the Bulgarian monastery "St. George Zograf" and the hermitage "Worthy to" in Sveta Gora, Mounth Athos"- member of the Management Board.</li> </ul> </td> <td style="vertical-align: top; width: 50%;"> <b>Previous:</b> <ul style="list-style-type: none"> <li>▪ PJSC Insurance company Euroins, Belarus (former PJSC "IC ERGO") – Chairman of the Supervisory Board until 27.12.2022;</li> <li>▪ Electrohold Bulgaria EOOD (formerly CEZ Bulgaria EAD) - Chairman of the Supervisory Board until 05.01.2022. The company was reorganized by means of change of the legal form from sole-owned joint-stock company to sole-owned limited liability company , therefore as of the date of the report the person is not Deputy Chairman of the Supervisory Board;</li> <li>▪ 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 activity report the person is not a member of the Supervisory Board</li> </ul> </td> </tr> </table>		<b>Current:</b> <ul style="list-style-type: none"> <li>▪ Wonder Group AD – Chairman of the Supervisory Board;</li> <li>▪ Sovereign Real Estate Limited, Malta - Sole owner of the capital.</li> </ul> <b>Current in other legal entities:</b> <ul style="list-style-type: none"> <li>▪ Green Bulgaria Movement Association - member of the Management Board;</li> <li>▪ Euphoria for supporting the Bulgarian monastery "St. George Zograf" and the hermitage "Worthy to" in Sveta Gora, Mounth Athos"- member of the Management Board.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ PJSC Insurance company Euroins, Belarus (former PJSC "IC ERGO") – Chairman of the Supervisory Board until 27.12.2022;</li> <li>▪ Electrohold Bulgaria EOOD (formerly CEZ Bulgaria EAD) - Chairman of the Supervisory Board until 05.01.2022. The company was reorganized by means of change of the legal form from sole-owned joint-stock company to sole-owned limited liability company , therefore as of the date of the report the person is not Deputy Chairman of the Supervisory Board;</li> <li>▪ 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 activity report the person is not a member of the Supervisory Board</li> </ul>
<b>Current:</b> <ul style="list-style-type: none"> <li>▪ Wonder Group AD – Chairman of the Supervisory Board;</li> <li>▪ Sovereign Real Estate Limited, Malta - Sole owner of the capital.</li> </ul> <b>Current in other legal entities:</b> <ul style="list-style-type: none"> <li>▪ Green Bulgaria Movement Association - member of the Management Board;</li> <li>▪ Euphoria for supporting the Bulgarian monastery "St. George Zograf" and the hermitage "Worthy to" in Sveta Gora, Mounth Athos"- member of the Management Board.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ PJSC Insurance company Euroins, Belarus (former PJSC "IC ERGO") – Chairman of the Supervisory Board until 27.12.2022;</li> <li>▪ Electrohold Bulgaria EOOD (formerly CEZ Bulgaria EAD) - Chairman of the Supervisory Board until 05.01.2022. The company was reorganized by means of change of the legal form from sole-owned joint-stock company to sole-owned limited liability company , therefore as of the date of the report the person is not Deputy Chairman of the Supervisory Board;</li> <li>▪ 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 activity report the person is not a member of the Supervisory Board</li> </ul>		
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b> <p>As of the date of the report, there is no other information on bankruptcy, receivership or liquidation with which the person as a member of an administrative, management or supervisory body and/or a partner has been connected in the last 5 years.</p>			
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b> <p>During the last 5 years, no other administrative penalties or coercive administrative measures have been imposed on the person in connection with his activity; has not been convicted of fraud; in his capacity as a responsible person, he has not been involved directly or through related persons in bankruptcy proceedings or receivership; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of a certain issuer or from holding positions in the management or carrying out the activities of any issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>			
<b>Razvan Stefan Lefter</b>	<b>Title - Independent member of the Management Board</b>		
<b>Business address</b>	<b>Romania, Bucharest, 30 Alexandru Serbanescu St</b>		
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b> <p>As at the date of this activity report, there are no activities performed outside of the Company, which are significant with respect to the Company.</p>			
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <b>Current:</b> <ul style="list-style-type: none"> <li>▪ RSL Capital Advisors Srl. – Managing Partner and Director;</li> <li>▪ Mundus Services AD – Member of the Supervisory Board;</li> <li>▪ Sphera Franchise Group SA – Member of the Board of Directors.</li> </ul> </td> <td style="vertical-align: top; width: 50%;"> <b>Previous:</b> <ul style="list-style-type: none"> <li>▪ Teraplast SA – Member of the Board of Directors until 01.2021, as at the date of this activity report the person is not a Member of the Board of Directors;</li> <li>▪ KJK Caramida Srl. – Member of the Board of Directors until 06.2018, as at the date of this activity report the person is not a Member of the Board of Directors;</li> <li>▪ Conpet SA – Member of the Board of Directors until 17.05.2018, as at the date of this activity report the person is not a Member of the Board of Directors;</li> </ul> </td> </tr> </table>		<b>Current:</b> <ul style="list-style-type: none"> <li>▪ RSL Capital Advisors Srl. – Managing Partner and Director;</li> <li>▪ Mundus Services AD – Member of the Supervisory Board;</li> <li>▪ Sphera Franchise Group SA – Member of the Board of Directors.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ Teraplast SA – Member of the Board of Directors until 01.2021, as at the date of this activity report the person is not a Member of the Board of Directors;</li> <li>▪ KJK Caramida Srl. – Member of the Board of Directors until 06.2018, as at the date of this activity report the person is not a Member of the Board of Directors;</li> <li>▪ Conpet SA – Member of the Board of Directors until 17.05.2018, as at the date of this activity report the person is not a Member of the Board of Directors;</li> </ul>
<b>Current:</b> <ul style="list-style-type: none"> <li>▪ RSL Capital Advisors Srl. – Managing Partner and Director;</li> <li>▪ Mundus Services AD – Member of the Supervisory Board;</li> <li>▪ Sphera Franchise Group SA – Member of the Board of Directors.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ Teraplast SA – Member of the Board of Directors until 01.2021, as at the date of this activity report the person is not a Member of the Board of Directors;</li> <li>▪ KJK Caramida Srl. – Member of the Board of Directors until 06.2018, as at the date of this activity report the person is not a Member of the Board of Directors;</li> <li>▪ Conpet SA – Member of the Board of Directors until 17.05.2018, as at the date of this activity report the person is not a Member of the Board of Directors;</li> </ul>		
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b> <p>As at the date of this activity report, 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>			

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

During the last 5 years the person has not been imposed other administrative penalties and / or coercive administrative measures in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.

**PROCURATOR**

<b>Milena Milchova Guentcheva</b>	<b>Title - Procurator</b>
<b>Business address</b>	<b>Sofia, 43, Christopher Columbus Blvd.</b>
<b>Data on activities carried out as a member of a management or control body and/or a partner outside the Company, which is significant in relation to the Company</b>	
<b>Details of all other participations as a member of a management or control body and/or a partner in the last 5 years</b>	
<b>Current:</b> <ul style="list-style-type: none"> <li>▪ Afes Bulgaria EOOD – Manager.</li> </ul>	<b>Previous:</b> <ul style="list-style-type: none"> <li>▪ PJSC Insurance company Euroins, Belarus (former PJSC "IC ERGO") – Chairman of the Supervisory Board until 27.12.2022;</li> <li>▪ Euroins Romania Asigurare-Reasigurare S.A. /in insolvency/ – Managing Director until 17.03.2023;</li> </ul>
<b>Data on bankruptcy, receivership or liquidation with which the person as a member of a management or control body and/or a partner has been connected in the last 5 years</b>	
<ul style="list-style-type: none"> <li>• Euroins Romania Asigurare-Reasigurare S.A. /in insolvency/- The company is in ongoing insolvency proceedings.</li> </ul> <p>As at the date of this activity report, 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>	
<b>Data on coercive administrative measures and punishments or public incrimination in the last 5 years</b>	
<p>During the last 5 years the person has not been imposed coercive administrative measures or administrative penalties in connection with his activity; not convicted of fraud; in his capacity as a responsible person he has not been involved directly or through related parties in insolvency proceedings or management by a trustee in bankruptcy; has not been deprived by a court of the right to participate in the administrative, management or supervisory bodies of an issuer or to hold positions in the management or activities of an issuer, has not been officially publicly incriminated and has not been sanctioned by legal and regulatory bodies, including certain professional bodies.</p>	

The members of the management board, as well as persons related to them, within the reporting period, did not conclude contracts with the company that go beyond its usual activity or significantly deviate from the market conditions.

Regarding the planned economic policy in the coming year: *see A.7 "Strategy and future development"*

### A.9.3 Appendix № 2 of Ordinance № 2

- 1 /** *Information given in value and quantitative terms regarding the main categories of goods, products and/or services provided, indicating their share in the Company's sales revenue, as a whole, and the changes that occurred during the reporting financial year.*

The information is presented in item A.6.2 "Analysis of the results of the activity".

- 2 /** *Information on revenues distributed by individual categories of activities, internal and external markets, as well as information on the sources of supply of materials necessary for the production of goods or the provision of services, reflecting the degree of dependence in relation to each individual seller or buyer/user, and in the event that the relative share of any of them exceeds 10 percent of the expenses or revenue from sales, information is provided about each person separately, about his share in sales or purchases and his connections with the Company.*

The information is presented in item A.6.2 "Analysis of the results of the activity".

- 3 /** *Information on concluded material transactions*

All significant transactions concluded by Eurohold Bulgaria AD are described in section A.2 "Significant events in 2023", as well as in the annual individual financial report in appendices 3, 4, 5, 6, 8, 12, 15, 18, 19, 22, 23, 24 and 25.

⇒ **Some of these significant transactions relevant to the company's activity are the following:**

» **Principals paid on bank loans:**

- Fully repaid loan to the International Bank for Economic Co-operation (IBEC) in the amount of BGN 23.5 million (EUR 12.0 million).
- Partially repaid loan to the International Investment Bank in the amount of BGN 2.03 million (EUR 1.04 million).
- Partially repaid loan to JP Morgan ESI BGN 48.7 million (EUR 24.9 million).
- Pre-contractual loan to JP Morgan ES - BGN 19.7 million (EUR 10 million) of the remaining principal in the amount of BGN 29.7 million (EUR 15.1 million).
- Extension of the maturity of part of the absorbed loan to JP Morgan ESI, with which EUR 10 million (BGN 19.7 million) were reclassified as long-term liabilities. The non-current principal is payable in two installments of EUR 5 million in December 2024 and June 2025, respectively.

» **Decrease and increase in loan agreements with related parties:**

- the paid long-term liabilities to related parties are based on a loan agreement with Starcom Holding AD with an agreed limit of BGN 40 million, an interest rate of 5.5% and a maturity of 05.05.2025.
- new obligation to Starcom Holding AD under two loan agreements, as follows:
  - > BGN 28,984 thousand with an annual interest rate of 5.5%, due on 31.12.2024 and a contractual limit of BGN 40 million.

> BGN 8,214 thousand with an annual interest rate of 6.0% + 3M EURIBOR, due on 31.12.2024 and a contractual limit of EUR 4.2 million

- repaid liability to IC Euroins AD in the amount of BGN 4.2 million, arising from a loan of financial instruments, with an annual interest rate of 7.0% and due on 05.12.2023.

» **Transaction on repurchase of Euro Commercial Book (ECP) from issue:**

- with ISIN XS2491929290 with a nominal value of EUR 2,500,000, the issue was de-registered due to maturity.
- with ISIN XS2565406654 with a nominal value of EUR 27,500 thousand, the issue was written off from the registers due to maturity (as a result, losses from operations with investments and financial instruments in the amount of BGN 448 thousand and profits from operations with investments and financial instruments were recorded instruments in the amount of BGN 236 thousand)

» **Bond transactions:**

- 4,000 units were sold. purchased own bonds with ISIN XS1731768302.
- by virtue of the Agreement, a subsidiary of Eurohold Bulgaria AD replaces another subsidiary of Eurohold Bulgaria AD in its capacity as a lender under a loan agreement for financial instruments with 2,126 units owed by Eurohold Bulgaria AD. securities from the EMTN Program in EUR with ISIN XS1731768302 with a total nominal value of EUR 2,126 thousand and unpaid interest in the amount of BGN 91 thousand.

## ⇒ Impact of macroeconomic conditions on the Company's activities

### ▪ Effect of the military conflict between Ukraine and Russia

The company has obligations under bank loans with a book value of BGN 21,069 thousand as of 12/31/2023 (BGN 21,934 thousand as of 12/31/2022), which were received from the International Investment Bank. There has been no change in the terms of the loan agreements since the start of hostilities and the imposition of international sanctions against Russia. In view of the restrictions imposed by the EU on Russia, the Company does not service the loans, as the bank is included in the list of entities controlled by Russia.

Apart from the loans described above, the Company has no direct material investments or settlements with customers and suppliers from Russia or Ukraine as of 31 December 2023 and as of 31 December 2022 due to the nature of its business, namely holding activities related to investment management and the provision of services, as well as due to the lack of dependence on supplies of raw materials, which would have a direct and negative effect on the Company's activities as a result of the military conflict between Ukraine and Russia that arose in 2022 and continued in 2023.

The war between Russia and Ukraine had an indirect impact on Eurohold Bulgaria AD through its subsidiary Euroins Insurance Group AD, which held investments in insurance companies in Ukraine, Russia and Belarus. At the end of 2022, in connection with the ongoing military actions on the territory of Ukraine, the insurance companies operating in Belarus (100% participation) and in Russia (associated participation of 48.61%) were sold. The business in the two countries was insignificant, forming less than 1% of the insurance group's revenues for 2022. The two subsidiary companies in Ukraine continue to carry out their activities.

### ▪ Effect of inflation

In 2023, inflation is decreasing at a sustained rate. The average annual inflation for the period January - December 2023 compared to the period January - December 2022 is 9.5%. (January - December 2022 compared to the period January - December 2021 is 15.3%).

The Company has interest-bearing loans with floating interest rates. Interest expenses have increased as a result of the increased interest rates, which is also observed as a trend at the beginning of 2024.

## 4 / *Information regarding the transactions concluded between the Company and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside of its usual activity or significantly deviate from the market conditions under which the issuer or its subsidiary is a party indicating the value of the transactions, the nature of the relationship and any information necessary to assess the impact on the Company's financial position.*

As of the date of preparation of the Activity Report, there are no transactions or proposals for transactions with related parties that are essential for Eurohold or its subsidiary and are unusual in terms of type and conditions.

Within the Holding, transactions between the Parent Company and the subsidiaries, resulting from the nature of their main activity, are constantly carried out.

All transactions are concluded on the principle of fair value. The transactions between the holding company and the subsidiaries are typical, where the liquidity of the individual companies is managed through intra-group loans and an investment policy is carried out. The company lends to its subsidiaries for the purpose of working capital.

In connection with these transactions, as of 31.12.2023 and as of the comparable period 31.12.2022, the Company incurred income and expenses from and to related parties, as follows:

### 4.1 Related Party transactions

All transactions of the Company with related parties can be traced in the annual individual financial report in the following appendices 3, 4, 5, 6, 7, 9, 10 and 11.1.

### 4.2 Balances with related parties

The concluded transactions with subsidiaries and other related entities under common control for 2023 and the previous year 2022 are presented in the Annual Individual Financial Statement for 2023 in Appendix: 15 and 23 (with all sub-items of Appendix 23).

### 4.3 Non-cash transactions concluded by Eurohold Bulgaria AD with related parties

In 2023, the Company carried out investment and financing transactions in which no cash or cash equivalents were used and which were not reflected in the statement of cash flows.

The concluded non-cash transactions in 2023 and for the previous year 2022 are presented in the Annual Individual Financial Statement for 2023 in Appendix 24. "Non-cash transactions".

**5 /** *Information on events and indicators of an unusual nature for the Company, having a significant impact on its activities, and the revenues and expenses incurred by it; assessment of their impact on the results in the current year.*

During the reporting period, there were no events of an unusual nature for the Company outside of its usual activities.

**Events with a one-time effect occurring in 2022 and having an impact on the results for 2023:**

#### 5.1 / One-time effect of sale of investments in subsidiaries

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

The effects of the sale of the two business groups are reflected in a reduction of the consolidated revenues in 2023 by the amount of revenues generated by the automotive and leasing business in previous periods.

#### 5.2 / Impairment of the investment in Euroins Insurance Group AD

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

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

On 9 June 2023, Euroins Romania Insurance - Reinsurance S.A., Romania (Euroins Romania) was declared bankrupt.

As a result of the events that occurred in 2023, the Company's management performed impairment tests on its investment in Euroins Insurance Group AD as of 12.31.2022 and reported impairment costs in the amount of BGN 52,715 thousand. The net value of the investment as of 31.12.2022 is in the amount of BGN 471,100 thousand.

**6 /** *Information on off-balance sheet transactions - nature and business purpose, indication of the financial impact of the transactions on the activity, if the risk and benefits of these transactions are significant for the Company and if the disclosure of this information is essential for assessing the financial condition of the Company.*

Eurohold Bulgaria AD has not entered into off-balance sheet transactions.

As of 31.12.2023, there are no legal cases against the Company.

The Company has provided Guarantees to related parties. The Company also received guarantees by related parties for its liabilities, as follows:

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

Business area	Third / Related parties	Amount in EUR'000 as of 31.12.2023	Amount in BGN'000 as of 31.12.2023	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	MATURITY (EUR'000)					
						2024	2025	2026	2027	after 2028	after 2027
<b>Energy sub-holding</b>											
Corporate payment guarantee	Related parties	3 500	6 845	3 500	6 845	3 500	-	-	-	-	-
Working capital loans	Related parties	20 189	39 486	19 238	37 626	5 430	-	-	-	-	-
Corporate guarantee in connection with an acquisition	Related parties	220 000	430 283	220 000	430 283	-	-	-	220 000	-	-
<b>Insurance sub-holding</b>											
Bond loan	Related parties	-	-	10 000	34 622	-	-	-	-	-	-
<b>Parent company</b>											
Bank loans for investment purposes	Related parties	5 000	9 779	5 000	9 779	5 000	-	-	-	-	-
<b>Group of leasing companies*</b>											
For financing leasing activity	Related parties until 30.06.2022	18 519	36 220	21 891	42 815	7 749	5 534	4 048	1 018	170	-
<b>Group of automotive companies*</b>											
Working capital loans	Related parties until 30.06.2022	5 167	10 106	4 788	9 365	2 542	523	523	523	523	523
<b>TOTAL:</b>		<b>280 777</b>	<b>272 375</b>	<b>532 719</b>	<b>284 417</b>	<b>571 335</b>	<b>24 221</b>	<b>6 057</b>	<b>4 571</b>	<b>236 300</b>	<b>693</b>

\* Eurohold Bulgaria AD sold the companies from the automotive and leasing segment in 2022. It is expected that the new owners will take the necessary legal actions to become guarantors for the mentioned loans from banks/financial institutions.

In connection with financing as part of a package deal, a pledge of 35% shares of a subsidiary was established.

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

In connection with a contract concluded for financing by a credit institution in 12.2022, renegotiated in 09.2023, a pledge of shares of a subsidiary company and a pledge of bonds were established.

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

Company of:	Amount in EUR'000 as of 31.12.2023	Amount in BGN'000 as of 31.12.2023	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	MATURITY OF EXPOSURE AS OF 31.12.2023 (EUR'000)
Automotive subholding (related party until 30.6.2022)	2 050	4 009	2 050	4 009	2024
Automotive subholding (related party until 30.6.2022)	1 662	3 251	1 800	3 520	2024
<b>TOTAL:</b>	<b>3 712</b>	<b>7 260</b>	<b>3 850</b>	<b>7 529</b>	

\*\* Eurohold Bulgaria AD is selling the companies from the automotive and leasing segment in 2022. It is expected that the new owners will take the necessary legal actions to become guarantors for the mentioned loans from banking/financial institutions.

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

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2023 in original currency	Maturity date
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000 000	07/2026
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	10 000 000	12/2026
Euroins Insurance Group AD <i>Subsidiary share pledge and debt securities pledge established</i>	EUR	Bank loan	15 084 000	06/2025

⇒ **Established guarantees in favor of the Company:**

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2023 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03.2024*

\*Automatic renewal with 1 year.

**7 /** *Information on the Company's shareholdings, its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as investments in equity securities outside its group of enterprises within the meaning of the Accounting and Sources Act / ways of financing.*

Detailed information regarding the Company's shareholdings and its main investments in the country and abroad is shown in this report in section A.5 Business operations, item "Economic group".

**8 /** *Information on the loan agreements concluded by the Company, its subsidiary or the parent company, in their capacity as borrowers, indicating the terms of them, including the deadlines for repayment, as well as information on guarantees provided and commitments.*

**8.1 Loans concluded by Eurohold Bulgaria AD**

⇒ **Funds raised from financial and non-financial institutions:**

Parameters under loan contracts								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Unused limit as of 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	by interest	by principal	2024	after 2024
Eurohold Bulgaria AD	International Investment Bank	10,000,000	-	EUR	25.05.2018 Annex 2 - 8.3.2022	18.03.2025	6.0% + 3m Euribor	528	7 530	*	*
Eurohold Bulgaria AD	International Investment Bank	7,000,000	-	EUR	28.01.2022	28.01.2029	5.0% + 3m Euribor	900	12 111	*	*
Eurohold Bulgaria AD	JP Morgan SE	40,000,000	-	EUR	25.05.2018 Annex 2 - 8.3.2022	09.06.2023	8.75% + 6m Euribor	1 165	29 503	-	29 503
<b>Total amount owed on bank loans:</b>								<b>2 593</b>	<b>49 144</b>	<b>-</b>	<b>29 503</b>

\*At this stage, it is not possible to predict the repayment period of the loans, due to the inclusion of Russia in the sanctions list.

More information about the received loans with financial and non-financial institutions, including the collateral for them, is presented in the Annual Individual Financial Report for 2023 in Appendix 19. Loans from financial and non-financial institutions.



## ⇒ Obligations under issued bond loans:

Bond loan parameters								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Issuer	Type of bond	ISIN	Amount issued in original currency	Loan currency	Date of issue	Maturity date	Interest rate	at interest	by principal	2024	after 2024
Eurohold Bulgaria AD	EMTN Programme	XS1731768302	70,000,000	EUR	7.12.2017 / 7.12.2022 extended	07.12.2026	6,5%	586	85 317	-	85 317
Eurohold Bulgaria AD	EMTN Programme	XS1542984288	10,000,000	EUR	29.12.2016 / 29.12.2021 - restructured and extended	29.12.2026	8,00%	9	19 558	-	19 558
Eurohold Bulgaria AD	Bond	BG2100013205	30,000,000	EUR	26.11.2020	26.11.2027	3,25%	182	58 675	-	58 675
Eurohold Bulgaria AD	Bond	BG2100002224	40,000,000	EUR	8.3.2022	08.03.2029	3,25%	793	78 205	-	78 205
<b>Total amount of obligation under bond loans:</b>								<b>1 569</b>	<b>241 755</b>	<b>-</b>	<b>241 755</b>

More information about the bond loans issued, including the collateral for them and the bond transactions carried out, is presented in the Annual Individual Financial Statement for 2023 in Appendix 18. Obligations for bond loans.

## ⇒ Obligations for loans and assignments with related parties

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Liable person	Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Liability under a loan agreement with related parties:</b>											
Eurohold Bulgaria AD	Starcom Holding AD	40,000,000	-	BGN	6.12.2018 Last Annex – 28.12.2023	31.12.2024	5.50%	1 590	28 984	28 984	-
Eurohold Bulgaria AD	Starcom Holding AD	4,200,000	-	EUR	29.11.2022 Annex 1 – 29.12.2023	31.12.2024	6% + 3m Euribor	820	8 214	8 214	-
Eurohold Bulgaria AD	IC Euroins Life EAD	15,543	-	EUR	2.12.2022 Annex 2 – 30.6.2023	31.12.2024	-	-	30	30	-
<b>Liability under a contract for Subordinated Debt with related parties::</b>											
Eurohold Bulgaria AD	Starcom Holding AD	50,000,000	49,549,965	BGN	09.08.2021	09.08.2026	5.00%	53	450	-	450
<b>Total amount of loan liability with related parties:</b>								<b>2 463</b>	<b>37 678</b>	<b>37 228</b>	<b>450</b>



⇒ **Obligations for loans and assignments with unrelated parties**

Parameters under loan agreements and assignments with unrelated parties								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Liabe person	Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Liability under a loan agreement with related parties:</b>											
Eurohold Bulgaria AD	unrelated third party	2,126,000	-	EUR	29.03.2023 Annex 1 – 30.11.2023	05.06.2024	7%	170	4 158	4 158	-
Eurohold Bulgaria AD	unrelated third party	15,500,000	-	EUR	cession from 22.12.2023	20.06.2024	-	-	30 315	30 315	-
Eurohold Bulgaria AD	unrelated third party	10,100,000	-	EUR	cession from 22.12.2023	20.06.204	-	-	19 754	19 754	-
Eurohold Bulgaria AD	unrelated third party	1,300,000	-	EUR	cession from 22.12.2023	20.06.204	-	-	2 543	2 543	-
Eurohold Bulgaria AD	unrelated third party	600,000	-	EUR	cession from 22.12.2023	20.06.204	-	-	1 173	1 173	-
Eurohold Bulgaria AD	unrelated third party	2,500,000	-	EUR	cession from 22.12.2023	20.06.204	-	-	4 890	4 890	-
<b>Total amount of loan liability with related parties:</b>								<b>170</b>	<b>62 833</b>	<b>62 833</b>	<b>-</b>

## 8.2 Loans concluded by subsidiaries of Eurohold Bulgaria AD

⇒ **Energy group**

Parameters under bank loan contracts								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Liabe person	Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Liability under a bank loan agreement:</b>											
EGW EAD	European Bank for Reconstruction and Development	98,000,000	-	EUR	02.11.2016; 22.07.2021;	30.04.2027	1.8% + 6M Euribor	331	33 071	4 960	28 111
Eastern European Electric Company B.V.	Loan Syndicate, organized by JP morgan	360,000,000	-	EUR	21.07.2021	21.07.2026	Euribor +3.5%	9 231	704 099	176 025	528 074
Eastern European Electric Company II B.V.	Metric Capital Partners	113,989,637	-	EUR	21.07.2021	21.07.2026	13%	12 082	228 916	-	228 916
<b>Liability under an overdraft agreement:</b>											
Electrohold Sales EAD*	UniCredit Bulbank AD	15,000,000	4 380 133	BGN	25.10.2017; Annex 11 - 26.05.2023	30.04.2024	2.20% + Average Deposit Index	7	10 620	10 620	-
Electrohold Trade EAD**	UniCredit Bulbank AD	43,030,800	43,030,800	BGN	15.07.2021; Annex 9 - 26.04.2024	30.04.2023	2.20% + Average Deposit Index	27	-	-	-

Liability under a related party loan agreement:											
EGW EAD	Eastern European Electric Company B.V.	30,670,000	-	EUR	03.12.2018; Annex 2 - 01.12.2021	31.10.2027	3.5% + 6m Euribor	773	59 985	-	59 985
EGW EAD	Eastern European Electric Company B.V.	16,072,728	-	EUR	28.07.2021 Annex 1 - 29.11.2021	31.10.2027	3.20%	0	13 690	3 144	10 547
EGW EAD	Eastern European Electric Company B.V.	14,000,000	-	EUR	25.11.2021 Annex 2 - 30.12.2022	21.07.2026	3.29% + 6M Euribor	173	27 382	6 845	20 536
Electrohold Bulgaria EOOD	Electrohold Trade EAD	40,000,000	-	BGN	24.02.2022 Annex 2 - 30.01.2024	31.01.2025	4.53%	763	40 000	40 000	-
Electrohold Bulgaria EOOD	Electrohold Sales EAD	7,500,000	1,200,000	BGN	05.12.2023	04.12.2024	4.80%	23	6 300	6 300	-
Electrohold Bulgaria EOOD	EGW EAD	15,000,000	5,900,000	BGN	11.08.2023 Annex 1 - 30.11.2023	10.08.2028	4.80%	40	9 100	9 100	-
Electrohold IPS EOOD	Electrohold Bulgaria EOOD	15,000,000	5,900,000	BGN	11.08.2023 Annex 1 - 30.11.2023	10.08.2028	5.00%	41	9 100	9 100	-
<b>Total amount of liability for bank loans:</b>								<b>23 491</b>	<b>1 142 263</b>	<b>266 094</b>	<b>876 169</b>

- 1 Guarantor under the contract – Eurohold Bulgaria AD
- 2 Guarantor under the contract Eurohold Bulgaria AD;  
Collateral: 1. Pledge according to the order of Law on Special Bets / Trade Law and Law on Obligations and Contracts; 2. Pledge according to the order of the Law on Financial Collateral Contracts; 3. Contract for surety under the meaning of Art. 138 of the Labor Code
- 3 Collateral: 1. Pledge on shares; 2. Special lien on receivables from the company's bank accounts
- 4 Guarantor under the Eurohold Bulgaria AD contract;  
Collateral: 1. 1. Pledge on shares; 2. Special lien on bank account receivables

## ⇒ Insurance Group

Parameters under loan contracts								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Liability under a bank loan agreement:</b>											
Euroins Insurance Group AD*	AMC IV ALPHA BV	7,660,000	-	EUR	13.3.2019	31.3.2025	8.00%	342	12 220	1 150	11 070
IC Euroins Georgia	VTB Bank Georgia	352,863	-	GEL	28.04.2021	28.04.2024	13.00%	-	205	205	-
IC Euroins Georgia	JSC Halyk Bank Georgia	70,000	-	GEL	21.12.2023	21.01.2024	13.00%	-	46	46	-
<b>Liability under a loan agreement with related parties:</b>											
Euroins Insurance Group AD	Starcom Holding AD	5 505 041	4 494 959	EUR	23.05.2023	22.5.2024	6.00%	16	3 870	3 870	-
Euroins Insurance Group AD	Eurohold Bulgaria AD	14 425 523	-	BGN	28.1.2022 Annex 2 – 29.12.2023	01.01.2025	2.50%	650	13 025	13 025	-
Euroins Insurance Group AD	Eurohold Bulgaria AD	8,010,000	-	BGN	08.11.2022 Annex 2 - 16.03.2023	8.11.2024	8.00%	413	4 518	4 518	-
<b>Liability under contract for Subordinated debt to related parties:</b>											
Euroins Insurance Group AD	Starcom Holding AD	2,627,650	-	EUR	25.8.2020	not earlier than 5 years	6.00%	35	5 139	-	5 139

Euroins Insurance Group AD	Starcom Holding AD	10,000,000	5,020,000	EUR	19.2.2021	not earlier from 5 years	6.00%	67	9 740	-	9 740
Euroins Insurance Group AD	Starcom Holding AD	15,000,000	5,020,000	BGN	18.09.2023	not earlier from 5 years	5.00%	85	15 000	-	15 000
IC Euroins AD	Starcom Finance AD	25,000,000	-	BGN	28.06.2022	28.06.2032	6.00%	420	25 000	-	25 000
<b>Liability under a repo agreement to unrelated parties:</b>											
IC Euroins AD	An unrelated third party	997.500	-	BGN	11.10.2023	11.01.2024	10.50%	23	998	998	-
Euroins Insurance Group AD	An unrelated third party	21 154 127	-	BGN					21 154		21 154
<b>Total amount of loan obligation:</b>								<b>2 051</b>	<b>110 895</b>	<b>23 812</b>	<b>87 103</b>

\*Collateral: Pledge on shares and dividends; Pledge on interest claims; Pledge on bank account receivables

9 / Information regarding the loan agreements concluded by the Company, by its subsidiary or parent company, in their capacity as lenders, including the provision of guarantees of any kind, including to related parties, with an indication of the specific conditions under them, including of payment deadlines and the purpose for which they were allocated.

### 9.1 Receivables of Eurohold Bulgaria AD under loan agreements where it is the lender

Parameters under loan agreements and assignments with unrelated parties								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Liabe person	Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Receivables under a loan agreement from related parties</b>											
Eurohold Bulgaria AD	Euroins Insurance Group AD	8 010 000	-	BGN	08.11.2022 Annex -2 16.03.2023	08.11.2024	8%	413	413	4 518	-
Eurohold Bulgaria AD	Euroins Insurance Group AD	14 425 523	-	BGN	28.01.2022 Annex -2 29.12.2023	01.01.2025	2.50%	650	13 025	-	13 025
<b>Total amount of loan receivable with related parties:</b>								<b>1 063</b>	<b>13 438</b>	<b>4 518</b>	<b>13 025</b>

### 9.2 Receivables from subsidiaries of Eurohold Bulgaria AD under loan agreements

#### ⇒ Energy group

Parameters under loan agreements with related parties								Amount of the receivables as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Receivables under a loan agreement from related parties</b>											
Eastern European Electric Company B.V.	EGW EAD	30,670,000	-	EUR	03.12.2018; Annex 2 - 01.12.2021	31.10.2027	3.5% + 6m Euribor	773	59 985	-	59 985
Eastern European Electric Company B.V.	EGW EAD	16,072,728	-	EUR	28.07.2021 Annex 1 - 29.11.2021	31.10.2027	3.20%	0	13 690	3 144	10 547
Eastern European Electric Company B.V.	EGW EAD	14,000,000	-	EUR	25.11.2021 Annex 2 - 30.12.2022	21.07.2026	3.29% + 6M Euribor	173	27 382	6 845	20 536

Electrohold Trade EAD	Electrohold Sales EAD	40,000,000	-	BGN	24.02.2022 Annex 2 - 30.01.2024	31.01.2025	4.53%	763	40 000	40 000	-
Electrohold Sales EAD	Electrohold Bulgaria EOOD	7,500,000	1,200,000	BGN	05.12.2023	04.12.2024	4.80%	23	6 300	6 300	-
ERM West AD	Electrohold Bulgaria EOOD	15,000,000	5,900,00	BGN	11.08.2023 Annex 1 - 30.11.2023	10.08.2028	4.80%	40	9 100	9 100	-
Electrohold Sales EAD	Electrohold IPS EOOD	15,000,000	5,900,000	BGN	11.08.2023 Annex 1 - 30.11.2023	10.08.2028	4.80%	41	9 100	9 100	-
<b>Receivables under a loan agreement from unrelated parties:</b>											
Electrohold Trade EAD	An unrelated third party	15,000,000	-	BGN	01.11.2023 Annex 1 - 28.11.2023	31.05.2024	4.25%	15	15 000	15 000	-
Electrohold Trade EAD	An unrelated third party	7,000,000	-	BGN	01.12.2023 Annex 2 - 24.01.2024	25.07.2024	4.25%	58	7 000	7 000	-
Electrohold Bulgaria EOOD	An unrelated third party	5,000,000	-	EUR	31.03.2022 Annex 3 - 29.12.2023	31.12.2024	6.00%	297	9 779	9 779	-
Electrohold Bulgaria EOOD	An unrelated third party	6,300,000	-	BGN	25.10.2022 Annex 6 - 06.11.2023	03.04.2024	7.00%	113	6 300	6 300	-
Electrohold Bulgaria EOOD	An unrelated third party	6,000,000	-	BGN	25.01.2023 Annex 6 - 21.08.2023	11.04.2024	7.00%	107	6 000	6 000	-
<b>Total amount of loan receivable with related parties:</b>								<b>2 403</b>	<b>209 636</b>	<b>118 568</b>	<b>91 068</b>

### ⇒ Insurance Group

Parameters under loan agreements with related parties								Amount of the receivables as of 31.12.2023 ('000 BGN)		Maturity principal ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2024	after 2024
<b>Receivables under a loan agreement from related parties:</b>											
IC Euroins AD	Phoenix MGA Service S.R.L.	1,000,000	400,000	EUR	17.06.2023	30.06.2026	3.5%	11	1 133	-	1 133
<b>Receivables under a contract for repo transactions and cessions from related parties:</b>											
IC Euroins Life EAD	Eurohold Bulgaria AD	15,543	-	EUR	2.12.2022 Annex 2— 30.06.2023	31.12.2024	-	-	30	30	-
<b>Receivables under contract for transactions with financial instruments from related parties:</b>											
IC Euroins AD	Eurohold Bulgaria AD	2,126,000	-	EUR	13.01.22	05.12.2023	7.00%	282	4 158	4 440	-
IC Euroins Life AD	Eurohold Bulgaria AD	15,543	-	EUR	2.12.2022	30.06.2023	-	-	30	30	-
<b>Receivables under a loan agreement from unrelated parties:</b>											
Euroins Insurance Group AD	An unrelated third party	435 000	-	EUR	3.2.2022	03.02.2025	6.00%	96	851	-	851
Euroins Insurance Group AD	An unrelated third party	75 000	-	EUR	04.01.2023	03.01.2026	4.00%	3	147	-	147
<b>Receivables under a repo contract from unrelated parties:</b>											
ZD Euroins life EAD	An unrelated third party	130,000	-	EUR	22.12.2023	08.01.2024	5.00%	-	2 423	2 423	-
<b>Receivables under contract for transactions in financial instruments from unrelated parties:</b>											
IC Euroins AD	An unrelated third party	2,500,000	-	EUR	22.12.2023	-	-	-	4 818	4 818	-
<b>Total amount of loan receivable with related parties:</b>								<b>392</b>	<b>13 601</b>	<b>11 741</b>	<b>2 142</b>

## ⇒ Euro-Finance AD

Parameters under loan agreements with related parties								Amount of the obligation as of 31.12.2023. ('000 BGN)		Maturity principal ('000 BGN)	
Credit recipient	Bank Creditor	Amount in original currency	Undrawn limit to 31.12.2023	Loan currency	Date: of Contract and Annexes	Maturity date	Interest rate	at interest	by principal	2023	after 2023
<b>Collection under contract for repo transactions from related parties:</b>											
Euro-Finance AD	Starcom Holding AD	900,000	-	BGN	04.12.2023	04.06.2024	6.50%	4	900	900	-
Euro-Finance AD	Starcom Holding AD	950,004	-	BGN	04.12.2023	04.06.2024	6.50%	5	950	950	-
Euro-Finance AD	Starcom Holding AD	857,004	-	BGN	04.12.2023	04.06.2024	6.50%	4	857	857	-
Euro-Finance AD	Starcom Holding AD	1,835,160	-	BGN	22.12.2023	21.6.2024	5.00%	2	1 835	1 835	-
<b>Receipt under a repo contract from unrelated parties:</b>											
Euro-Finance AD	An unrelated third party	852,600	-	BGN	11.12.2023	07.06.2024	5.00%	2	853	853	-
Euro-Finance AD	An unrelated third party	1,840,591	-	BGN	29.12.2023	28.06.2024	5.00%	1	1 840	1 840	-
Euro-Finance AD	An unrelated third party	550,080	-	BGN	08.08.2023	05.02.2024	5.00%	11	550	550	-
<b>Total amount of loan receivable with related parties:</b>								<b>29</b>	<b>7 785</b>	<b>7 785</b>	<b>-</b>

**10 /** Information on the use of funds from a new issue of securities during the reporting period.

In 2023, no new issue of securities was issued.

**11 /** Analysis of the ratio between the achieved financial results, reflected in the financial report for the financial year, and previously published forecasts for these results.

Eurohold Bulgaria AD has not published or presented profit forecasts.

**12 /** Analysis and evaluation of the policy on the management of financial resources, indicating the possibilities for servicing the obligations, possible threats and measures that the issuer has taken or is about to take in order to eliminate them.

The main activity of Eurohold Bulgaria AD, as a holding company, is to effectively manage the monetary resources accumulated in the entire structure and, accordingly, to distribute them depending on the needs of the individual subsidiaries. The Company's policy in this area is to provide financing only in the area of "parent subsidiaries" and not "subsidiary - subsidiary". The management of the free financial resources of the subsidiaries is carried out in accordance with the regulatory requirements and in order to achieve a good return with reasonable risk-taking.

The investment program of Eurohold Bulgaria AD in 2023 has been implemented through own and borrowed funds.

**13 /** Assessment of the possibilities for realization of the investment intentions with indication of the amount of the available funds and reflection of the possible changes in the structure of financing of this activity.

Information regarding the planned economic policy, including upcoming transactions of essential importance for the company's activity, is presented in section A.7 "Strategy and future development".

**14 /** Information on changes during the reporting period in the basic principles of management of the Company and its group of enterprises within the meaning of the Accounting Act.

During the reporting period, there was no change in the basic management principles of the Company and the companies of its economic group.

**15 /** *Information on the main characteristics of the internal control system and risk management system applied by Eurohold in the process of preparing the financial statements.*

Eurohold Bulgaria AD and the companies of the economic group have a well-established and functioning system for risk management and internal control, which guarantees the effective functioning of the systems for accounting and financial reporting and for disclosure of information. The internal control system is established and operated in order to identify the risks associated with the activities of the Group and support their effective management.

The main features of the internal control system are the following:

⇒ **Control environment:**

- built on the basis of integrity and ethical behavior;
- availability of experienced management with direct participation in the business processes of the Company and critical review of the activity;
- the organizational structure is consistent with the nature of the business and ensures the division of responsibilities;
- the levels of competence are tailored to the specific positions;
- hierarchy and clear rules, rights, obligations and levels of reporting;
- the policy of delegation of powers and responsibilities;
- human resources policies and practices are addressed to the recruitment of competent and reliable staff.

⇒ **Risk management** - a process for identifying, assessing and controlling potential events or situations that may adversely affect the achievement of the Company's objectives through direct participation of management in the activity;

⇒ **Control activities** - control activities aimed at minimizing the risk and increasing the probability that the goals and objectives of the Group will be achieved. Such are the procedures for:

- approval and permission in decision making (authorization);
- preliminary control for legality, carried out by the executive director immediately before signing the decision taken;
- complete, accurate, accurate and timely accounting of all operations (information processing);
- operational control and review of the results of the work, carried out daily by the executive director in the assignment and implementation of the work;
- division of responsibilities

⇒ **Information and communication** - availability of effective and reliable information and communication systems, ensuring the collection and dissemination of complete, reliable and reliable information, horizontal and vertical communication from and to all levels, as well as a timely reporting system.

⇒ **Monitoring** - there is a system for current monitoring and evaluation of controls, and in case of deviations, corrective and corrective measures are taken.

**16 /** *Information on changes in the Management and Supervisory Boards during the reporting financial year.*

In 2023, there were no changes in the Company's councils, as well as in the persons appointed under the power of attorney contract.

**17 /** *Information on the amount of remuneration, rewards and / or benefits of each of the members of the management and supervisory bodies for the reporting financial year and its subsidiaries, regardless of whether they were included in the Company's expenses or result from the distribution of profits, including:*

- 1) amounts received and non-monetary remuneration;
- 2) contingent or deferred remuneration incurred during the year, even if the remuneration is due at a later date;
- 3) amount due from the Company or its subsidiaries for the payment of pensions, retirement benefits or other similar benefits.

In 2023, the members of the Management and Supervisory Boards received the following remuneration from Eurohold Bulgaria AD and its subsidiaries, as follows:

Rewards received by the members of the Supervisory and Management Boards and the Procurator for 2023	from Eurohold Bulgaria AD	from subsidiaries	TOTAL
<b>Supervisory Board</b>	<b>137 408</b>	<b>987 347</b>	<b>1 124 755</b>
Assen Christov	14 640	721 494	736 134
Dimitar Dimitrov	7 200	198 183	205 383
Radi Georgiev	<i>no remuneration agreed and paid for 2023.</i>	67 670	67 670
Kustaa Äimä	<i>no remuneration agreed and paid for 2023</i>	<i>no remuneration agreed and paid for 2023</i>	<i>no remuneration agreed and paid for 2023</i>
Louise Gabrielle Roman	67 568	<i>no remuneration agreed and paid for 2023</i>	67 568
Ivaylo Angarski	48 000	<i>no remuneration agreed and paid for 2023</i>	48 000
<b>Management Board</b>	<b>211 880</b>	<b>861 465</b>	<b>1 073 345</b>
Kiril Boshov	24 000	618 699	642 699
Assen Minchev	187 880	53 797	241 677
Velislav Christov	<i>no remuneration agreed and paid for 2023</i>	188 969	188 969
Razvan Lefter	<i>no remuneration agreed and paid for 2023</i>	<i>no remuneration agreed and paid for 2023</i>	<i>no remuneration agreed and paid for 2023</i>
<b>Procurator</b>	<b>14 430</b>	<b>200 492</b>	<b>214 922</b>
Milena Guentcheva	14 430	200 492	214 922

Kustaa Lauri Äimä, Velislav Hristov and Razvan Lefter do not have an agreement with Eurohold for the payment of a monthly remuneration for their work as Members of the Supervisory Board and the Management Board, therefore such was not voted at the General Meeting of Shareholders and was not paid during the historical periods under review in any form.

The members of the Management Board and the Supervisory Board were not paid remuneration and/or benefits in kind during the specified period.

Eurohold Bulgaria, as well as its subsidiaries, do not set aside amounts for the payment of pensions, retirement compensation or other similar benefits to the members of the Management Board and the Supervisory Board, as well as to the Procurators of the company.

The members of the Management Board and the Supervisory Board receive their remuneration based on concluded management contracts and control contracts with the Company. The current contracts of the members of the Management Board and the Supervisory Board with "Eurohold Bulgaria" AD are valid until the termination of the performance of the respective position.

"Eurohold Bulgaria" AD has adopted a policy for the remuneration of the members of the Supervisory and Management Boards. This policy regulates the basic rules for determining the remuneration of the persons who hold positions as members of the supervisory and management board of the public company on the occasion of the performance of their powers in the exercise of managerial and supervisory functions in the company. The remuneration policy was developed based on the requirements of the Law on the Public Offering of Securities and Ordinance № 48 of the Financial Supervision Commission of March 20, 2013 (amended and supplemented, SG № 61 of 10.07.2020) for the remuneration requirements with a view to creating a transparent and fair internal organizational framework for the formation of the remunerations of the members of the supervisory board and the management board of "Eurohold Bulgaria" JSC. As of the date of preparation of the Activity Report in the company, the function of the Remuneration Committee is performed by the Supervisory Board.

**18 /** *For public companies - information on shares of the Company held by the members of the management and control bodies, procurators and senior management, including shares held by each of them separately and as a percentage of shares of each class, as well as provided to them by The Company's options on its securities - type and amount of securities on which the options are based, price of exercising the options, purchase price, if any, and term of the options.*

Information on this point is provided in this report in item A.9.2 "Information under Art. 247 of the Commercial Law".

The members of the Management and Supervisory Boards do not hold options on the issued securities of the Company.

**19 /** Information on the arrangements known to the company (including after the end of the financial year), as a result of which in the future there may be changes in the relative share of shares or bonds held by current shareholders or bondholders.

As of the reporting period and after the end of the financial year of the Company, no agreements are known from which changes in the relative share of shares and bonds held by the current shareholders or bondholders may occur.

**20 /** Information on pending court, administrative or arbitration proceedings concerning liabilities or receivables of the Company in the amount of at least 10 percent of its equity; if the total value of the liabilities or receivables of the Company in all initiated proceedings exceeds 10 percent of its equity, information is provided for each proceeding separately.

As of 31.12.2023 no significant lawsuits have been filed against the Company.

**21 /** Non-financial declaration, under Article 41 of the Accounting Act, for financial statements and individual basis.

Eurohold Bulgaria AD prepares a consolidated Non-Financial Declaration, i.e. prepared on consolidated basis and it will be presented and disclosed together with the annual consolidated financial statements of the group for 2023.

**22 /** Changes in the share price of Eurohold Bulgaria AD

All shares of Eurohold Bulgaria AD are registered for trading on the Main Market of BSE AD, Standard Segment, with stock exchange code - **EUBG**.

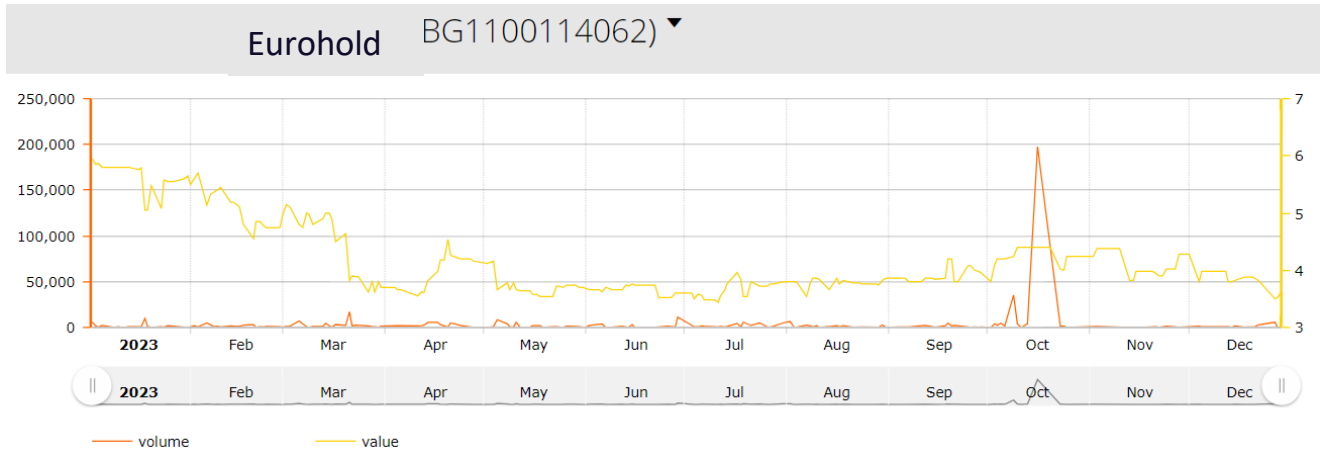


The graph shows the movement of the prices of the shares of Eurohold Bulgaria AD on the BSE for the period 04.01.2023 - 29.12.2023 (first and last stock exchange quotation for the reporting year 2023, respectively).

- Starting price: BGN 1.80 (01.04.2023)
- Last price: BGN 1.70 (29.12.2023)
- Maximum price: BGN 1.90 (20.06.2023)
- Minimum price: BGN 1.06 (20.03.2023)
- Average price: BGN 1,575

All shares of Eurohold Bulgaria AD are registered for trading on the Warsaw Stock Exchange, Main Stock Market, with stock code - EHG.





The graph shows the movement of the prices of the shares of Eurohold Bulgaria AD on the Warsaw Stock Exchange for the period 03.01.2023 - 28.12.2023.

- Starting price: 5.85 PLN (03.01.2023)
- Last price: 3.52 PLN (28.12.2023)
- Maximum price: 4.40 PLN (16.10.2023)
- Minimum price: 3.44 PLN (11.07.2023)

## A.9.4 Appendix № 3 of Ordinance № 2

### INFORMATION ABOUT THE PUBLIC COMPANY

**(according to appendix 3 to art. 10, item 2 of Ordinance № 2 from 09.11.2021 on initial and subsequent disclosure of information during public offering of securities and admission of securities to trading on a regulated market)**

**1 /** *Information about securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state.*

The shares of Eurohold Bulgaria AD are registered for trading on the Main Market of the Bulgarian Stock Exchange AD, Segment Standard Shares, stock code EUBG and on the Warsaw Stock Exchange (GPW) Poland with stock code EHG.

All issued shares of the company are in circulation and admitted to trading on the Bulgarian Stock Exchange and the Warsaw Stock Exchange.

As of 31.12.2023, Eurohold Bulgaria AD has no securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state.

**2 /** *Information regarding the direct and indirect ownership of 5 percent or more of the voting rights in the company's general meeting, including data on the shareholders, the amount of their shareholding and the manner in which the shares are owned.*

As of 31.12.2023, the authorized capital of "Eurohold Bulgaria" AD is in the amount of BGN 260,500,000, divided into 260,500,000 ordinary shares with a nominal value of BGN 1 (one) each. All shares are paid up. All issued shares are of the same class and give 1 (one) right to vote in the general meeting of shareholders.

According to the book of shareholders as of 31.12.2023, shareholders in "Eurohold Bulgaria" AD are:

- ✓ 111 legal entities owning 254,911,231 total voting rights from shares or 97.85% of the Company's capital;
- ✓ 4 legal entities Global Custodian holding 1,151,063 total number of voting rights from shares or 0.44% of the Company's capital;
- ✓ 9,309 individuals owning 4,437,706 total voting rights from shares or 1.71% of the Company's capital.

**Information about shareholders holding more than 5% of the votes in the general meeting**

Shareholders	Mode of possession	% participation in the share capital	Number of shares /voting rights/	Nominal value, BGN
Starcom Holding AD	direct	50.08%	130 454 157	130 454 157
KJK Fund II SICAV-SIF - Balkan Discovery	direct	10.79%	28 116 873	28 116 873
Boston Management and Research, through the following funds managed by him :	indirectly	8.63%	22 482 578	22 482 578
Global Opportunities Portfolio,	direct	1.97%	5 140 100	5 140 100
Global Macro Portfolio,	direct	2.00%	5 219 329	5 219 329
Global Macro Absolute Return Advantage Portfolio,	direct	4.28%	11 160 452	11 160 452
Global Macro Capital Opportunities Portfolio	direct	0.37%	962 697	962 697
SLS Holding AD	direct	8.68%	22 606 273	22 606 273
Pension Insurance Company - Future AD - through the following funds managed by him :	8.68%	5.06%	13 179 398	13 179 398
Universal pension fund Future	5.06%	4.63%	12 063 533	12 063 533
Professional Pension Fund Future	4.63%	0.27%	696 065	696 065
Voluntary pension fund Future	0.27%	0.16%	419 800	419 800
Other legal entities	0.16%	15.06%	29 223 015	29 223 015
Other individuals	15.06%	1.70%	4 437 706	4 437 706
<b>Total</b>		<b>100.00%</b>	<b>260 500 000</b>	<b>260 500 000</b>

The majority shareholder in "Eurohold Bulgaria" is "Starcom Holding" AD, owning 130 454 157 shares. shares as of 31.12.2023 representing a controlling interest of 50.08% of the capital of Eurohold. "Starcom Holding" JSC is a holding company registered in the Republic of Bulgaria, which operates in accordance with Bulgarian legislation.

KJK FUND II SICAV-SIF BALKAN DISCOVERY is the second major shareholder in Eurohold Bulgaria AD, which holds a qualified participation in the Company's capital. As of the end of 2023, KJK FUND II SICAV-SIF BALKAN DISCOVERY owns 28,116,873 shares. shares representing 10.79% of the issued shares of the capital of Eurohold.

Boston Management and Research owns 22 482 578 shares. shares representing 8.63% of the capital of Eurohold, through the following funds managed by it:

- Global Opportunities Portfolio,
- Global Macro Portfolio,
- Global Macro Absolute Return Advantage Portfolio,
- Global Macro Capital Opportunities Portfolio.

SLS Holding AD owns 22,606,273 pcs. shares representing 8.68% of the capital of Eurohold=

Pension Insurance Company - Future owns 13,179,398 pcs. shares representing 5.06% of the capital of Eurohold, through the following funds managed by it:

- Universal pension fund Future
- Professional Pension Fund Future
- Voluntary pension fund Future

In addition to the above-mentioned persons, through their shareholding in the capital of the majority shareholder in the company "Starcom Holding" AD, indirect participation in "Eurohold Bulgaria" AD in the amount of more than 5 percent, the following person also owns:

Assen Milkov Hristov - through his shareholding in the amount of 51% in "Starcom Holding" AD - a majority shareholder in the Company, the person has an indirect share in "Eurohold Bulgaria" AD in an amount equal to the participation of "Starcom Holding" AD in "Eurohold Bulgaria" AD or 50.08%;

Apart from the above-mentioned persons, the Issuer is not aware of any other physical or legal persons who directly or indirectly own in the hypotheses of Art. 145 et seq. of the Law on Public Offering of Securities, a shareholding in the amount of 5 or more percent of the shares with the right to vote in the Issuer's general meeting.

There are no physical shareholders who directly own more than 5 percent of the shares with the right to vote in the Issuer's general meeting.

**3 /** *Details of shareholders with special control rights and a description of those rights.*

All the company's shares give equal voting rights in the general meeting of the Company's shareholders. There are no shareholders who hold special controlling voting rights.

**4 /** *Agreements between shareholders that are known to the company and that may result in restrictions on the transfer of shares or voting rights.*

The company is not aware of any agreements between shareholders that could lead to restrictions on the transfer of shares or voting rights.

**5 /** *Material contracts of the company that give effect, are amended or terminated due to a change in control of the company in the implementation of a mandatory tender offer, and their consequences, except in cases where the disclosure of this information may cause serious damage to the company; the exception under the previous sentence does not apply in cases where the company is obliged to disclose the information by virtue of the law.*

As of 31.12.2023, no such circumstances are available for the Company.

## A.9.5 ADDITIONAL INFORMATION

All financial statements and materials provided to the Financial Supervision Commission and the Bulgarian Stock Exchange AD can be found in a complete set on the website of Eurohold Bulgaria AD [www.eurohold.bg](http://www.eurohold.bg), where inside information is available at the following link:

<https://www.eurohold.bg/internal-information-645.html>,

as well as on the website of the selected information media Service Financial Markets Ltd. at the following Internet address: [www.x3news.com](http://www.x3news.com), where inside information is available at the following link:

<http://www.x3news.com/?page=News&uniqid=6425872a938a0>

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

### Details of the Investor Relations Director

#### Galia Alexandrova Georgieva

Sofia 1592, 43 Christopher Columbus Blvd.  
Tel: (+359 2) 965 15 63; +359 89 999 2394.  
e-mail: [investors@eurohold.bg](mailto:investors@eurohold.bg)  
[g\\_georgieva@eurohold.bg](mailto:g_georgieva@eurohold.bg)

### Eurohold Bulgaria AD, Sofia

8 April 2024

**KIRIL BOSHOV**

**KIRIL IVANOV  
BOSHOV**

Digitally signed by  
KIRIL IVANOV BOSHOV  
Date: 2024.04.08  
13:46:26 +03'00'

Chairman of the Management Board and Executive Director

**ASEN MINCHEV**

Executive Director

**ASEN  
MINCHEV  
MINCHEV**

Digitally signed by ASEN  
MINCHEV MINCHEV  
Date: 2024.04.08  
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B

CORPORATE GOVERNANCE  
STATEMENT

## CORPORATE GOVERNANCE STATEMENT OF

### EUROHOLD BULGARIA AD FOR 2023

(according to the provisions of art. 100n, para. 8 of POSA)

#### **I. Information on compliance, as appropriate, by Eurohold Bulgaria AD with the Corporate Governance Code approved by the Commission or another corporate governance code (Art. 100n, para 8, item 1, letters a /, b / and c / of POSA)**

Eurohold Bulgaria AD adheres, as appropriate, to the National Code of Corporate Governance (NCCU), adopted by the National Commission for Corporate Governance (last amended in July 2021) and approved as a code of corporate governance under Art. 100n, para. 8, item 1 in connection with para. 7, item 1 of the Public Offering of Securities Act (POSA) by the Financial Supervision Commission with Decision № 850-CCU of 25.11.2021 and carries out its activities in full compliance with the principles and provisions of the Code.

Eurohold Bulgaria AD adheres to the recommendations given in the National Code of Corporate Governance, guided by the best practices in the field of corporate governance.

Eurohold Bulgaria AD does not carry out significant additional practices beyond those set out in the National Corporate Governance Code.

#### **II. Explanation by Eurohold Bulgaria AD which parts of the corporate governance code under item 1, letter "a" or letter "b" are not observed and what are the grounds for this, respectively when the issuer has decided not to refer to any of the rules of the Corporate Governance Code - grounds for this (Art. 100n, para. 8, item 2 of POSA)**

##### **1 / CORPORATE MANUALS**

In 2023 the activity of the Management Board and the Supervisory Board of Eurohold Bulgaria AD was carried out in full compliance with the National Corporate Governance Code. The corporate management believes that there are no parts of the National Code of Corporate Governance that the company does not comply with.

The Code is applied on the basis of the "observe or explain" principle. This means that the company complies with the Code, and in case of deviation, management should clarify the reasons for this. (NCCU, Preamble).

The corporate management of Eurohold Bulgaria AD respects the rights of the shareholders and guarantees the equal treatment of all shareholders, including minority and foreign shareholders. The management is obliged to protect their rights, as well as to facilitate their exercise within the limits allowed by the current legislation and in accordance with the provisions of the articles of association of the Company. Management ensures that all shareholders are informed in a timely manner about their rights. Each member of the Supervisory and Management Board in carrying out its activities and in accordance with the objectives and strategies of the Company, as well as in the interest of shareholders, is guided by the principles of transparency, independence and accountability. The rights of the interested parties are recognized and timely and accurate disclosure of information on all issues related to the company, results of operations, investments in enterprises, financial situation and management is ensured.

Eurohold Bulgaria AD has a two-tier management system. The governing bodies are the Management Board (MB) and the Supervisory Board (SB). The Articles of Association of the Company define the structure of management, composition and functions of the members of the Supervisory and Management Boards.

## MANAGEMENT BOARD

The Management Board consists of five individuals.

### ⇒ Functions and responsibilities

**The functions and tasks of the members of the Management Board of Eurohold Bulgaria AD in the context of the National Corporate Governance Code are as follows:**

- manages the company in accordance with the established vision, goals and strategies of the company and the interests of the shareholders.
- monitors the results of the company's activities and, if necessary, initiates changes in the management of the activity.
- treats all shareholders equally, acts in their interest and with the care of a good trader.
- in the performance of their activities they are guided by the generally accepted principles of integrity, managerial and professional competence. The Management Board has adopted and complies with the Code of Ethics.
- strives to achieve the goals of sustainable development by developing and implementing the policy of engagement of stakeholders approved by the Supervisory Board.
- has provided and controls the construction and operation of the risk management system, incl. for internal control and internal audit, promptly informing the Supervisory Board of its actions.
- encourages the implementation and observance of the principles of sustainable development at the group level by the subsidiaries.
- has built the financial information system of the company in accordance with the guidelines given by the Supervisory Board and ensures its reliable operation.
- coordinates its actions with the Supervisory Board regarding the business plan of the company, transactions of a substantial nature and all other operations and activities established in the bylaws of the company.
- informs and reports on its activities to the Supervisory Board. For this purpose, it shall provide the information required within the relevant deadlines and format.

### ⇒ Structure and competence

The main powers and functions of the Management Board are regulated in the Articles of Association of the Company and in the adopted Rules of Procedure of the Management Board, which are in accordance with the National Code of Corporate Governance. The members of the Management Board are elected for a term of 5 years and can be re-elected without restriction.

The structure and the number of members of the Management Board of Eurohold Bulgaria AD guarantee the effective activity of the company.

In case of proposals for election of new members of the Management Board of Eurohold Bulgaria AD, the principles of compliance of the competence of the candidates with the nature of the company's activity are observed.

The contracts for assignment of management, concluded with the members of the Management Board of Eurohold Bulgaria AD, define their obligations and tasks, the criteria for the amount of their remuneration, their obligations for loyalty to the company and the grounds for dismissal.

The competencies, rights and obligations of the members of the Management Board of Eurohold Bulgaria AD follow the requirements of the law, the by-laws and the standards of good professional and managerial practice.

### ⇒ Remuneration

In accordance with the legal requirements and the good practice of corporate governance, the amount and structure of the remuneration of the members of the Management Board of Eurohold Bulgaria AD report:

- a) The obligations and the contribution of each member of the Management Board of Eurohold Bulgaria AD in the activity and the results of the company;
- b) The possibility for selection and retention of qualified and loyal managers;
- c) The need for compliance of the interests of the members of the Management Board of Eurohold Bulgaria AD and the long-term interests of the company

The additional incentives are specifically defined or definable and are linked to clear and specific criteria and indicators regarding the company's results and / or the achievement of pre-determined goals by the Supervisory Board of Eurohold Bulgaria AD, in accordance with the adopted Remuneration Policy.

Eurohold Bulgaria AD may provide as additional incentives to the members of the Management Board shares, stock options and other appropriate financial instruments.

The disclosure of information about the remuneration of the members of the Management Board of Eurohold Bulgaria AD is in accordance with the legal norms and the bylaws of the company. The shareholders have easy access to the adopted company policy for determining the remuneration and royalties of the members of the Management Board of Eurohold Bulgaria AD, as well as to information on the annual remuneration and additional incentives, if any, received by them.

### ⇒ Conflict of interests

The members of the Management Board of Eurohold Bulgaria AD avoid and do not allow real or potential conflicts of interest.

The procedures for avoiding and disclosing conflicts of interest are regulated in the company's bylaws.

The members of the Management Board of Eurohold Bulgaria AD immediately disclose conflicts of interest and provide the shareholders with access to information on transactions between the company and members of the Management Board of Eurohold Bulgaria AD and related parties by submitting a declaration under Art. 114b of the POSA.

The Management Board of Eurohold Bulgaria AD guarantees that all related party transactions are approved and carried out in a way that ensures reliable management of conflicts of interest and protects the interests of the company and its shareholders.

Any conflict of interest is disclosed to the Supervisory Board of Eurohold Bulgaria AD. The members of the Management Board of Eurohold Bulgaria AD inform the Supervisory Board as to whether directly, indirectly or on behalf of third parties they have a significant interest in any transactions or issues that have a direct impact on the company.

## SUPERVISORY BOARD

The Supervisory Board consists of six individuals.

### ⇒ Functions and responsibilities

The functions and tasks of the members of the Supervisory Board of Eurohold Bulgaria in the context of the National Corporate Governance Code are as follows:

- appoints, directs and controls the Management Board of Eurohold Bulgaria AD according to the division of functions within the two-tier structure.
- provides guidance to the Board of Directors in determining the vision, goals and strategy of the company and the interests of shareholders and stakeholders, including in the context of sustainable



development and monitors their implementation in accordance with the economic, social and environmental priorities of the company.

- gives guidelines to the Management Board of Eurohold Bulgaria AD in building a risk management system, incl. for internal control and internal audit, the financial information system and controls their functioning.
- once a year evaluates the activity of the Management Board and the work of each of its members.
- treat all shareholders and stakeholders equally, act loyally in their interest and with the care of a good trader
- in the performance of their duties, the members of the Supervisory Board must have access to the necessary information about the activities of the company
- controls the observance of the laws and the rules, laid down in the structural acts of the company.
- carries out its activities in the effective exchange of information with the Management Board of the company.

### ⇒ Appointment and dismissal of the members of the Management Board

The Supervisory Board of Eurohold Bulgaria AD appoints and dismisses the members of the Management Board in accordance with the legal requirements, the bylaws of the company, the principles of continuity and sustainability of the Management Board and the standards of good corporate governance practice.

The policy of the Supervisory Board of Eurohold Bulgaria AD regarding the remuneration guarantees effective management of the company in the interest of the shareholders.

### ⇒ Structure and competence

The composition of the Supervisory Board of Eurohold Bulgaria AD guarantees the independence and impartiality of the decisions and actions of its members.

The number of members of the Supervisory Board, incl. the number of independent members and the distribution of tasks between them is regulated in the bylaws of the company.

The independent members act in the best interest of Eurohold Bulgaria AD and the shareholders impartially and impartially. The number of consecutive terms is limited.

The members of the Supervisory Board have the appropriate knowledge and experience required by the position they hold, at least one of whom has financial competence. They should also be informed about new trends and in the field of corporate governance and sustainable development.

After the election of new members of the Supervisory Board of Eurohold Bulgaria AD, they get acquainted with the main legal and financial issues related to the company's activities. The training of the members of the Supervisory Board of Eurohold Bulgaria AD is their constant commitment.

The members of the Supervisory Board of Eurohold Bulgaria AD must have the necessary time to perform their tasks and obligations. The members of the Supervisory Board may hold managerial positions in other companies, and the number of companies in which the members may participate should be determined in the articles of association of the company.

The procedures for election of new members of the Supervisory Board of Eurohold Bulgaria AD take into account the requirements for continuity and sustainability of the functioning of the Supervisory Board of the company.

### ⇒ Remuneration of the members of the Supervisory Board

The Supervisory Board, in its capacity of acting as the Remuneration Committee, develops a clear and specific policy on the remuneration of the members of the Management Board and the Supervisory Board, which is

approved by the GMS. The policy sets out the principles for the formation of the amount and structure of remuneration and should be in line with regulatory requirements in terms of structure and content.

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

The remuneration of the members of the Supervisory Board corresponds to their activities and obligations and is not tied to the results of the company's activities.

The remuneration of the independent members is only mainly without additional incentives and reflects their participation in meetings, as well as the implementation of their tasks to control the actions of the executive management of Eurohold Bulgaria AD and to participate effectively in the work of the company.

The members of the Supervisory Board are not compensated for their activities with shares or options and other additional incentives.

The disclosure of information about the remuneration of the members of the Supervisory Board is in accordance with the legal norms and the by-laws of the company. Shareholders have easy access to information on remuneration.

### ⇒ Conflict of interest

The members of the Supervisory Board avoid and do not allow real or potential conflicts of interest.

The procedures for avoiding and disclosing conflicts of interest are regulated in the company's bylaws.

The members of the Supervisory Board immediately reveal conflicts of interest and provide the shareholders with access to information on transactions between Eurohold Bulgaria AD and members of the Supervisory Board or related persons by submitting a declaration under Art. 114b of the POSA.

The Supervisory Board of Eurohold Bulgaria AD guarantees that all transactions with related parties are approved and carried out in a way that ensures reliable management of conflicts of interest and protects the interests of the company and its shareholders.

## COMMITTEES

The work of the Supervisory Board of Eurohold Bulgaria AD can be supported by committees, as the Supervisory Board determines the need for their establishment according to the specifics of the company.

In accordance with the requirements of the current legislation and on the basis of the criteria determined by it, the Supervisory Board of Eurohold Bulgaria AD approves the proposal of the Management Board to the General Meeting of Shareholders to elect an Audit Committee composed of legal requirements and specific needs of Eurohold Bulgaria AD.

The establishment of committees is based on a written structure, scope and tasks, mode of operation and reporting procedures.

In 2009 the first Audit Committee of Eurohold Bulgaria AD was established, elected by the General Meeting of Shareholders of the company on 26.05.2009. The composition of this committee was elected at a meeting of the General Meeting held on 30.06.2017 with a five-year term. Its activities are in accordance with the Statute of the Audit Committee approved by the General Assembly. The Audit Committee reports annually to the General Meeting of Shareholders on the results of its activities.

## 2 / AUDIT AND INTERNAL CONTROL

The corporate management of Eurohold Bulgaria AD, based on a written recommendation from the audit committee, proposes to the General Meeting its proposal for selection of an auditor, guided by the established requirements for professionalism.

The corporate management of Eurohold Bulgaria AD with the assistance of the audit committee ensures compliance with the applicable law with respect to independent financial audit.

The rotation principle applies to the proposals and selection of an external auditor.

The audit committee provides oversight of external auditor relationship activities, including approving non-audit services provided by the company's auditor, if any.

Eurohold Bulgaria AD has an established system for internal control, which identifies the risks associated with the company's activities and supports their effective management. The internal control system ensures the effective functioning of the reporting and disclosure systems.

## 3 / PROTECTION OF SHAREHOLDERS' RIGHTS

The corporate management of Eurohold Bulgaria AD guarantees equal treatment of all shareholders, including minority and foreign shareholders. Protects their rights, as well as facilitates their exercise within the limits permitted by applicable law and in accordance with the provisions of the articles of association of the company. The corporate management of Eurohold Bulgaria AD provides information to all shareholders about their rights, financial results and corporate events through the information disclosure system and the company's website.

### GENERAL MEETING OF THE SHAREHOLDERS

In connection with the holding of a general meeting of bondholders, the corporate management:

- informs all shareholders about the rules according to which the general meetings of shareholders are convened and held, including the voting procedures.
- provides sufficient and timely information on the date and place of the general meeting, as well as complete information on the issues to be considered and resolved at the meeting.
- maintains a database with contacts of its shareholders holding 5 or more than 5% of the company's capital.
- ensures the right of all shareholders to express their opinion, as well as to ask questions during a meeting of the General Meeting.
- enables the shareholders with the right to vote have the right to exercise their right to vote at the General Meeting of Shareholders in person or through representatives. Eurohold Bulgaria AD receives and accepts as valid powers of attorney electronically the following e-mail: investors@eurohold.bg and the electronic messages should be signed with a universal electronic signature (UES) or a qualified electronic signature (QES) by the principal and be attached to them. attached electronic document (electronic image) of the power of attorney with notarized signature, which must also be signed with a universal electronic signature (UES) or a qualified electronic signature (QES) by the principal.
- carries out effective control by creating the necessary organization for the voting of the authorized persons in accordance with the instructions of the shareholders or in the ways permitted by law.
- guarantees equal treatment of all shareholders and the right of each shareholder to express his opinion on the items on the agenda of the General Meeting by strictly following the rules for organizing and conducting meetings of the General Meeting.

- organizes the procedures and the procedure for holding the General Meeting of Shareholders in a way that does not complicate and does not make voting unnecessarily expensive.
- takes actions to encourage the participation of shareholders in the General Meeting, incl. if necessary, it also provides the possibility for remote presence.
- makes every effort to ensure that all members of the management attend the meetings of the General Assembly, except in cases of provable apologetic reasons.

## **MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS**

The texts in the written materials related to the agenda of the General Meeting are always specific and clear, without misleading the shareholders. All proposals regarding major corporate events are presented as separate items on the agenda of the General Meeting, incl. the proposal for the distribution of profits.

The company maintains a special section on its website regarding the rights of shareholders and their participation in the General Meeting of Shareholders.

The corporate management assists the shareholders entitled under the current legislation to include additional issues and to propose solutions to issues already included in the agenda of the General Meeting.

The corporate management guarantees the right of the shareholders to be informed about the decisions taken by the General Meeting of Shareholders by publishing full minutes of the meetings.

The corporate management of Eurohold Bulgaria AD guarantees equal treatment of shareholders of one class.

As of the date of preparation of this declaration, all shares of Eurohold Bulgaria AD are of one class - ordinary, registered, dematerialized, with voting rights. Each share gives the right to 1 vote in the General Meeting of Shareholders, the right to dividend and the right to liquidation share, proportional to the nominal value of the share. The issuer's capital does not include securities that are not admitted to trading on a regulated market.

The corporate management of Eurohold Bulgaria AD guarantees the provision of sufficient information to investors regarding the rights granted by all shares of each class, in case the company issues such shares of another class before their acquisition.

Within the limits allowed by the current legislation and in accordance with the provisions of the Company's bylaws, the corporate management of Eurohold Bulgaria AD does not prevent shareholders, including institutional ones, from consulting with each other on issues related to their basic shareholder rights. in a way that prevents abuse.

The corporate management of Eurohold Bulgaria AD does not allow the implementation of transactions with shareholders with controlling rights, which violate the rights and / or legitimate interests of other shareholders, including under the terms of negotiations with itself. In this type of transaction, an explicit decision of the Management Board is required and the interested parties are excluded from the voting. In case of indications for crossing the statutory thresholds under Art. 114, para 1 of the POSA, the Management Board prepares a motivated report and initiates the convening and holding of a General Meeting of Shareholders, at which the transactions are to be put to a vote.

## **4 / DISCLOSURE OF INFORMATION**

In the process of disclosing information, corporate management:

- approves a policy for disclosure of information in accordance with the legal requirements and the by-laws.
- in accordance with the approved policy for disclosure of information, creates and maintains a system for disclosure of financial and non-financial information, which ensures equality of the addressees of information (shareholders, stakeholders, investment community) and not to allow misuse of inside information.

- ensures that the disclosure system provides complete, timely, accurate and comprehensible information that allows for objective and informed decisions and assessments.
- promptly discloses the capital structure of the company and agreements that lead to the exercise of control in accordance with the approved rules for disclosure of information.
- has approved and controls the observance of internal rules for preparation of the annual and interim reports and the procedure for disclosure of information.
- has adopted internal rules that ensure the timely disclosure of any material periodic and incidental information about the company, its management, its operating activities, its shareholder structure.
- Adopt rules that ensure the disclosure of non-financial information on an annual basis on a consolidated basis in accordance with national law and applicable European law. Corporate governance includes non-financial reporting in its annual reports by disclosing: how and to what extent the company's activities can be classified as environmentally sustainable, including what part of its turnover is due to products and services related to economic activities qualified as environmentally sustainable, at the same time what part of its capital costs and its operating costs are related to assets and processes are related to qualified as environmentally sustainable economic activities.
- As part of the information disclosure system, the management of Eurohold Bulgaria AD maintains a bilingual website of the company [www.eurohold.bg](http://www.eurohold.bg) - in Bulgarian and English, with approved content, scope and frequency of the information disclosed through it. The content of the page fully covers the recommendations of the National Code of Corporate Governance.
- Monitors the periodic disclosure of information on corporate governance in accordance with the "comply or explain" principle.
- Ensures the disclosure of any relevant periodic and incidental information about the company through channels that provide equal and timely access to relevant information by consumers. Eurohold Bulgaria AD uses a single point for disclosure of information electronically, thus the information reaches both the public and the Commission, the Financial Supervision Commission and the regulated securities market in an uncorrected form.

## 5 / INTERESTED PERSONS. SUSTAINABLE DEVELOPMENT

To achieve sustainable development and interaction with stakeholders, the corporate management of Eurohold Bulgaria AD:

- Is committed to establishing specific actions and policies regarding the sustainable development of the company, including the disclosure of information related to climate and social aspects of their activities.
- Ensures effective interaction with stakeholders, provides guidelines, approves and controls the policy for stakeholder engagement. Stakeholders are groups of persons who are directly affected by the company and who in turn can influence its activities, incl. suppliers, customers, employees, creditors, public pressure groups and others. The company identifies the stakeholders in relation to its activities based on their degree and areas of influence, role and attitude to its sustainable development.
- In its policy towards stakeholders complies with legal requirements, ensures respect for the rights of stakeholders established by law or by mutual agreement with the company. The management of Eurohold Bulgaria AD, observing the good practices of corporate governance, complies with the stakeholders in accordance with the principles of transparency, accountability and business ethics and protection of human rights.
- The management of Eurohold Bulgaria AD guarantees sufficient information to all interested parties about their legally established rights.
- In accordance with the established policy towards stakeholders, it should prepare and approve rules for taking into account the interests of stakeholders, which ensure their involvement in resolving

certain issues requiring their position, which rules ensure the balance between development of society and economic, social and the environmentally sound development of the environment in which it operates.

- Maintains effective relations with stakeholders, and in accordance with legal norms and good international practice for disclosure of non-financial information, the company informs about economic, social and environmental issues concerning stakeholders, including the fight against corruption, work with employees, suppliers and customers, social responsibility of the company, environmental protection and human rights violations.
- Guarantee the right to timely and regular access to relevant, sufficient and reliable information about the company when stakeholders are involved in the corporate governance process.

### **III. Description of the main characteristics of the internal control and risk management systems of Eurohold Bulgaria AD in connection with the financial reporting process (Art. 100n, para 8, item 3 of POSA)**

Eurohold Bulgaria AD has a well-established and functioning risk management and internal control system, which guarantees the effective functioning of the accounting and financial reporting and disclosure systems. The system for internal control is built and operated in order to identify the risks associated with the activities of the Company and support their effective management.

Internal control and risk management aim to provide a reasonable degree of certainty regarding the achievement of the strategic objectives of the holding in the direction of achieving efficiency and effectiveness of operations, reliability of financial statements, compliance with and application of existing legal and regulatory frameworks. The internal control and risk management is carried out by the management and supervisory bodies, as well as by the heads of the structural divisions of the holding and the executive directors of the subsidiaries.

Eurohold Bulgaria AD has adopted and applies rules and procedures regulating the effective functioning of the accounting and financial reporting systems and disclosure of information by the company. The rules describe in detail the different types of information created and disclosed by the company, the processes of internal document management, the different levels of access to the types of information of the responsible persons and the deadlines for processing and managing information flows.

The established risk management system ensures the effective implementation of internal control in the creation and management of all company documents, including the financial statements and other regulated information that the Company is obliged to disclose in accordance with the legal provisions.

One of the main objectives of the implemented system for internal control and risk management is to assist management and other stakeholders in assessing the reliability of the company's financial statements.

The annual individual financial statements and the annual consolidated financial statements of Eurohold Bulgaria AD are subject to an independent financial audit, which achieves an objective external opinion on the manner in which they are prepared and presented. The company prepares and maintains its financial statements in accordance with the International Financial Reporting Standards adopted in the European Union (EU).

The risk management policy is applied in an integrated manner and in accordance with all other policies and principles regulated in the internal acts of Eurohold Bulgaria AD.

A detailed description of the risks specific to the activities of Eurohold Bulgaria AD is contained in the annual activity report for 2023.

#### IV. Information referred to in Article 10, Paragraph 1, letters (c), (d), (e), (h) and (i) of Directive 2004/25 / EC of the European Parliament and of the Council of 21 April 2004 on proposals for absorption (Art. 100n, para. 8, item 4 of POSA)

The members of the Supervisory Board and the Management Board of Eurohold Bulgaria AD provide information under Article 10 (1), letters "c", "d", "e", "h" and "i" of Directive 2004/25 / EC of the European Parliament and of Council of 21 April 2004 on takeover bids:

Par 1, b. "c"	Significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34 / EC.	Eurohold Bulgaria AD has significant direct or indirect shareholdings, which are described in detail in the section "Business Operations" of the Report on the activities of the company for 2023.
Par 1, b. "d"	Holders of all securities with special control rights and description of these rights	There are no shares that give special rights of control.
Par 1, b. "e"	All restrictions on voting rights, such as restrictions on the voting rights of holders of a certain percentage or number of votes, deadlines for exercising voting rights or systems through which, in cooperation with the company, the financial rights granted to the securities are separated from the possession of the securities;	There are no restrictions on the voting rights of holders of a certain percentage or number of votes, deadlines for exercising voting rights or systems through which, in cooperation with the company, the financial rights granted to the securities are separated from the ownership of the securities.
Par 1, b. "h"	The rules governing the appointment or replacement of members of the board and amendments to the memorandum of association;	The rules regulating the appointment or replacement of members of the Management Board and the Supervisory Board and the introduction of amendments to the Articles of Association are defined in the bylaws of Eurohold Bulgaria AD, the adopted regulations for the work of both bodies.
Par 1, b. "i"	The powers of the members of the board, and in particular the right to issue or repurchase shares;	The powers of the members of the Management Board and the Supervisory Board are regulated in the Articles of Association of Eurohold Bulgaria AD and the adopted regulations for the work of the two bodies.

#### V. Composition and functioning of the administrative, management and supervisory bodies and their committees (Art. 100n, para 8, item 5 of POSA)

Eurohold Bulgaria AD has a two-tier management system. The Supervisory Board and the Management Board act jointly for the benefit of the shareholders and comply with the interested parties.

As of 31.12.2023 the Company is represented and managed by Kiril Ivanov Boshov and Assen Minchev Minchev, Executive Members of the Management Board, and Milena Gencheva - Procurator, jointly by the two Executive Directors or by one Executive Director and Procurator.

##### MANAGEMENT BOARD

The Management Board of Eurohold Bulgaria AD consists of five individuals, namely:

- Kiril Ivanov Boshov - Chairman, Executive Member;
- Assen Minchev Minchev - Executive Member;
- Velislav Milkov Christov - Member;
- Assen Emanuilov Assenov - Member;
- Divorced Stefan Lefter - Member.



## SUPERVISORY BOARD

The Supervisory Board of Eurohold Bulgaria AD consists of six individuals, namely:

- Assen Milkov Christov - Chairman;
- Dimitar Stoyanov Dimitrov - Deputy Chairman;
- Louise Gabrielle Roman - Member
- Radi Georgiev Georgiev - Member;
- Lyubomir Stoev - Independent member;
- Kustaa Lauri Aima - Independent member.

The Management Board and the Supervisory Board of Eurohold Bulgaria AD have adopted and apply regulations for the work of the two bodies, which determine their powers and manner of work in order to ensure their effective operation within the two-tier management system of the company. the requirements of the law and protection of the interests of the shareholders.

## COMMITTEES

### Audit Committee

In 2009 the first Audit Committee of Eurohold Bulgaria AD was established, elected by the General Meeting of Shareholders of the company on 26.05.2009. The composition of this committee was elected at a meeting of the General Meeting held on 30.06.2017 with a five-year term. Its activities are in accordance with the Statute of the Audit Committee approved by the General Assembly. The Audit Committee reports annually to the General Meeting of Shareholders on the results of its activities.

**The Audit Committee consists of three individuals, namely:**

- Ivan Georgiev Mankov - Chairman;
- Dimitar Stoyanov Dimitrov - Member;
- Rositsa Mihailova Pencheva - Member.

### Remuneration Committee

The function of the Remuneration Committee is performed by the Supervisory Board of the company, according to the new Remuneration Policy adopted on 30.09.2020 by the General Meeting of Shareholders of Eurohold Bulgaria AD. The Supervisory Board reports to the General Meeting of Shareholders on the performance of its functions on the Remuneration Committee.

**VI. A description of the diversity policy applied to the issuer's administrative, management and supervisory bodies in relation to aspects such as age, gender or education and professional experience, the objectives of this diversity policy, how it is implemented and the results during the reporting period; when such a policy is not applied, the declaration contains an explanation of the reasons for this (Art. 100n, para. 8, item 6 of POSA)**

## DIVERSITY POLICY

Eurohold Bulgaria AD has not adopted an explicit policy regarding the diversity of the members of the Supervisory and Management Boards, the managers and the employees.

Nevertheless, Eurohold Bulgaria, as well as the companies part of the Eurohold economic group in adhering to the overall activity of the companies adhere to the principles of:

- equality,
- impartiality,
- avoidance of any form of discrimination and
- providing equal opportunities,

In the internal regulations of the companies part of Eurohold there is no division by sex, age, nationality, race, ethnicity, religion, disadvantaged people and any other form of illegal and unjust discrimination.

The main criteria and principles applied in the selection and evaluation of the members of the management and supervisory bodies of Eurohold Bulgaria AD regarding individuals without introducing any restrictions related to age, gender, nationality and education are:

- to be capable of acting;
- have appropriate qualifications and education, management skills, professional experience, and competence;
- have knowledge of the regulations and requirements of the specific sector segment in which the Company operates;
- have a good reputation;
- to be independent and objective in expressing opinions and making decisions.

The management structure is defined in the company's articles of association. The members of the Supervisory Board are elected by the General Meeting of Shareholders and this is the right and prerogative of the shareholders. Accordingly, the Supervisory Board appoints the members of the Management Board. The remuneration of the members of the Supervisory Board and the Management Board is determined by the General Meeting of Shareholders and is paid only in accordance with the adopted Remuneration Policy of the company. The determination of the remuneration of the members of the Supervisory Board and the Management Board is consistent with the size, internal organization, as well as the nature, scope and complexity of the activities carried out in the company and the group of Eurohold Bulgaria AD. The members of the Management Board and the Supervisory Board may be re-elected without restriction.

This Corporate Governance Declaration of Eurohold Bulgaria AD is an integral part of the Annual Activity Report for 2023, which was approved by the Management Board of the company.

**8 April 2024**

**KIRIL IVANOV  
BOSHOV** Digitally signed by  
KIRIL IVANOV BOSHOV  
Date: 2024.04.08  
13:47:15 +03'00'

**Kiril Boshov**

Chairman of the Management Board and Executive Director

**ASEN  
MINCHEV  
MINCHEV** Digitally signed by  
ASEN MINCHEV  
MINCHEV  
Date: 2024.04.08  
13:47:40 +03'00'

**Assen Minchev**

Executive Director

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# REMUNERATION REPORT

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

This report is brought to the attention of the company's general meeting of shareholders and contains information on the manner in which the remuneration policy has been implemented for the period of the financial year 2023. This report also includes a program for the implementation of the remuneration policy developed by the Management Board of recommendation of the Remuneration Committee.

## REMUNERATION REPORT FOR 2023

**1 /** *Information about the decision-making process in determining the remuneration policy, including, if applicable, information on the mandate and composition of the remuneration committee, the names of the external consultants whose services were used in the determination of the remuneration policy*

The remuneration policy of the members of the Management and Supervisory Boards of Eurohold Bulgaria AD (the Policy), amendments or supplements, as well as the program for its implementation, is developed at the proposal of the Supervisory Board and approved by the General Meeting of Shareholders. The policy also applies to the company's procurators.

The remuneration of the members of the Supervisory and Management Board of Eurohold Bulgaria AD is formed in accordance with the following basic principles:

- ✓ Transparency of remuneration practices;
- ✓ Compliance of the remuneration with the commitment of the members of the management and control body with the implementation of the strategy for the development of the public company, the short-term and long-term goals with reasonable risk assessment;
- ✓ Support for long-term value creation for shareholders;
- ✓ Non-discrimination, conflict of interest and unequal treatment of the members of the supervisory and management board of the company in determining the remuneration;

The current policy was developed by the Supervisory Board of the company and approved by the General Meeting on 30.09.2020, repealing the remuneration policy of the members of the Management and Supervisory Boards, adopted by the General Meeting on 02.10.2013.

With this policy the General Meeting of Shareholders determines that the function of the Remuneration Committee will be performed by the Supervisory Board of Eurohold Bulgaria AD within the meaning of Art. 21, para. 3 of Ordinance №48 of the FSC.

The services of external consultants were not used in determining the remuneration policy.

**2 /** *Information on the relative weight of the variable and permanent remuneration of the members of the management and supervisory bodies and the procurator of the company.*

The members of the supervisory and management boards and the procurator of the company receive only a permanent remuneration, which represents 100% of the agreed remuneration.

The permanent remunerations received by the members of the Supervisory Board and the Management Board and the procurator are in compliance with the basic principles described in item 1, as well as with the general provisions set out in the remuneration policy.

The remuneration structure is formed by elements that in combination guarantee an appropriate ratio and fair remuneration, in accordance with the strategy, goals, values and long-term value creation for the group of Eurohold Bulgaria AD as a whole.

The members of the Supervisory Board and the Management Board and the procurator may also receive other remuneration from subsidiaries of Eurohold Bulgaria AD, in which they perform management and / or control functions.

**3 /** *Information regarding the criteria for achieved results, on the basis of which options on shares, shares of the company or other type of variable remuneration are provided and an explanation of how the criteria under Art. 14, para. 2 and 3 contribute to the long-term interests of the company*

The remuneration policy provides for the possibility in the next period for the GMS to approve, upon a proposal of the Supervisory Board, the provision of variable remuneration by determining the specific criteria for their receipt.

At present, the members of the Supervisory and Management Boards and the procurator do not receive variable remuneration, including options on shares.

**4 /** *Explanation of the applied methods for assessment of whether the criteria for the achieved results have been met*

The remunerations received by the members of the National Assembly and the Board of Directors and the procurator for the reporting year 2023 are only permanent and are based on the basic principles for determining the remuneration specified in item 1.

The company does not pay variable remunerations and has no developed criteria or methods for evaluating their performance.

**5 /** *Clarification of the relationship between the remuneration received and the results achieved*

The members of the Management Board and the Supervisory Board and the procurator receive only a permanent remuneration, which corresponds to the basic principles set out in item 1.

In 2023, remuneration is determined based on the contribution of each member to the management of the implementation of the company's strategic goals of entering new regulated markets, investments in acquisitions of new companies in markets with growth potential. The main measure is the growth of the company's assets.

**6 /** *The main payments and justification of the annual scheme for payment of bonuses and / or all other non-monetary additional remunerations*

In addition to the permanent remuneration received, the members of the Management Board and the Supervisory Board and the procurator have the right to receive additional health insurance, according to the applicable policy for additional incentives for the employees of Eurohold Bulgaria AD.

**7 /** *Description of the main characteristics of the supplementary voluntary pension scheme and information on the contributions paid and / or due by the company to the respective member of the management or supervisory body and procurator for the respective financial year, where applicable*

The company does not pay at its own expense contributions for additional voluntary pension insurance to the executive director, as well as to the members of the supervisory, management board, incl. and the procurator. Due to this circumstance, a description of the applied scheme for voluntary pension insurance is not applicable.

**8 / Information on the periods of deferral of payment of variable remuneration**

The Company does not pay variable remuneration to the members of the Supervisory Board and the Management Board, incl. and to procurator, which is why no scheme for postponing such remuneration has been adopted. Disclosure in this report of information related to periods of deferral of variable remuneration is not applicable.

**9 / Information on the compensation policy upon termination of contracts**

The contracts of the members of the Supervisory Board and the Management Board do not provide for benefits in case of termination of the contracts, therefore information on such benefits is not applicable. The same is true for the procurator of the company.

**10 / Information for the period in which the shares cannot be transferred and the options on shares cannot be exercised, in case of variable remuneration based on shares**

At present, the company does not envisage granting options on shares or shares of the company to the members of the Supervisory and Management Boards, as well as to the procurator, therefore information on the period in which the shares cannot be transferred and options on shares is not applicable. cannot be exercised.

**11 / Information on the policy for keeping a certain number of shares until the end of the term of office of the members of the management and control bodies after the expiration of the period under item 10**

The company does not follow a policy of retaining a certain number of shares until the end of the term of the members of the supervisory and management boards and procurators after a certain period. Providing information in this sense is not applicable.

**12 / Information on the contracts of the members of the management and supervisory bodies, including the term of each contract, the term of the notice of termination and details of the compensation and / or other payments due in case of early termination**

**a) Information on the contracts of the members of the Supervisory and Management Boards of the Company**

Name and position	Date of appointment	Term of the mandate, according to art. 33 (2) and Art. 43 (2) of the Articles of Association	Possibility to extend the contract	Term of the contract	Term of notice for termination
<b>Supervisory Board</b>					
Assen Christov, Chairman	12.12.2006	Five years	unlimited	until the end of the term	without notice
Dimitar Dimitrov, Deputy Chairman	12.12.2006	Five years	unlimited	until the end of the term	without notice
Radi Georgiev, Member	17.04.2015	Five years	unlimited	until the end of the term	without notice
Kustaa Lauri Aima, Independent Member	27.07.2017	Five years	unlimited	until the end of the term	without notice
Ivaylo Krasimirov Angarski	20.07.2021	Five years	unlimited	until the end of the term	without notice
Louise Gabrielle Roman, Member	27.11.2018	Five years	unlimited	until the end of the term	without notice
<b>Management Board</b>					
Kiril Boshov, Chairman	12.12.2006	Five years	unlimited	until the end of the term	without notice
Assen Minchev, Executive Director	12.12.2006	Five years	unlimited	until the end of the term	without notice

Velislav Christov, Member	22.10.2012	Five years	unlimited	until the end of the term	without notice
Razvan Lefter, Member	22.08.2017	Five years	unlimited	until the end of the term	without notice

**b) Information about the contract of the procurator of the Company**

Name and position	Date of appointment	Term of the mandate, according to art. 33 (2) and Art. 43 (2) of the Articles of Association	Possibility to extend the contract	Term of the contract	Term of notice for termination
<b>Procurator</b>					
Milena Milchova Guencheva	22.12.2020	not applicable	not applicable	until the withdrawal of the power of attorney	without notice

**c) Details of benefits and / or other payments due in the event of early termination - the Remuneration Policy Implementation Program does not provide for such benefits and / or other payments**

The Company does not have an agreement for payment of amounts for compensations upon termination of a contract with the members of the Management and Supervisory Boards, as well as with the procurators, regardless of the termination of the person's functions.

In the reporting year 2023 there are cases of early termination of the contract with a member of the Supervisory Board and procurator of the Company;

**13 / Full amount of the remuneration and other material incentives of the members of the management and control bodies for the relevant financial year**

**General information on the summarized annual amount of remuneration paid to the members of the Supervisory Board, the Management Board and the Procurators:**

The total annual amount of the remuneration paid to the members of the Supervisory Board by EUROHOLD BULGARIA AD amounts to **BGN 137 408,00**.

The annual amount of remuneration paid to all members of the Supervisory Board by other companies in the same group amounts to **BGN 987 347,00**.

The total annual amount of the remuneration paid to the members of the Management Board by EUROHOLD BULGARIA AD amounts to **BGN 211 880,00**.

The total annual amount of remuneration paid to all members of the Management Board by other companies from the same group amounts to **BGN 861 465,00**.

The total annual amount of the remuneration paid to the Procurator of the company by EUROHOLD BULGARIA AD amounts to **BGN 14 430,00**.

The total annual amount of remuneration paid to the Procurator of the company by other companies in the same group - **BGN 200 492,00**.

**14 / Information on the remuneration of each person who has been a member of a management or supervisory body in the public company for a certain period during the respective financial year**

The permanent gross remuneration paid by "Eurohold Bulgaria" AD to the members of the supervisory board is in accordance with the agreements in the current contract for the supervision of the respective member of the supervisory board, to the members of the management board is in accordance with the agreements in the current contract for assigning the management of the respective member, and of the procurator - in relation to the contracts for the procurator.



"Eurohold Bulgaria" AD pays the members of the supervisory and management board, as well as the procurator of the Company, a fixed and agreed permanent remuneration on a monthly basis.

According to the Remuneration Policy, members of the supervisory and management boards may receive different amounts of remuneration. Also, General meeting of the shareholders, respectively the Supervisory board, may not decide to receive a permanent remuneration from a member of the supervisory, respectively the management board, after the express consent of this member, as the same applies to the procurator of the Company. In this regard, some of the members of the management or supervisory body of Eurohold Bulgaria AD do not have an agreed remuneration and, accordingly, such remuneration was not paid to them for the reporting financial year 2023.

**a) Information on the full amount of the permanent remuneration for 2023, paid by Eurohold Bulgaria AD to the members of the Supervisory and Management Boards of the company**

Name and position	Amount of permanent gross remuneration paid by Eurohold Bulgaria for 2023	Amount of the paid and / or accrued remuneration for 2023, if the person has held the position only for a certain period in 2023.	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2023	Total amount of remuneration received and / or accrued from Eurohold Bulgaria for 2023
	BGN	BGN	BGN	BGN
<b>Supervisory Board</b>				
Asen Christov, Chairman	14 640	not applicable	not applicable	14 640
Dimitar Dimitrov, Deputy chairman	7 200	not applicable	not applicable	7 200
Radi Georgiev, Member	there is no agreed and paid remuneration	not applicable	not applicable	not applicable
Kustaa Lauri Aima, Independent Member	there is no agreed and paid remuneration	not applicable	not applicable	not applicable
Ivaylo Krasimirov Angarski, Independent Member	48 000	not applicable	not applicable	48 000
Louise Gabrielle Roman, Member	67 568	not applicable	not applicable	67 568
<b>Total remuneration paid to the Supervisory Board</b>	<b>137 408</b>	not applicable	not applicable	<b>137 408</b>
<b>Management Board</b>				
Kiril Boshov, Chairman	24 000	not applicable	not applicable	24 000
Asen Minchev, Executive Director	187 880	not applicable	not applicable	187 880
Velislav Christov, Member	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
Razvan Lefter, Member	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
<b>Total remuneration paid to the Management Board</b>	<b>211 880</b>		-	<b>211 880</b>

**b) Information on the full amount of the permanent remuneration for 2022 paid by Eurohold Bulgaria AD to the procurator of the Company**

Name and position	Amount of permanent gross remuneration paid by Eurohold Bulgaria for 2023	Amount of the paid and / or accrued remuneration for 2023, if the person has held the position only for a certain period in 2023	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2023	Total amount of remuneration received and / or accrued from Eurohold Bulgaria for 2023
	BGN	BGN	BGN	BGN
<b>Procurator</b>				
Milena Milchova Guencheva	14 430	not applicable	not applicable	14 430
<b>Total remuneration paid to procurators</b>	<b>14 430</b>	-	-	<b>14 430</b>

**c) Information on the full amount of the permanent remuneration and other material and intangible incentives received from the members of the Supervisory and Management Boards of the Company and the procurator from other companies from the same group (Eurohold Group)**

According to the remuneration policy, the members of the Supervisory and Management Boards, as well as the procurators, may receive other remunerations, including fixed and variable, agreed in subsidiaries of Eurohold Bulgaria AD, in which they perform management and / or control functions. Information about the companies with which some of the members of the supervisory and management board and procurators have signed control and management, procurator and/or consulting contracts is presented below:

Name and position (basis for remuneration received)	Amount of total paid permanent gross remuneration and bonuses from companies - part of the Eurohold Bulgaria group for 2023	Amount of the paid and / or accrued remuneration for 2023, if the person has held the position only for a certain period in 2023.	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2023*	Total amount of remuneration received and / or accrued by companies - part of the Eurohold Bulgaria group for 2023
	BGN	BGN	BGN	BGN
<b>Supervisory Board</b>				
Asen Christov (according to the management and control contracts)	721 494	not applicable	not applicable	721 494
Dimitar Dimitrov (according to the power of attorney contract)	198 183	not applicable	not applicable	198 183
Radi Georgiev (according to the current control contract and consulting contract)	67 670	not applicable	not applicable	67 670
Kustaa Lauri Aima	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
Ivaylo Krasimirov Angarski, Independent Member	there is no agreed and paid remuneration	there is no agreed and paid remuneration	not applicable	there is no agreed and paid remuneration
Louise Gabrielle Roman	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration

<b>Total remuneration paid to the Supervisory Board</b>	<b>987 347</b>	-	-	<b>987 347</b>
<b>Management Board</b>				
Kiril Boshov (according to management contracts)	618 699	not applicable	not applicable	618 699
Assen Minchev (according to the power of attorney contract)	53 797	not applicable	not applicable	53 797
Velislav Christov (according to management contract and consulting contract)	188 969	not applicable	not applicable	188 969
Razvan Lefter	there is no agreed and paid remuneration	not applicable	not applicable	there is no agreed and paid remuneration
<b>Total remuneration paid to the Management Board</b>	<b>861 465</b>	-	-	<b>861 465</b>

✓ **About the Procurator**

Name and position (basis for remuneration received)	Amount of total paid permanent gross remuneration and bonuses from companies - part of the Eurohold Bulgaria group for 2023	Amount of the paid and / or accrued remuneration for 2023, if the person has held the position only for a certain period in 2023.	Amount of the paid and / or accrued compensation on the occasion of termination of the functions of the person in 2023*	Total amount of remuneration received and / or accrued by companies - part of the Eurohold Bulgaria group for 2023
	BGN	BGN	BGN	BGN
<b>Procurators</b>				
Milena Milchova Guancheva	200 492	not applicable	not applicable	200 492
<b>Total remuneration paid to procurators</b>	<b>200 492</b>			<b>200 492</b>

**d) Remuneration received from the person in the form of distribution of profits and / or bonuses from Eurohold Bulgaria, as well as from subsidiaries of Eurohold Bulgaria and the grounds for their provision**

There is no person, a member of the supervisory or management board, as well as a procurator, who has received remuneration in the form of profit distribution and/or bonuses based on the results of "Eurohold Bulgaria" AD.

There are no specific cases in the remuneration policy for 2023 in which the persons in charge of management or control functions receive additional (variable) remuneration linked to the results of the activity in the form of profit distribution and / or bonuses.

**e) Compensation paid and / or accrued on termination of service during the last financial year**

The contracts of the members of the Supervisory and Management Boards, as well as of the procurators, do not provide for compensation in case of termination of the contracts, therefore such information is inapplicable.

**f) Any additional payments for services provided by the person outside his normal functions, where such payments are eligible under the contract concluded with him**

In the contracts for management and control, as well as in the contracts for power of attorney, there is no agreement for payment of additional amounts in case of services provided by the person outside his usual functions. In this regard, such additional services provided were not performed, respectively not paid.

**g) All other non-monetary benefits equal to remuneration, other than those mentioned above in this report**

For some of the members of the Management and Supervisory Boards and the procurator there are agreed non-monetary benefits, depending on the functions they perform in Eurohold Bulgaria AD or in companies of the Eurohold Group. Such non-monetary benefits can be a business phone and additional health insurance. These additional non-monetary benefits are also provided to all employees on a basic employment contract in Eurohold Bulgaria AD.

**h) Information on all provided loans, payments for social and household expenses and guarantees from Eurohold Bulgaria AD or its subsidiaries, as well as other companies that are subject to consolidation in the annual financial statements of Eurohold Bulgaria AD, including and the remaining unpaid portion of them and interest**

Eurohold Bulgaria AD, its subsidiaries, as well as other companies that are subject to consolidation in the annual financial statements of Eurohold Bulgaria AD, have not provided loans to the members of the Management and Supervisory Boards and the procurator, have not performed instead, payments for social and household expenses have not issued guarantees in his favor, therefore information on the unpaid part of such obligations and interest on them is not applicable.

**15 / Information regarding shares and / or stock options and / or other share-based incentive schemes**

At present, the company does not provide the members of the supervisory and management boards, as well as the procurators with stock options or stock options and / or other incentive schemes based on the company's shares.

Due to this circumstance, the company does not submit information under Art. 13, item 15 of Ordinance № 48 of the Financial Supervision Commission of 20 March 2013 on the requirements for remuneration, regarding the following circumstances:

- a) number of options offered on shares or shares granted by the company during the respective financial year and the conditions under which they were offered, respectively granted**
  - None
- b) number of options exercised on shares during the financial year in question and for each of them, number of shares and the exercise price of the option or the value of interest under the share-based incentive scheme at the end of the financial year**
  - None
- c) number of unused options on shares at the end of the financial year, including data on their price and date of exercise and essential conditions for exercising the rights**
  - None
- d) any changes in the terms and conditions of existing stock options accepted during the financial year**
  - None

**16 / Information on the annual change in remuneration, the results of the company and the average amount of remuneration based on full-time employees of the company who are not directors in the previous at least five financial years, presented together in a way that allows comparison - Appendix 1 to the Report on the Implementation of the Remuneration Policy of the Members of the Board of Directors of EUROHOLD BULGARIA AD for 2023.**

Information on the annual change in the remuneration, assets and financial result of the company and the average amount of remuneration of full-time and part-time employees who are not directors (outside the Board and the Supervisory Board) for at least the previous five financial years, presented together in a manner, to allow matching

Year	2018	Change		2019	Change		2020	Change		2021	Change		2022	Change		2023
		2019 / 2018	%		2020 / 2019	%		2021 / 2020	%		2022 / 2021	%		2023 / 2022	%	
Indicator	BGN	%	BGN	%	BGN	%	BGN	%	BGN	%	BGN	%	BGN	%	BGN	%
Gross remuneration of the members of the National Assembly for a year	68,780	130.10%	158,264	12.66%	178,307	-8.51%	163,140	-11.43%	144 497	-1.66%	<b>142 102</b>					
Gross remuneration of the members of the Management Board for one year	81,600	57.00%	128,114	-12.89%	111,600	16.97%	130,540	58.19%	206 495	2.61%	<b>211 880</b>					
Gross remuneration of persons with a contract for the Prosecutor's Office	12,720	4.72%	13,320	0.00%	13,320	39.77%	18,618	-28.46%	13 320	8.33%	<b>14 430</b>					
Average amount of remuneration per member of the Supervisory Board and the Management Board per year	20,108	65.61%	33,300	1.18%	33,692	23.06%	41,460	25.42%	51 999	13.46%	<b>58 997</b>					
Gross remuneration of executive directors for the year	57,600	81.67%	104,640	-4.82%	99,600	19.02%	118,540	58.99%	188 468	12.42%	<b>211 880</b>					
Average remuneration of executive directors per year	28,800	81.67%	52,320	-4.82%	49,800	19.02%	59,270	58.99%	94 234	12.42%	<b>105 940</b>					
Amount of assets for the period	579,442	1.13%	585,962	8.15%	633,741	-100.00%	720,332	(3.43%)	695,612	-9.17%	<b>631,830</b>					
Financial result for the period	1 660	(981)%	(14 631)	15%	(16 754)	595%	(116 388)	(12)%	(102 147)	-76.61	<b>(23,895)</b>					
<b>Regarding remuneration of employees in the company on a FULL TIME basis</b>																
Gross remuneration of non-directors per year	269,721	17.95%	318,148	8.17%	344,131	14.83%	395,170	7.42%	424 495	12.17%	<b>476 148</b>					
Average remuneration of non-directors per year	44,953	1.11%	45,450	8.17%	49,162	32.13%	64,960	6.69%	69 305	-8.40%	<b>63 486</b>					
<b>Regarding remuneration of part-time employees in the company equated to full-time employees</b>																
Gross remuneration of non-directors per year	74,267	88.59%	140,062	61.36%	225,999	39.39%	315,026	9.95%	346 380	-0.56%	<b>344 444</b>					
Average remuneration of non-directors per year	18,567	-16.18%	15,562	107.46%	32,286	2.71%	33,161	18.81%	39 399	-3.58%	<b>37 990</b>					
<b>Regarding remuneration of FULL-TIME employees together with PART-TIME employees</b>																
Average amount of remuneration of employees in the company who are not directors for a year	31,760	-3.95%	30,506	33.49%	40,724	11.91%	45,574	13.40%	51 679	-4.15%	<b>49 533</b>					

**17 / Information for exercising the possibility to demand a refund of variable remuneration**

No additional remuneration has been paid to the members of the Management Board and the Supervisory Board and the procurator in any form, therefore information on the possibilities for returning variable remuneration is inapplicable.

**18 / Information on all deviations from the procedure for the implementation of the Remuneration Policy in connection with extraordinary circumstances under Article 11, paragraph 13, including an explanation of the nature of the extraordinary circumstances and an indication of the specific components that have not been implemented**

The remuneration policy does not provide for deviations from the procedure for its application in connection with extraordinary circumstances under Article 11, paragraph 13, including an explanation of the nature of the extraordinary circumstances and an indication of the specific components that have not been applied.

**Remuneration policy implementation program for the next financial year or longer**

In the Policy on the remuneration of the members of the Supervisory Board and the Management Board adopted at the regular annual General Meeting of Shareholders in 2020, the basic principles of Ordinance № 48 of the Financial Supervisory Service are enshrined.

The remuneration policy aims to support the company's long-term business objectives and to encourage behaviour that supports the creation of shareholder value, while at the same time providing competitive remuneration that is sufficient to attract and retain directors with the qualities necessary to successfully manage and development of the company. This policy is designed to be implemented over a long period of time, unless the company's shareholders request its updating and modification. Amendments to the Policy approved by the General Meeting of Shareholders are accepted in the order of its preparation and approval. Their implementation will continue to be a priority of the Board of Directors

The Supervisory Board, in its function as a remuneration committee, considers that the criteria for determining remuneration are currently effective, in view of the financial results achieved during the reporting period. The implementation of these criteria will continue to be a priority of the Supervisory Board.

According to Art. 20 para. 1 of the Remuneration Policy, the same is subject to review by the OSA every 4 years. In this regard, the current remuneration policy will be reviewed at the upcoming general meeting of shareholders.

Currently, for the 2024 financial year, the Remuneration Committee of "Eurohold Bulgaria" AD does not propose changes in the amount of remuneration for the members of the management board, the supervisory board and the procurator.

The members of the National Assembly and the Management Board accept that in the event of a sharp change in the financial and economic indicators, regardless of whether they will be in an upward or downward direction, the Remuneration Determination Program will be revised and the changes reflected in it will be adopted in due course.

**Information on recommendations made in the previous remuneration report and disclosure of how these recommendations have been taken into account**

No recommendations were made on the previous remuneration report by a shareholder or his representative participating in the regular meeting of the General Meeting of Eurohold Bulgaria AD.

This report was prepared in accordance with the recommendations of the Supervisory Board and adopted at a meeting of the Management Board together with the annual financial statements for 2023.

The remuneration report is published on the website of "Eurohold Bulgaria" AD ([www.eurohold.bg](http://www.eurohold.bg)) at the same time as the annual financial report for 2023 and is available for a period of 10 years.

**8 April 2024**

**Kiril Boshov**  
Chairman of the Management Board and Executive Director

**KIRIL IVANOV  
BOSHOV**

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**Assen Minchev**  
Executive Director

**ASEN  
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MINCHEV**

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# D

# FINANCIAL STATEMENTS 2023

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## **D.1 Annual separate financial statements 2023**

## Separate statement of profit or loss and other comprehensive income

	<i>Notes</i>	2023 BGN '000	2022 BGN '000
Dividend income	3	1 306	2 102
Other income	4	2 730	251
Gain / (loss) on transactions with financial instruments, net	5	749	(1 739)
Impairment loss of subsidiary	12	-	(52 715)
Loss on sale of subsidiaries	6	-	(13 372)
Hired services expenses	7	(5 618)	(4 733)
Employee benefits expenses	8	(1 016)	(980)
Depreciation and amortisation charges	13, 14	(207)	(295)
Reversal of expenses /(expenses) from impairment of financial assets, net	15, 16, 23.2	1 988	(2 310)
Other expenses	9	(473)	(776)
Finance income	10	705	359
Finance costs	11	(24 059)	(27 939)
<b>Loss for the year</b>		<b>(23 895)</b>	<b>(102 147)</b>
<b>Total comprehensive loss for the year</b>		<b>(23 895)</b>	<b>(102 147)</b>
<i>Loss per share (in BGN per share)</i>	17.3	<i>(0.0917)</i>	<i>(0.3921)</i>

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 29.03.2024 and signed on its behalf on 08.04.2024.

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Silvia Dinova, registered auditor responsible for the audit

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## Separate statement of financial position

		31.12.2023	31.12.2022
	Notes	BGN '000	BGN '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	608 922	651 950
Property, plant and equipment	13	1 048	1 204
Intangible assets	14	-	1
		<b>609 970</b>	<b>653 155</b>
<b>Current assets</b>			
Related party receivables	23.2	20 235	23 759
Other receivables	15	1 532	16 460
Cash and cash equivalents	16	93	2 238
		<b>21 860</b>	<b>42 457</b>
<b>TOTAL ASSETS</b>		<b>631 830</b>	<b>695 612</b>

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 29.03.2024 and signed on its behalf on 08.04.2024.

Prepared by:

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**Separate statement of financial position (continued)**

	Notes	31.12.2023 BGN '000	31.12.2022 BGN '000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17.1	260 500	260 500
Share premium	17.2	144 030	144 030
General reserves	17.2	7 641	7 641
Accumulated loss		(193 464)	(169 569)
<b>Total equity</b>		<b>218 707</b>	<b>242 602</b>
<b>Non-current liabilities</b>			
Bond liabilities	18	241 755	234 111
Loans and borrowings	19	21 271	16 555
Related party payables	23.3	386	22 377
Other payables	22	58 675	-
Lease liabilities	20	917	1 106
Pension liabilities	21	33	35
		<b>323 037</b>	<b>274 184</b>
<b>Current liabilities</b>			
Loans and borrowings	19	34 794	165 124
Bond liabilities	18	1 569	1 571
Related party payables	23.3	39 792	9 376
Trade and other payables	22	13 492	2 349
Lease liabilities	20	269	202
Liabilities to personnel	21	170	204
		<b>90 086</b>	<b>178 826</b>
<b>Total liabilities</b>		<b>413 123</b>	<b>453 010</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>631 830</b>	<b>695 612</b>

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 29.03.2024 and signed on its behalf on 08.04.2024.

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## Separate statement of cash flows

		2023	2022
	Notes	BGN '000	BGN '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(23 895)</b>	<b>(102 147)</b>
Adjusted for:			
Depreciation and amortisation charges		207	295
Interest income	10	(705)	(359)
Interest expenses	11	23 432	21 710
Dividend income		(1 306)	(2 102)
(Gain) / loss on sale of investments, net		(687)	14 160
(Gain) / losses on revaluation of investments, net		(62)	53 666
Foreign exchange differences		5	14
(Reversal) / expenses for impairment of financial assets, net		(1 988)	2 310
Adjustments to working capital:			
Decrease in trade and other receivables		15 660	1 237
<i>incl. Proceeds from cession contract</i>		<i>15 300</i>	-
Increase in trade and other liabilities, other adjustments		13 318	6 309
<b>Net cash flows from operating activities</b>		<b>23 979</b>	<b>(4 907)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments		-	(25 950)
Share premium distribution	12	43 028	-
Proceeds from sale of investments		-	7 296
Loans granted		-	(8 877)
Proceeds from loans repaid		-	757
Interest received from loans granted		-	2 474
Dividends received		1 306	2 102
<b>Net cash flows from / (used in) investing activities</b>		<b>44 334</b>	<b>(22 198)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans	2.28	44 808	283 294
Repayments of loans	2.28	(96 226)	(232 184)
Interest and commissions paid	2.28	(18 594)	(21 275)
Lease payments	2.28	(269)	(321)
Other payments from financing activities		(177)	(278)
<b>Net cash flows/(used in)/ from financing activities</b>		<b>(70 458)</b>	<b>29 236</b>
<b>Net change in cash and cash equivalents</b>		<b>(2 145)</b>	<b>2 131</b>
<i>Effect of expected credit losses</i>		<i>-</i>	<i>(8)</i>
Cash and cash equivalents at the beginning of the year	16	<b>2 238</b>	115
<b>Cash and cash equivalents at the end of the year</b>	16	<b>93</b>	2 238

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 29.03.2024 and signed on its behalf on 08.04.2024.

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## Separate statement of changes in equity

	Share capital BGN '000	Share premium BGN '000	General reserves BGN '000	Retained earnings BGN '000	Total Equity BGN '000
<b>Balance as of 1 January 2022</b>	<b>260 500</b>	<b>144 030</b>	<b>7 641</b>	<b>(67 422)</b>	<b>344 749</b>
Loss for the year	-	-	-	(102 147)	(102 147)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(102 147)</b>	<b>(102 147)</b>
<b>Balance as of 31 December 2022</b>	<b>260 500</b>	<b>144 030</b>	<b>7 641</b>	<b>(169 569)</b>	<b>242 602</b>
<b>Balance as of 1 January 2023</b>	<b>260 500</b>	<b>144 030</b>	<b>7 641</b>	<b>(169 569)</b>	<b>242 602</b>
Loss for the year	-	-	-	(23 895)	(23 895)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23 895)</b>	<b>(23 895)</b>
<b>Balance as of 31 December 2023</b>	<b>260 500</b>	<b>144 030</b>	<b>7 641</b>	<b>(193 464)</b>	<b>218 707</b>

These annual separate financial statements were approved by the Management Board of Eurohold Bulgaria AD on 29.03.2024 and signed on its behalf on 08.04.2024.

Prepared by:

SALIH  
REDZHEPOV  
TRAMPOV  
/Salih Trampov/

Digitally signed by SALIH  
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Date: 2024.04.08 13:57:45  
+03'00'

Signed on behalf of the Management Board:

KIRIL IVANOV  
BOSHOV  
/Kiril Boshov/

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KIRIL IVANOV BOSHOV  
Date: 2024.04.08  
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ASEN MINCHEV  
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Date: 2024.04.08  
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Auditor's report issued by:  
Grant Thornton OOD, audit firm, registration № 032  
Mariy Apostolov, managing partner  
Silvia Dinova, registered auditor responsible for the audit

MARIY GEORGIEV  
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SYLVIA BORISLAVOVA  
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## **D.2 Notes to the annual separate financial statements**



## Notes to the annual separate financial statements for 2023

### 1. General Company Information

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

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

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

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

The governing bodies of the company are the General Meeting of Shareholders, the Supervisory Board and the Management Board /two-tier system/ comprising the following members as at 31.12.2023:

#### Supervisory Board:

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

#### Management Board:

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

As of 31.12.2023 the Company is represented by Kiril Ivanov Boshov and Asen Minchev Minchev, Executive Directors, and Milena Milchova Guentcheva - Procurator, only jointly by the two executive directors or by one executive director and procurator.

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

As of 31.12.2023, the Audit Committee of the Company comprises the following members:  
Ivan Georgiev Mankov, Bulgaria– Chairman;  
Dimitar Stoyanov Dimitrov, Bulgaria – Member;  
Rositsa Mihaylova Pencheva, Bulgaria – Member.

The number of employees in the Company as of 31.12.2023 is 28 (31.12.2022: 24 employees).

#### 1.1. Scope of Activities

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

Eurohold Bulgaria AD, as a holding company with its main activity being the acquisition and management of subsidiary companies, primarily engages in financial activities. Eurohold Bulgaria AD, as a holding company, does not conduct regular trading activities and does not provide financial services.

## **1.2. Basis for preparation of the separate financial statements**

The separate financial statements of Eurohold Bulgaria AD have been prepared in compliance with International Financial Reporting Standards (IFRS), issued and published by the International Accounting Standards Board (IASB) and adopted by the Commission of the European Union (EU). For paragraph 1, point 8 of the Supplementary Provisions of the Accounting Act, applicable in Bulgaria, the term "IFRS adopted by the EU" means International Accounting Standards (IAS) adopted under Regulation (EC) 1606/2002 of the European Parliament and the Council.

The Company also prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), issued and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), in which investments in subsidiaries are accounted for and disclosed under IFRS 10 "Consolidated Financial Statements". The Company has commenced the process of preparing its annual consolidated financial statements for the year 2023. According to the planned dates, the management expects the annual consolidated financial statements to be approved for issuance no later than April 30, 2024, by the Management Board of the Company. After this date, the consolidated financial statements will be available to third parties.

The annual separate financial statements are presented in Bulgarian lev (BGN), which is the functional currency of the Company. All amounts are presented in thousands of BGN (000'BGN) (including the comparative information for 2022), unless otherwise stated. As of 1 January 1999, the Bulgarian lev has a fixed exchange rate against the euro: BGN 1.95583 for 1 euro.

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

## **1.3. Highlights of the activity in 2023**

Eurohold Bulgaria AD, as a holding company, does not engage in regular trading activities and does not provide financial services. Eurohold Bulgaria AD ended 2023 with a net loss of BGN 23 895 thousand. The incurred negative financial result for the reporting period is primarily due to accrued interest expenses on loans obtained in recent years, necessary for meeting the capital requirements of some subsidiary companies through increasing their share capital, as well as for financing the expansion of business operations.

The Company significantly improved its ratio of current assets to current liabilities in 2023 as compared to 2022. As a result of this, as of 31.12.2023, the Company's current liabilities exceeded its current assets by BGN 68 226 thousand (2022: excess of BGN 136 369 thousand).

As of 31 December 2023 the registered capital of the Company exceeds total equity by BGN 41 793 thousand. According to Article 252, paragraph 1, item 5 of Bulgarian Commercial Act, when the Company's net assets fall below the amount of the registered capital, within one year of this event, the general meeting should take decisions to decrease registered capital, restructure or liquidate the company. In this regard, to the minutes of the Board of Directors dated 29.03.2024, a decision was taken to convene an extraordinary session of the General meeting of the shareholders of Eurohold Bulgaria AD, for the issuance by the company of an issue of warrants in the amount of up to 260 500 000 (two hundred and sixty million and five hundred thousand) dematerialized, registered, freely transferable warrants under the terms of a public offering pursuant to the provisions of the Public Offering of Securities Act with an issue value of BGN 0.50 (fifty stotinki) for each warrant, which entitle the warrant holders to exercise within a 10-year period their right to subscribe for the corresponding number of shares (of the same type and class as the existing issue of shares of the company - 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) - the underlying asset of the warrants under issue value BGN 2.00 (two Bulgarian lev) per share, at a warrant/share conversion ratio of 1:1, which shares "Eurohold Bulgaria" AD will issue in the future conditional capital increase/s, under the condition, that the new shares are issued only for subscription by the owners of the warrants. The public offering of the issue of warrants of Eurohold Bulgaria AD shall be considered successfully completed only if at least 78 150 000 warrants are subscribed and fully paid, representing 30% (thirty percent) of the offered for issuance securities.

During the year, the Company paid BGN 54 million to JP Morgan SE, of which BGN 49 million (EUR 25 million) was principal under a loan agreement. The remaining principal amount of BGN 30 million (EUR 15 million) is pre-agreed until June 2025 (*Note 19.*).

Short-term commercial papers (ECP) with ISIN XS2491929290 for EUR 2.5 million and ISIN XS2565406654 for EUR 27.5 million matured during the year.

In June 2023, the management of Eurohold Bulgaria AD decided to return additional capital contributions from Eastern European Electric Company II B.V. in the amount of EUR 22 million.

The loan to the International Bank for Economic Cooperation in the amount of EUR 12 million has been fully repaid.

As part of the sustainable development in the direction of energy independence, Eurohold Bulgaria AD has entered into a contract for the supply of solar panels. The goods will be delivered to a leading player in the construction of solar parks. The deal is expected to be finalized in 2024.

At the end of 2023, EIG AD, a subsidiary of Eurohold Bulgaria AD, entered into a preliminary agreement for the sale of its subsidiary EIG Re AD. The sale is pending the approval of Bulgarian Financial Supervision Commission.

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

The Company has bank loans with carrying value of BGN 21 069 thousand as of 31.12.2023 (BGN 21 934 thousand as of 31.12.2022), which were obtained from the International Investment Bank (*Note 19.*). There have been no changes in the terms of the loan agreements since the start of the war and the imposition of international sanctions against Russia. Due to the restrictions imposed by the EU on Russia, the Company has not made loan repayments, because the bank is on the list of entities controlled by Russia. In addition to the aforementioned loans, the Company does not have any direct significant investments or transactions with clients and suppliers from Russia or Ukraine as of 31 December 2022, and 31 December 2023, due to the nature of its business, namely acting as a holding company engaged in investment management and provision of services, as well as due to the lack of dependence on raw material supplies. The management's assessment is that there are no identified circumstances and factors that call into question the validity of the going concern assumption or that have a direct and negative impact on the company's operations as a result of the ongoing military conflict between Ukraine and Russia in 2022 and continuing into 2023.

The war between Russia and Ukraine indirectly affected Eurohold Bulgaria AD through its subsidiary Euroins Insurance Group AD, which owned investments in insurance companies in Ukraine, Russia, and Belarus. At the end of 2022, in connection with the ongoing military actions on the territory of Ukraine, insurance companies operating in Belarus (100% ownership) and in Russia (associated ownership of 48.61%) were sold. The business in both countries was insignificant, accounting for less than 1% of the insurance group's revenues for 2022. The two subsidiary companies in Ukraine continue to operate.

### **The impact of macroeconomic factors on Company's operations**

In 2023, inflation steadily decreased. The average annual inflation for the period January - December 2023 compared to the period January - December 2022 was 9.5% (January - December 2022 compared to the period January - December 2021 was 15.3%).

The Company has interest-bearing loans with floating interest rates. Interest expenses increased due to the higher interest rates, this trend continues at the beginning of 2024.

Some of the indirect subsidiary companies in the energy segment are directly exposed to specific regulatory risks related to the price of electricity for household and industrial consumers. In 2023, changes in market prices primarily impacted the decrease in revenues in the energy sector. This trend also affects the expenses for purchasing electricity. These market dynamics were taken into account in impairment tests of investments in subsidiaries.

Macroeconomic factors were considered in the analysis of financial and non-financial risks to which the Company is exposed (*Note 2.23.*).

#### **1.4. Going Concern Principle**

At the date of preparation of these annual separate financial statements, management has analysed the company's indebtedness and the possibilities for its servicing, as well as the necessary measures for complying with the legal requirements for share capital ratios within the deadlines imposed by legislation. Company's management undertook the following measures in 2023:

- The Company's cash flows from operating activities were positive, reaching BGN 23 979 thousand in
- The Company made the necessary repayments of loans or undertook activities to make arrangements for the pending loan repayments in 2023 (*Note 19.*).

In 2024 management is also actively working with financial and non-financial organisations in order to renegotiate the deadlines for loans. The forecasts made for the future development of the Company include continued financial support from the majority shareholder and expected returns from subsidiary companies, as well as the redistribution of free financial resources within Eurohold Group. Management has also analysed, as additional options, the claimed continued financial support from external investors and partners, as well as the possibilities for refinancing part of the company's short-term liabilities. Based on the above, management is confident that the Company will continue its operations and will meet its obligations without significant changes in its activities.

#### **1.5. Changes in accounting policies**

These annual separate financial statements have been prepared in accordance with the adopted accounting policies in the latest annual financial statement of the Company as of 31 December 2022. The Company has not made any changes to its accounting policies in connection with the application of new and/or revised IFRS, which are effective for the current reporting period starting on 1 January 2023, as there have been no assets or operations affected by the changes in IFRS during the period.

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

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

- o IFRS 17 "Insurance Contracts" effective from 1 January 2023, adopted by the EU;
- o Amendments to IFRS 17 "Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information" effective from 1 January 2023, adopted by the EU;
- o Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of accounting policies", effective from 1 January 2023, adopted by the EU;
- o Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates", effective from 1 January 2023, adopted by the EU;
- o Amendments to IAS 12 "Income taxes: Deferred tax related to assets and liabilities arising from a single transaction", effective from 1 January 2023, adopted by the EU;
- o Amendments to IAS 12 "Income taxes: International Tax Reform – Pillar Two Model Rules", effective from 1 January 2023, adopted by the EU.

Due to the size of the economic activity of the Starcom Holding AD Group, to which Eurohold Bulgaria AD belongs, the Company is expected to be subject to global tax under the changes in the Corporate Income Tax Act, which are in effect from 1 January 2024. The Company and the group to which it belongs are in the process of analysing the new requirements issued by the Organization for Economic Cooperation and Development (OECD) and adopted by national governments. Therefore, the Company has applied the exception for the recognition of deferred tax assets and liabilities related to second pillar income taxes (paragraph 4A of IAS 12), and for disclosing information about them in the annual separate financial statements for 2023. The new rules in the Corporate Income Tax Act introduce the following types of taxation:

- Additional Current Top-up Tax, which occurs:
  - Primary taxation with additional tax on parent companies, and
  - Secondary taxation with additional tax;
- National Additional Current Top-up Tax.

### **1.5.2. Documents issued by IASB / IFRIC, which are not endorsed in the EU**

At the date of authorisation of these interim condensed separate financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2023 and have not been applied early by the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. A list of the changes in the standards is provided below:

- *Amendments to IAS 1 "Presentation of financial statements: Classification of liabilities as current or non-current", effective from 1 January 2024, adopted by the EU;*
- *Amendments to IAS 1 "Presentation of financial statements: Non-current liabilities with covenants", effective from 1 January 2024, adopted by the EU;*
- *Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback", effective not earlier than 1 January 2024, adopted by the EU;*
- *Amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments: Disclosures: supplier finance arrangements", effective from 1 January 2024, not yet adopted by the EU;*
- *Amendments to IAS 21 "The effects of changes in foreign exchange rates: Lack of exchangeability", effective from 01 January 2025, not yet adopted by the EU.*

## **2. Material accounting policy information**

### **2.1. Overall considerations**

The most significant information regarding the accounting policies applied in preparing those separate financial statements are presented below.

The separate financial statements have been prepared in compliance with the principles of evaluating all types of assets, liabilities, revenues, and expenses according to IFRS. The valuation bases are detailed further in the accounting policy accompanying those separate financial statements.

### **2.2. Accounting Judgements Estimates**

The presentation of the separate financial statements in accordance with International Financial Reporting Standards requires management to make the best estimates, accruals, and reasonable assumptions that affect the reported amounts of assets and liabilities, income and expense, and disclosure of contingent receivables; liabilities at the reporting date. These estimates, judgements and assumptions are based on the information available at the date of the separate financial statements, which is why the future factual results may differ from them (as in a financial crisis, uncertainties are more significant).

### **2.3. Presentation of the separate financial statement**

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

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

## 2.4. Functional and Reporting Currency

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

Upon initial recognition, a foreign currency transaction is recorded in the functional currency by applying to the amount in foreign currency the exchange rate at the time of the transaction or operation. Cash, receivables and payables denominated in foreign currency are reported in the BGN equivalent on the basis of the exchange rate as at the date of the operation and are revaluated on a quarter and annual basis using the official exchange rate of the Bulgarian National Bank on the last working day of the quarter/year.

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

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

## 2.5. Investments in subsidiaries

A subsidiary is a company over which Eurohold Bulgaria AD, as an investor, exercises control. Control implies that the investor is exposed to, or has rights over, the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Long-term investments representing shares in subsidiaries are presented in the individual financial statement at cost, which represents the fair value of the consideration paid, including directly attributable costs of acquiring the investment. These investments are not traded on stock exchanges.

Investments held by the Company in subsidiaries are subject to impairment review. Upon identification of impairment conditions, the impairment is recognized in the individual statement of profit or loss and other comprehensive income as a financial expense.

Investments are derecognized when the rights arising from them are transferred to other parties upon the occurrence of legal grounds for such transfer, thereby losing control over the economic benefits of the investments. The net result from their disposal is presented under "Profits / (Losses) from disposal of investments in subsidiaries" in the individual statement of profit or loss and other comprehensive income.

## 2.6. Income

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

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

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

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



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

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

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

- Gains from operations with investments;
- Gains from operations with financial instruments;
- Income from dividends;
- Income from loan interest granted to subsidiaries and third parties;
- Income from Services granted to subsidiaries.

## **2.7. Expenses**

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

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

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

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

Other operating income and expenses include items other than those related to the main activity of the Company.

## **2.8. Interest**

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

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

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

## **2.9. Fees and Commissions**

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

Other fees and commissions income, including logistic services fees, insurance, and other intermediation fees, are recognized upon providing the respective services. The other fees and commissions costs relevant mainly to banking services are recognized upon receipt of the respective services.

## **2.10. Taxes**

### **Corporate income tax**

The current tax includes the amount of tax that is due on the expected taxable profit for the period, based on the effective tax rate or the applicable rate on the day of preparation of the separate financial statements, and any adjustments to the tax payable for previous years.

The company calculates corporate income tax in accordance with the current legislation.

Corporate income tax is computed based on the taxable profit, derived after adjusting the financial result, as required by the Corporate Income Tax Act.

Current income taxes are determined in compliance with Bulgarian tax legislation – the Corporate Income Tax Act. The nominal tax rate for the year 2023 is 10% of the taxable profit (2022: 10%).

### **Deferred Tax**

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

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

Deferred tax liabilities are recognized in full.

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

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

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

### **VAT**

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

### **Withholding tax**

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

## **2.11. Property, plant and equipment**

The property, plant and equipment are presented in the separate financial statements at acquisition cost, reduced by the amount of accumulated depreciation and any impairment losses.



The Company has set a recognition threshold of BGN 700, below which acquired assets, despite being classified as non-current assets, are recognized as current expenses at the time of acquisition.

### **Initial acquisition**

Property, plant and equipment are initially measured:

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

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

### **Subsequent measurement**

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

### **Subsequent expenses**

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

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

### **Profit or loss on sale**

Upon sales of property, plant and equipment, the difference between the net book value and the sales price of the asset is reported as profit or loss in the separate statement of profit or loss and other comprehensive income, in line item "*Other income*" or "*Other expenses*".

Property, plant and equipment are derecognized from the statement of financial position upon sale or when the asset is finally decommissioned and no further economic benefits are expected after derecognition.

### **Right-of-use assets**

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

### **Depreciation Method**

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

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

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

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

## **2.12. Intangible assets**

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

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

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

The Company has a fixed recognition threshold of BGN 700. If the acquired intangible assets are with a value lower than BGN 700, regardless of the fact that they meet the definition of intangible assets, they are reported as current expenses at the time of acquisition thereof.

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

The profit or loss on the sale of intangible assets is determined as the difference between the proceeds from the sale and the carrying amount of the assets and is recognized in the statement of profit or loss and other comprehensive income in line item "*Other income*" or "*Other expenses*".

### **Amortisation method**

The straight-line basis is the method of amortisation. The amortisation of assets begins from the month following the month of acquisition thereof.

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

Computers	2 – 3 years
Software	2 years

## **2.13. Impairment of non-current assets**

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

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

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

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

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

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

## **2.14. Lease**

### **The Company as a Lessee**

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

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

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

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

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

Leasing assets and liabilities are initially measured at present value.

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

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

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

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

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

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

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

Applicable Rates at Eurohold Bulgaria AD:

	Buildings - Bulgaria
Incremental borrowing rate	4,05 %

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

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

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

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

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

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

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

## **The Company as a Lessor**

### **Classification of leases**

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

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

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

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

### **Classification of sublease contracts**

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

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

### **Operating lease**

#### **Recognition and evaluation**

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

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

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

The company subleases part of leased property (*Note 4. "Other income"*). The Company does not have any leasing contracts classified as finance leases.

Lease income for 2022 amounting to BGN 68 thousand and it is included in the statement of profit or loss and other comprehensive income in the line item "*Other income*".

Direct operating expenses for 2022 amount to BGN 3 thousand and are reported under "*External service expenses*", and local taxes and fees in the amount of BGN 29 thousand are reported under "*Other expenses*". No contingent rents are recognized.

In 2023, there were no rental income reported.

#### **Changes to the lease contract**

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

#### **Presentation**

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

Operating lease income, when the company is a lessor, is recognized as income on a straight-line basis over the term of the lease. Eurohold Bulgaria AD does not have any assets for financial lease.

## **2.15. Employee Benefits**

### **Other long-term employee benefits**

#### **Defined contribution plans**

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

#### **Defined benefit plans**

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

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

#### **Retirement benefits**

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

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

#### **Short-term employee benefits**

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

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

## **2.16. Financial Instruments**

### **2.16.1. Recognition and derecognition**

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

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

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

### **2.16.2. Classification and initial measurement of the financial instrument**

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

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

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

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

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

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

### **2.16.3. Subsequent measurement of financial assets**

#### **Debt instruments at amortized cost**

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

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

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

#### **Trade receivables**

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

#### **Financial assets at fair value through profit or loss**

Financial assets for which a contractual "cash flow business model" or a "held-for-sale business model" is not applicable, as well as financial assets whose contractual cash flows, are not solely principal and interest



payments, are accounted for at fair value through profit or loss. All derivative financial instruments are reported in this category except those that are designated and effective as hedging instruments and to which the hedge accounting requirements apply.

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

#### **2.16.4. Impairment of financial assets**

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

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

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

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

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

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

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

#### **Trade and other receivables, contracted assets**

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

#### **2.16.5. Classification and measurement of financial liabilities**

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

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



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

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

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

#### **2.16.6. Securities sale and repurchase agreements**

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

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

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

#### **2.17. Cash and cash equivalents**

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

#### **2.18. Equity and reserves**

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

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

Other reserves include statutory reserves, general reserves.

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

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

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

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

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

### **2.19. Earnings per share**

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

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

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

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

### **2.20. Liability Provisions**

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

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

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

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

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

Possible inflows of economic benefits that do not yet meet the criteria for recognition of an asset are considered contingent assets. They are described together with the contingent liabilities of the Company in *Note 25. Contingent liabilities and commitments*.

## 2.21. Significant management judgments in applying accounting policies

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

### 2.21.1. Deferred tax assets

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

Based on this approach and demonstrating a high degree of conservatism, management has decided not to recognize a deferred tax asset amounting to 15 781 thousand BGN in the annual separate financial statements for 2023 on:

	2023 '000 BGN	2022 '000 BGN
Thin capitalization under art. 43 a	9 229	6 961
Tax loss	6 446	7 573
Impairment of receivables	94	296
Lease	9	8
Accumulated unused (compensable) leave	3	3
	<b>15 781</b>	<b>14 841</b>

### 2.21.2. Debt instruments measured at amortized cost

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

### 2.21.3. Leases

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

## 2.22. Uncertainty of accounting estimates

In preparing the financial statement, management makes a number of assumptions, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from management's assumptions, estimates, and assumptions and, in rare cases, may be fully consistent with previously estimated results.

### **2.22.1. Impairment of investments in subsidiaries**

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

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

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

The company has not recognized losses from impairment of investments in subsidiary companies in 2023 (in 2022, losses amounting to 52 715 thousand BGN were recognized) (*Notes 12.*).

### **2.22.2. Impairment of loans and receivables**

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

### **2.22.3. Fair value of financial instruments**

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

## **2.23. Financial risk management**

### **2.23.1. Categories of financial assets and liabilities**

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

	Note	31.12.2022 BGN'000	31.12.2021 BGN'000
<b>Financial assets</b>			
Debt instruments at amortized cost:			
Receivables by related parties	23.2.	20 235	23 759
Other receivables	15.	963	15 333
Cash and cash equivalents	16.	93	2 238
Debt instruments at FVTPL:			
Other receivables	15.	7	7
		<b>21 298</b>	<b>41 337</b>
<b>Financial liabilities</b>			
Financial liabilities at amortized cost:			
Bonds liabilities	18.	243 324	235 682
Loans from financial and non-financial institutions	19.	56 065	181 679
Liabilities to related parties	23.3.	40 178	31 753
Trade and other payables	22.	72 167	2 349
		<b>411 734</b>	<b>451 463</b>

Please see note [2.16 Financial Instruments](#) for accounting policy information for each category of financial instruments. The methods applied to measure the fair values of financial assets and liabilities at fair value are described in [note 2.25. Determination of fair values](#). A description of the Company's risk management policies and objectives regarding financial instruments is presented below.

### 2.23.2. Factors Determining Financial Risk

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

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

### 2.23.3. Market risk analysis

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

### 2.23.4. Currency risk

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

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

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

	<b>Short-term exposure</b>		
	<b>British pounds</b>	<b>Czech crowns</b>	<b>US dollars</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
<b>31 December 2022</b>			
Financial assets	6	-	-
Financial liabilities	(165)	(28)	(75)
<b>Total risk exposure</b>	<b>(159)</b>	<b>(28)</b>	<b>(75)</b>
<b>31 December 2021</b>			
Financial assets	7	-	-
Financial liabilities	(76)	(29)	(64)
<b>Total risk exposure</b>	<b>(69)</b>	<b>(29)</b>	<b>(64)</b>

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

- British pounds +/- 0.05% (2022 +/- 4.07%)
- Czech crowns +/- 3.02% (2022 +/- 1.81%)
- US dollars +/- 2.22% (2022 +/- 1.53%)

All other parameters are considered constant.

These rates are based on average exchange rates over the last 12 months of 2023 year. The sensitivity analysis is based on the investments of the Company in foreign currency financial instruments held at the end of the reporting period.

31 December 2023	Increase of the Bulgarian lev rate		Decrease of the Bulgarian lev rate	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
British pounds +/- 0.05%	-	-	-	-
Czech crowns +/- 3.02%	1	1	(1)	(1)
US dollars +/- 2.22%	2	2	(2)	(2)

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

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

### 2.23.5. Interest Rate Risk

The Company's policy is aimed at minimizing interest rate risk in long-term financing. Therefore, a portion of the long-term loans have fixed interest rates. As of 31 December 2023, the Company is exposed to the risk of changes in market interest rates on its bank loans because some of them have an interest rate equal to the sum of a fixed component and 3m EURIBOR or 6m EURIBOR. This risk arose in the second half of 2022 since the values of 3m EURIBOR and 6m EURIBOR have exceeded zero. All other financial assets and liabilities of the Company have fixed interest rates. All investments in bonds by the Company are paid based on fixed interest rates.

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

<b>Interest Rate Risk Exposure</b>			
<b>Loan</b>	<b>Exposure as at 31.12.2023 BGN'000</b>	<b>Interest rate</b>	<b>Maturity date</b>
International Asset Bank	7 530	6.00% + 3m EURIBOR	03.2025
International Asset Bank	12 111	5.00% + 3m EURIBOR	01.2029
JP Morgan SE	29 503	8.75% + 6m EURIBOR	06.2025
<b>Total risk exposure</b>	<b>49 144</b>		

The tables presented below show the sensitivity of the annual net financial result after taxes and of the equity to a probable change in interest rates on floating-rate loans, based on a fixed component plus 3m EURIBOR ranging from +/- 12.89% (for 2022: +/- 43.17%) and 6m EURIBOR ranging from +/- 5.03% (for 2022: +/- 36.06%). These changes are deemed probable based on observations of current market conditions. The calculations are based on the change in the average 3m EURIBOR since the values exceeded zero in 2022 and on the financial instruments held by the Company at the end of the reporting period, which are sensitive to changes in interest rates. All other parameters are assumed to be constant.

31 December 2023	<u>Increase in interest rate</u>		<u>Decrease in interest rate</u>	
	Net financial result	Equity	Net financial result	Equity
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>
International Asset Bank	58	58	(58)	(58)
International Asset Bank	78	78	(78)	(78)
JP Morgan SE	130	130	(130)	(130)

### 2.23.6. Macroeconomic forecast and macroeconomic risks

In the mid-term, real incomes are expected to improve, leading to an anticipated upturn in economic growth supported by strengthening external demand and the resolution of remaining supply difficulties, despite less favorable financing conditions. The labor market is expected to remain relatively resilient during the upcoming moderate recession. Overall, the annual growth of real GDP is expected to significantly slow down – from 3.4% in 2022 to 0.5% in 2023, followed by an acceleration to 1.9% in 2024 and 1.8% in 2025.

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

### 2.23.7. Effect on economic growth

The table below presents information on the expectations for economic growth of the Republic of Bulgaria, according to the data of the International Monetary Fund (January 2024: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)

	Historical data						Forecast	
	2018	2019	2020	2021	2022	2023	2024	2025
Economic GDP growth	1.9%	1.5%	(6.3)%	5.2%	3.3%	0.5%	0.9%	1.7%

### 2.23.8. Effect on credit ratings

As a result of the expected economic effects of the slowdown in overall activity, some rating agencies worsened their forecast on long-term debt positions, both in terms of government debt and in terms of corporate debt positions. The table below provides information on the change in the credit rating (including forecast) assigned by **Fitch** to the Republic of Bulgaria and to the Parent company of the Group.

	Rating	Outlook
Republic of Bulgaria (27 October 2023)	BBB+	Positive
Eurohold Bulgaria AD (20 June 2023)	B	Stable

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

The Company's management has analysed the expected effect on the overall model of IFRS 9, the results of which are presented in detail below. The focus of the analysis includes:

- The assessment of the deterioration of the credit quality of the counterparties.
- The assessment of the potential effect on the expected credit losses from the exposures to the counterparties.

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

With respect to the model (including the full and simplified model) for calculating expected credit losses, management believes that no change to the overall model is necessary.

As of 31 December 2023, given the availability of sufficiently reliable macroeconomic statistics and information on the medium-term levels of default probability, the management has:

- Maintained the expected credit loss on exposures that are part of the simplified model (i.e., trade receivables).
- Reduced the expected credit loss on exposures that are part of the full model (i.e., deposits and cash balances with banks), with an average reduction of 2.00% for deposits and 2.03% for cash balances with banks.



### 2.23.10. Military conflict between Ukraine and Russia

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

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

Eurohold Bulgaria owns, through its subsidiary Euroins Insurance Group AD, investments in insurance companies in Ukraine (*Note 12.*).

The Company has obligations under bank loans to the International Economic Bank, Russia and the International Bank for Economic Cooperation, Russia (*Note 19.*).

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

### 2.23.11. Climate - related matters

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

Consistent with the previous year, as of 31 December 2023, the Company has not identified significant risks caused by climate change that could have a negative and material impact on the Company's financial statements.

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

### 2.23.12. Credit risk analysis

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

	<i>Note</i>	31.12.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
<b>Financial assets</b>			
Debt instruments at amortized cost:			
Receivables from related parties	23.2.	20 235	23 759
Other receivables	15.	963	15 333
Cash and cash equivalents	16.	93	2 238
Debt instruments at FVTPL:			
Other receivables	15.	7	7
		<b>21 298</b>	<b>41 337</b>

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

### 2.23.13. Liquidity risk analysis

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

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

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

<b>31.12.2023</b>	<b>Note</b>	<b>Up to 1 month BGN '000</b>	<b>1-3 months BGN '000</b>	<b>3-12 months BGN '000</b>	<b>1-5 years BGN '000</b>	<b>Over 5 years BGN '000</b>	<b>Total BGN '000</b>
<b>Liabilities by residual maturity</b>							
Loans and borrowings	19.	-	1 165	33 629	21 271	-	56 065
Bond liabilities	18.	-	793	776	163 550	78 205	243 324
Related parties' liabilities	23.3.	101	-	39 691	386	-	40 178
Trade and other payables	22.	3 656	-	9 836	58 675	-	72 167
Lease liabilities	20.	100	32	137	829	88	1 186
Liabilities to personnel	21.	170	-	-	-	33	203
		<b>TOTAL:</b>	<b>4 027</b>	<b>1 990</b>	<b>84 069</b>	<b>244 711</b>	<b>78 326 413 123</b>

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

<b>31.12.2022</b>	<b>Note</b>	<b>Up to 1 month BGN '000</b>	<b>1-3 months BGN '000</b>	<b>3-12 months BGN '000</b>	<b>1-5 years BGN '000</b>	<b>Over 5 years BGN '000</b>	<b>Total BGN '000</b>
<b>Liabilities by residual maturity</b>							
Loans and borrowings	19.	5 827	1 036	158 261	14 449	2 106	181 679
Bond liabilities	18.	-	794	777	155 906	78 205	235 682
Related parties' liabilities	23.3.	101	-	9 275	22 377	-	31 753
Trade and other payables	22.	2 317	-	32	-	-	2 349
Lease liabilities	20.	18	33	151	812	294	1 308
Liabilities to personnel	21.	204	-	-	-	35	239
		<b>TOTAL</b>	<b>8 467</b>	<b>1 863</b>	<b>168 496</b>	<b>193 544</b>	<b>80 640 453 010</b>

### 2.24. Capital risk management

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

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

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

	31.12.2023 <i>BGN '000</i>	31.12.2022 <i>BGN '000</i>
<b>Total equity</b>	<b>218 707</b>	<b>242 602</b>
Total liabilities	413 123	453 010
- Cash and cash equivalents	(93)	(2 238)
<b>Net debt</b>	<b>413 030</b>	<b>450 772</b>
<b>Total equity (Equity + net debt)</b>	<b>631 737</b>	<b>693 374</b>
<b>Debt ratio (Net debt/total equity)</b>	<b>65%</b>	<b>65%</b>

In 2023, the stability of the leverage ratio is mainly a result of the repayment—whether in full or partially—of loans to both financial and non-financial institutions (*Note 19.*).

## 2.25. Determination of fair values

### 2.25.1. Fair value measurement of financial instruments

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

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

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

Fair value measurement In thousand BGN	Note	Book value 31.12.2023	Fair value			
			Level 1	Level 2	Level 3	31.12.2023
Stock traded repurchase bonds	22.	51 619	51 619	-	-	51 619
		<b>51 619</b>	<b>51 619</b>	-	-	<b>51 619</b>

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

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

### Determination of fair value

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

### Stock traded repurchase bonds

All marketable bonds are represented in Bulgarian Leva and are publicly traded on the Irish Stock Exchange, Bonds Section. Fair values have been determined on the basis of their stock exchange price as of the reporting date (*Note 18.*).

#### 2.25.2. Fair value measurement of non-financial assets

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

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

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

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

The following table presents the levels in the hierarchy of non-financial assets as at 31 December 2023 and 31 December 2022, measured at fair value at regular intervals:

Fair value measurement In thousand BGN	Note	Book value 31.12.2023	Fair value			
			Level 1	Level 2	Level 3	31.12.2023
Investments in subsidiaries	12.	608 922	-	-	608 922	608 922
		<b>608 922</b>	-	-	<b>608 922</b>	<b>608 922</b>

Fair value measurement In thousand BGN	Note	Book value 31.12.2022	Fair value			
			Level 1	Level 2	Level 3	31.12.2022
Investments in subsidiaries	12.	651 950	-	-	651 950	651 950
		<b>651 950</b>	-	-	<b>651 950</b>	<b>651 950</b>

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

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

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

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

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

The discounted cash flow method is used to determine the value of a business in terms of its future and expected profitability. In this method, net cash flows are determined by reducing EBITDA (profit before taxes, interest and depreciation) by changing net working capital by investing in non-current assets, without taking into account cash flows related to borrowing, payment of interest on them and cash. The developed business forecast for the development of the company was used as the basis of the method.

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

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

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

31 December 2023  
In BGN'000

Company	Share in equity in%	The book value of the subsidiary	Recoverable amount of the subsidiary	Exceeding recoverable amount over the book value
Euroins Insurance Group AD	90.10%	471 100	480 393	9 293
Eastern European Electric Company II B.V.	100.00%	113 157	378 900	265 743
Euro-Finance AD	99.99%	24 645	44 100	19 455
Electrohold Green EOOD (no activity)	100.00%	20	-	-
		<b>608 922</b>	<b>903 393</b>	<b>294 491</b>

31 December 2022  
In BGN'000

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

## 2.26. Equalization of liabilities arising from financial activities with cash flows

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

In BGN'000	Note	As of 1 January 2023	Cash flows from financing activities		Non-monetary adjustments		As of 31 December 2023
			Proceeds	Payments	The effect of changes in exchange rates	Other adjustments	
Loans from financial and non-financial institutions	19.	<b>181 679</b>	-	(81 225)	-	(44 389)	<b>56 065</b>
Bonds liabilities	18.	<b>235 682</b>	7 932	(11 482)	-	11 192	<b>243 324</b>
Liabilities to related parties, principal and interest	23.3.	<b>30 552</b>	36 876	(22 091)	-	(5 290)	<b>40 047</b>
Lease liabilities	20.	<b>1 308</b>	-	(269)	-	147	<b>1 186</b>
Principal and Interest payables	22.	<b>22</b>	-	(22)	-	-	<b>-</b>
<b>Total:</b>		<b>449 243</b>	<b>44 808</b>	<b>(115 089)</b>	<b>-</b>	<b>(38 340)</b>	<b>340 622</b>

In BGN'000	Note	As of 1 January 2022	Cash flows from financing activities		Non-monetary adjustments		As of 31 December 2022
			Proceeds	Payments	The effect of changes in exchange rates	Other adjustments	
Loans from financial and non-financial institutions	19.	<b>46 636</b>	100 354	(37 508)	-	72 197	<b>181 679</b>
Bonds liabilities	18.	<b>215 220</b>	126 153	(95 280)	-	(10 411)	<b>235 682</b>
Liabilities to related parties, principal and interest	23.3.	<b>98 680</b>	<b>56 787</b>	(120 609)	-	(4 306)	<b>30 552</b>
Lease liabilities	20.	<b>1 654</b>	-	(321)	1	106	<b>1 440</b>
Principal and Interest payables	22.	<b>1 011</b>	-	(62)	-	(927)	<b>22</b>
<b>Total:</b>		<b>363 201</b>	<b>283 294</b>	<b>(253 780)</b>	<b>1</b>	<b>56 659</b>	<b>449 375</b>

### 3. Dividend income

	31.12.2023 BGN'000	31.12.2022 BGN'000
Euro-Finance AD	1 306	2 102
	<b>1 306</b>	<b>2 102</b>

### 4. Other income

	2023 BGN'000	2022 BGN'000
Other income from related parties, including:	194	117
<i>IC Euroins AD</i>	9	11
<i>Euroins Romania Asiguarare – Reasigurare S.A., Romania, (in insolvency)</i>	38	46
<i>Eastern European Electric Company B.V.</i>	72	-
<i>Eastern European Electric Company II B.V.</i>	75	-
<i>Hanson Asset Management Ltd, UK – rent office</i>	-	60
Other income	2 536	134
	<b>2 730</b>	<b>251</b>

**5. Net gains/(losses) from financial instrument operations**

	2023 BGN'000	2022 BGN'000
Gains from investment and financial instrument operations	1 131	337
Gains from revaluation of debt instruments measured at fair value	63	768
<b>Gains from financial instrument operations</b>	<b>1 194</b>	<b>1 105</b>
Losses from financial instrument operations, including:	(444)	(1 125)
<i>Losses from transactions with investments and financial instruments with Euro-Finance AD, a subsidiary company</i>	(13)	(139)
<i>Losses from transactions with investments and financial instruments with IC Euroins AD, a subsidiary company</i>	(184)	-
<i>Losses from transactions with investments and financial instruments with IC Euroins Life AD, a subsidiary company</i>	(19)	-
<i>Losses from transactions with investments and financial instruments with IC EIG Re AD.</i>	(219)	-
Losses from revaluation of financial instruments.	(1)	(1 719)
<b>Losses from financial instrument operations</b>	<b>(445)</b>	<b>(2 844)</b>
<b>Net gains/(losses) from financial instrument operations</b>	<b>749</b>	<b>(1 739)</b>

**2023**

Gains from operations with investments and financial instruments amounting to BGN 1 131 thousand are from transactions with redeemed own Euro Commercial Papers (ECP) (*Note 19.*).

Gains from revaluation of debt instruments, valued at fair value, in the amount of BGN 63 thousand include:

- o BGN 62 thousand from the revaluation of redeemed own bonds from the EMTN Programme in EUR with ISIN XS1731768302 (*Note 18.*).
- o BGN 1 thousand BGN from the revaluation of redeemed own bonds with ISIN BG2100002224 (*Note 18.*).

Losses from operations with investments and financial instruments in the amount of 444 thousand BGN include:

- o BGN 431 thousand from transactions with redeemed own Euro Commercial Papers (ECP) with ISIN: XS2565406654 (*Note 19.*).
- o BGN 13 thousand fees and commissions for services of an investment intermediary.

Losses from revaluation of financial instruments amounting to BGN 1 thousand are from the revaluation of redeemed own bonds from the EMTN Programme in EUR with ISIN BG2100002224 (*Note 18.*).

**2022**

Gains from operations with investments and financial instruments in the amount of BGN 337 thousand include:

- o BGN 133 thousand profit from the sale of redeemed own bonds from the EMTN Programme in EUR with ISIN XS1731768302 (*Note 18.*).
- o BGN 195 thousand profit from operations with redeemed own Euro Commercial Papers (ECP) with ISIN: XS2430057443 (*Note 19.*).
- o BGN 5 thousand profit from the sale of redeemed own bonds with ISIN BG2100002224 (*Note 18.*).
- o BGN 4 thousand profit from the sale of other financial instruments.

Gains from revaluation of debt instruments, valued at fair value, in the amount of BGN 768 thousand include:

- o BGN 591 thousand from the revaluation of redeemed own bonds from the EMTN Programme in EUR with ISIN XS1731768302 (*Note 18.*).
- o BGN 110 thousand from the revaluation of redeemed own bonds with ISIN BG2100002224 (*Note 18.*).
- o BGN 67 thousand from the revaluation of other financial instruments.

Losses from operations with investments and financial instruments in the amount of BGN 1 125 thousand include:

- BGN 536 thousand loss from operations with redeemed own bonds with ISIN BG2100002224 (*Note 18.*).
- BGN 405 thousand loss from operations with redeemed own bonds from the EMTN Programme in EUR with ISIN XS1731768302 (*Note 18.*).
- BGN 139 thousand fees and commissions for services of the investment intermediary Euro-Finance AD, a subsidiary company.
- BGN 39 thousand loss from operations with redeemed own Euro Commercial Papers (ECP) with ISIN: XS2430057443 (*Note 19.*).
- BGN 6 thousand loss from operations with other financial instruments.

Losses from revaluation of financial instruments in the amount of BGN 1 719 thousand include:

- BGN 1 701 thousand from the revaluation of redeemed own bonds from the EMTN Programme in EUR with ISIN XS1731768302 (*Note 18.*).
- BGN 10 thousand from the revaluation of repurchased own Euro Commercial Papers (ECP) with ISIN: XS2430057443 (*Note 19.*).
- BGN 4 thousand from the revaluation of redeemed own bonds from the EMTN Programme in EUR with ISIN BG2100002224 (*Note 18.*).
- BGN 4 thousand from the revaluation of other financial instruments.

## 6. Loss from sales of subsidiary companies, net

	2023 <i>BGN'000</i>	2022 <i>BGN'000</i>
Sale to third parties:		
Profit from the sale of subsidiary company Auto Union AD	-	97
Loss from the sale of subsidiary company Euroalise Group AD	-	(13 464)
Loss from the sale of subsidiary company Daru Invest EAD	-	(5)
	<b>-</b>	<b>(13 372)</b>

## 7. Hired services expenses

	2023 <i>BGN'000</i>	2022 <i>BGN'000</i>
Consultancy services	1 795	1 869
Legal services	624	967
Insurance services, incl.:	830	173
<i>IC Euroins AD</i>	<i>830</i>	<i>173</i>
Intermediary services	846	264
Fees	254	229
Advertising	352	189
Rent and related expenses	117	141
Credit rating	47	47
Phone and internet	43	33
Translation services	11	20
Post and courier services	2	5
Other services, incl.	697	796
<i>Auto Italia EAD (related party till 30.06.2022)</i>	<i>-</i>	<i>1</i>
	<b>5 618</b>	<b>4 733</b>

The cost of an independent financial audit for 2023 totals BGN 323 thousand. Besides the audit and report concerning the prospectus, no additional services were rendered to Eurohold Bulgaria AD by the auditing firm.



## 8. Employee benefits expense

	2023 BGN'000	2022 BGN'000
Wages and salaries	956	926
Social security costs	60	54
	<b>1 016</b>	<b>980</b>

## 9. Other costs

	2023 BGN'000	2022 BGN'000
Other expenses from related parties, incl.:	4	6
<i>IC Euroins AD</i>	4	3
<i>Intermediary services</i>	-	3
Other costs	469	770
	<b>473</b>	<b>776</b>

## 10. Finance income

	2023 BGN'000	2022 BGN'000
Interest income from loans provided to related parties, including:	705	356
<i>Euroins Insurance Group AD</i>	705	328
<i>Auto Union AD (related parties till 30.6.2022)</i>	-	20
<i>Motobul EAD (related parties till 30.6.2022)</i>	-	6
<i>Starcom Holding AD</i>	-	1
<i>Eurolease Group EAD (related parties till 30.6.2022)</i>	-	1
Interest income from loans provided to third parties	-	3
	<b>705</b>	<b>359</b>

## 11. Finance expenses

	2023 BGN'000	2022 BGN'000
Interest on loans from banks and non-bank financial institutions	9 634	5 008
Interest on bond loans under the EMTN Programme	6 806	11 249
Interest on bond loans	4 447	3 941
Interest on loans and leases received from related parties ( <i>Note 11.1.</i> )	2 410	1 508
Interest on loans and leases provided by third parties	83	2
Interest on lease liabilities	52	55
<b>Interest expenses</b>	<b>23 432</b>	<b>21 763</b>
Bank fees related to loans	601	6 141
Loss from currency exchange rate fluctuation	5	14
Other finance costs	21	21
<i>Including other financial expenses with Euro-Finance AD, a subsidiary company</i>	1	-
	<b>24 059</b>	<b>27 939</b>

### 11.1. Interest expenses on loans and leases received from related parties

	2023 BGN '000	2022 BGN '000
Starcom Holding AD – a loans ( <i>Note 23.3</i> )	2 193	890
IC Euroins AD– a financial instrument loan agreements ( <i>Note 23.3</i> )	70	282
Euroins Romania Insurance - Reinsurance S.A. (insolvency) - financial instrument loan agreements ( <i>Note 23.3</i> )	9	218
IC EIG Re EAD – an agreement for the transfer of a financial instrument loan receivable ( <i>Note 23.3</i> )	138	-
Money lease EAD (previous Eurolease Auto EAD, related party till 30.06.2022)	-	56
<i>Incl. lease</i>	-	2
Eurolease Group EAD (related party till 30.06.2022)	-	34
Euroins Insurance Group AD	-	14
Auto Union AD (related party till 30.06.2022)	-	10
Auto Union Service EOOD (related party till 30.06.2022)	-	4
	<b>2 410</b>	<b>1 508</b>

### 12. Investments in subsidiaries

#### 31 December 2023

	Net value as of 01.01.2023 BGN'000	Increase BGN'000	Decrease BGN'000	Net value as af 31.12.2023 BGN'000	Share capital of the subsidiary BGN'000	% interests in subsidiaries %
Euroins Insurance Group AD	471 100	-	-	471 100	576 243	90.10%
Eastern European Electric Company II B.V.	156 185	-	(43 028)	113 157	4	100.00%
Euro-Finance AD	24 645	-	-	24 645	14 100	99.99%
Electrohold Green EOOD	20	-	-	20	20	100.00%
	<b>651 950</b>	-	(43 028)	<b>608 922</b>		

#### 31 December 2022

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

The subject of activity of the subsidiaries is as follows:

- Euroins Insurance Group AD - acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies. The company is active in Bulgaria, Northern Macedonia, Ukraine and Georgia. Euroins Insurance AD, part of Euroins Insurance Group AD, operates on the principle of Freedom of Services in the following Member States of the European Union: Republic of Poland; Republic of Italy; Kingdom of Spain; Germany; Kingdom of the Netherlands. Business area - insurance market.
- Eastern European Electric Company II BV, the Netherlands - acquisition and management of energy market companies;
- Euro-Finance AD - Providing and performing investment services and activities in the country and abroad. Business direction - Investment intermediation and asset management - Bulgaria;
- Electrohold Green EOOD - consulting and investment activities, construction and maintenance of photovoltaic power plants, trade in solar panels and accessories, real estate transactions. As of 31.12.2023, the company has not conducted any operations.

### ***Euroins Insurance Group AD***

#### *Loss from impairment of the subsidiary Euroins Insurance Group AD in 2022*

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

On 17 February 2023, the management of Eurohold Bulgaria AD informed the public (news section of [www.eurohold.bg](http://www.eurohold.bg)) that despite its disagreement with the actions of insurance supervision officials in Romania against the local division of Euroins in order to protect the company from more further regulatory overpressure, Euroins Romania concluded a new reinsurance contract with the group's reinsurer - ZD EIG Re EAD (EIG Re). This contract guarantees the payment of all claims of the Romanian insurer and ensures the transfer of a significant part (87%) of the risk in its portfolio outside the company, thereby retroceded to leading European reinsurers.

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

Euroins Romania Insurance - Reinsurance S.A., Romania (Euroins Romania), was declared insolvent on 9 June 2023.

As a result of the events that occurred in 2023, the management of the Company conducted impairment tests on its investment in Euroins Insurance Group AD as of 31 December 2022, and recognized impairment expenses amounting to BGN 52 715 thousand. The net value of the investment as of 31 December 2022, was BGN 471 100 thousand.

### ***Eastern European Electric Company II B.V.***

In June 2023, the management of Eurohold Bulgaria AD decided to return additional capital contributions from Eastern European Electric Company II B.V. amounting to BGN 43 028 thousand (EUR 22 million).

In 2022, Eurohold Bulgaria AD increased the capital of its subsidiary Eastern European Electric Company II B.V. in accordance with applicable provisions of Dutch law - through cash contributions totaling EUR 7 255 thousand without issuing shares, and these contributions were allocated to a premium reserve.

See also *Note 26. Events after the end of the reporting period.*

### ***Electrohold Green Ltd***

On 23.05.2022, the Board of Directors of Eurohold Bulgaria AD decided to establish a subsidiary Electrohold Green EOOD with a capital of BGN 20 thousand, divided into 20 equal shares of BGN 1 000 each. As of 31.12.2023, the company has not engaged in activities.

### ***Auto Union AD***

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

### ***Eurolease Group AD***

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

### ***Daru Invest EAD***

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

On 22.03.2022, a contract was concluded for the sale of shares of Daru Invest EAD, which finalized the sale of 100% of the capital of Daru Invest EAD.

### **Impairment of investments in subsidiaries**

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

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

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

### 13. Property, plant and equipment

	Right-of-use assets – Properties <i>BGN'000</i>	Vehicles <i>BGN'000</i>	Equipment <i>BGN'000</i>	Total <i>BGN'000</i>
<b>Cost:</b>				
<b>As of 1 January 2022</b>	<b>3 137</b>	<b>244</b>	<b>82</b>	<b>3 463</b>
Additions	-	43	-	<b>43</b>
Disposals	(1 378)	-	-	<b>(1 378)</b>
<b>As of 31 December 2022</b>	<b>1 759</b>	<b>287</b>	<b>82</b>	<b>2 128</b>
Additions	-	32	18	<b>50</b>
Disposals	-	-	(2)	<b>(2)</b>
<b>As of 31 December 2023</b>	<b>1 759</b>	<b>319</b>	<b>98</b>	<b>2 176</b>
<b>Depreciation:</b>				
<b>As of 1 January 2022</b>	<b>1 761</b>	<b>171</b>	<b>79</b>	<b>2 011</b>
Depreciation	249	40	2	<b>291</b>
Other changes	(1 378)	-	-	<b>(1 378)</b>
<b>As of 31 December 2022</b>	<b>632</b>	<b>211</b>	<b>81</b>	<b>924</b>
Depreciation	176	27	3	<b>206</b>
Disposals	-	-	(2)	<b>(2)</b>
<b>As of 31 December 2023</b>	<b>808</b>	<b>238</b>	<b>82</b>	<b>1 128</b>
<b>Net book value:</b>				
<b>As of 1 January 2022</b>	<b>1 376</b>	<b>73</b>	<b>3</b>	<b>1 452</b>
<b>As of 31 December 2022</b>	<b>1 127</b>	<b>76</b>	<b>1</b>	<b>1 204</b>
<b>As of 31 December 2023</b>	<b>951</b>	<b>81</b>	<b>16</b>	<b>1 048</b>

### 14. Intangible assets

	Software <i>BGN'000</i>
<b>Cost:</b>	
<b>As of 1 January 2022</b>	21
Additions	2
<b>As of 31 December 2022</b>	<b>23</b>
Additions	-
<b>As of 31 December 2023</b>	<b>23</b>
<b>Depreciation:</b>	
<b>As of 1 January 2022</b>	18
Accrued depreciation	4
<b>As of 31 December 2022</b>	<b>22</b>
Accrued depreciation	1
<b>As of 31 December 2023</b>	<b>23</b>
<b>Net book value:</b>	
<b>As of 1 January 2022</b>	<b>3</b>
<b>As of 31 December 2022</b>	<b>1</b>
<b>As of 31 December 2023</b>	<b>-</b>

## 15. Other receivables

	31.12.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Debt substitution agreement receivable	-	18 000
VAT refund	-	217
Debt securities measured at FVTPL	7	7
Trade receivables	965	43
Prepaid expenses, including:	562	903
<i>Prepaid expenses to related parties – IC Euroins AD</i>	<i>449</i>	<i>781</i>
Other	5	5
	<b>1 539</b>	<b>19 175</b>
Impairment	(7)	(2 715)
	<b>1 532</b>	<b>16 460</b>

The claim under the debt assumption agreement with a book value of BGN 18 000 thousand as of 31.12.2022, arose from the settlement of financial relations with the assignor by transferring ownership of 10 681 repurchased own bonds with ISIN BG2100002224, each with a nominal value of EUR 1 000 (*Note 18. and 24.*).

Parameters under the debt assumption agreement:

Creditor	Obliged party	Currency	Contract limit	Principal due 31.12.2023 <i>BGN'000</i>	Principal due 31.12.2022 <i>BGN'000</i>	Maturity date
Eurohold Bulgaria AD	Third non-related party	BGN	21 000 000	-	18 000 000	03.04.2024

## 16. Cash and cash equivalents

	31.12.2023 <i>BGN'000</i>	31.12.2022 <i>BGN'000</i>
Cash at banks	74	126
Cash in hand	19	22
Blocked funds in a special purpose account in connection with a contract with a credit institution	-	2 098
	<b>93</b>	<b>2 246</b>
Impairment	-	(8)
	<b>93</b>	<b>2 238</b>

## 17. Share capital and reserves

### 17.1. Share capital

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

	31.12.2023 <i>Number of shares</i>	31.12.2022 <i>Number of shares</i>
Registered capital at the beginning of the year	260 500 000	260 500 000
Issue of shares during the year	-	-
<b>Registered capital at the end of the year</b>	<b>260 500 000</b>	<b>260 500 000</b>

As of 31.12.2023 the share capital is distributed as follows:

Shareholders	% Participation in the share capital	Number of shares /Voting rights/	Par value BGN
Starcom Holding AD	50.08%	130 454 157	130 454 157
KJK Fund II Sicav-Sif Balkan Discovery	10.79%	28 116 873	28 116 873
Boston Management and Research, through the following funds managed by him: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio.	8.63%	22 482 578	22 482 578
SLS Holding AD	8.68%	22 606 273	22 606 273
PENSION ASSURANCE COMPANY-FUTURE through the following funds managed by him: UPF-Future PPF-Future DPF-Future	5.06%	13 179 398	13 179 398
Other legal entities	15.06%	39 223 015	39 223 015
Other individuals	1.70%	4 437 706	4 437 706
<b>Total</b>	<b>100.00%</b>	<b>260 500 000</b>	<b>260 500 000</b>

### 17.2. Reserves

	31.12.2023 BGN'000	31.12.2022 BGN'000
Share premium	144 030	144 030
General reserves	7 641	7 641
	<b>151 671</b>	<b>151 671</b>

### 17.3. Loss per share

	31.12.2023	31.12.2022
Loss available for distribution (in BGN)	(23 894 625)	(102 147 238)
Weighted average number of shares	260 500 000	260 500 000
<b>Loss per share (in BGN per share)</b>	<b>(0.0917)</b>	<b>(0.3921)</b>

## 18. Bond liabilities

	31.12.2023 BGN'000	31.12.2022 BGN'000
<b>Non - current bond liabilities</b>		
EMTN Programme in EUR with ISIN: XS1731768302 - principal	85 317	77 673
EMTN Programme in EUR with ISIN: XS1542984288 - principal	19 558	19 558
Corporate bond with ISIN: BG2100013205 - principal	58 675	58 675
Corporate bond with ISIN: BG2100002224 - principal	78 205	78 205
	<b>241 755</b>	<b>234 111</b>
<b>Current bond liabilities</b>		
EMTN Programme in EUR with ISIN: XS1731768302 - interest	585	585
EMTN Programme in PLN/EUR with ISIN: XS1542984288 - interest	9	9
Corporate bond with ISIN: BG2100013205 - interest	182	183
Corporate bond with ISIN: BG2100002224 - interest	793	794
	<b>1 569</b>	<b>1 571</b>
	<b>243 324</b>	<b>235 682</b>

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

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

The EMTN program with ISIN XS1731768302 is an extended EMTN program with a maturity date of 07.06.2026, a fixed interest rate of 6.5% (six and a half percent) per annum and an interest payment frequency of once a year in arrears. At the end of 2022, the Company received consent to extend by 42 months the final repayment period of European medium-term notes issued under the European Medium-Term Notes Program (EMTN Programme) and admitted to trading on the Irish Stock Exchange. As of 31.12.2023, the company owns repurchased own securities with a nominal value of EUR 27 000 thousand.

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

Bond loan with ISIN: BG2100013205 in the amount of EUR 30 000 000 was registered by Central Depository AD on 26 November 2020. The issue is the second in a row of ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, freely transferable bonds under the terms of primary private (non-public) placement within the meaning of Art. 205, para. 2 of the CA. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is 26.11.2027, and the principal is repaid once at maturity date. Interest payments are made every six months, as of the date of registration of the issue (26.11.2020), at a fixed nominal interest rate - 3.25% on an annual basis.

Bond loan with ISIN: BG2100002224 in the amount of EUR 40 000 000 was registered by Central Depository AD on 08.03.2022. The issue is a third corporate, ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, unprivileged and freely transferable bonds under the conditions of initial private (non-public) offering to less than 150 participants - a predetermined circle of investors according to a decision of the Management Board of the public company dated 23.02.2022 - TBI Bank EAD. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is 8 March 2029, and



the principal is repaid once at maturity. The interest payments are every six months, as of the date of registration of the issue (08.03.2022), at a fixed nominal interest rate - 3.25% on an annual basis.

**In 2023** the following bond transactions were concluded:

- 4 000 pcs. repurchased own notes with ISIN XS1731768302 were sold.
- Pursuant to an Agreement, a subsidiary of Eurohold Bulgaria AD replace another subsidiary of Eurohold Bulgaria AD in its capacity as a lender under a loan agreement for financial instruments with 2 126 pcs. due from Eurohold Bulgaria AD notes from the EMTN Program in EUR with ISIN XS1731768302 with a total nominal value of EUR 2 126 thousand and unpaid interest in the amount of BGN 91 thousand (*Note 10.*).

**In 2022** the following bond transactions were concluded:

- Under the financial instruments loan agreement were acquired 2 126 pcs. Securities under the EMTN Programme in EUR with ISIN XS1731768302, as a result of which the company has reported interest expenses in the amount of BGN 282 thousand (*Note 10. and 23.1.1.*).
- Under the financial instruments loan agreement were acquired 1 650 pcs. securities under the EMTN Programme in EUR with ISIN XS1731768302, as a result of which the company has reported interest expenses in the amount of BGN 218 thousand (*Note 10. and 23.1.1.*).
- A total of 1 306 pcs. Repurchased own securities under the EMTN Programme in EUR with ISIN XS1731768302 have sold and as a result of which a profit from operations with investments and financial instruments in the amount of BGN 63 thousand was reported (*Note 5.*).
- Pursuant to contracts for the purchase and sale of financial instruments have transferred the ownership of 1 306 pcs. (acquired) repurchased own securities under the EMTN Programme in EUR with ISIN XS1731768302. As of 31 December 2022, the financial transactions under these contracts have been fully settled.
- Pursuant to three contracts for repo transactions with financial instruments have respectively sold with an arrangement for repurchase 3 766 pcs., 2 400 pcs. and 1 376 pcs. own securities under the EMTN Programme in EUR with ISIN XS1731768302. As a result of the transactions, losses from operations with investments and financial instruments in the amount of BGN 405 thousand were reported (*Note 5.*). As of 31 December 2022, the financial transactions under these contracts have been fully settled.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 3 776 units (acquired) repurchased own securities under the EMTN Programme with ISIN XS1731768302 was transferred. As of 31.12.2022, the financial transactions under this contract have been fully settled.
- 35 000 pcs. own bonds with ISIN BG2100002224 have bought back and a loss from operations with investments and financial instruments in the amount of BGN 479 thousand was reported (*Note 5.*).
- Pursuant to the agreement to purchase and sale of financial instruments has transferred the ownership of 20 500 pcs. repurchased own bonds with ISIN BG2100002224, whereby the financial relations with the Assignor under three contracts for transfer of the receivable and the annexation to them are settled (*Note 15. and 24.*).
- Pursuant to the agreement to purchase and sale of financial instruments has transferred ownership of 6 000 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which finally settled the financial relationships under the concluded contract for the purchase and sale of Daru Invest EAD (related party until 22.3.2022).
- Pursuant to contracts for the purchase and sale of financial instruments have sold 2 114 pcs own bonds with ISIN BG2100002224. As a result of the transactions, a profit from operations with investments and financial instruments in the amount of BGN 1 thousand was reported (*Note 5.*).
- A total of 21 391 pcs. repurchased own bonds with ISIN BG2100002224 have sold and losses from operations with investments and financial instruments in the amount of BGN 57 thousand (*Note 5.*) and profits from operations with investments and financial instruments in the amount of BGN 4 thousand were reported (*Note 5.*).
- 495 pcs. repurchased own bonds with ISIN BG2100002224 have been transferred (acquired), which partially settled the financial transactions under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).

## 19. Loans and borrowings

	31.12.2023	31.12.2022
	<i>BGN'000</i>	<i>BGN'000</i>
<b>Non-current loans and borrowings</b>		
International Investment Bank	11 437	16 555
J.P.Morgan SE	9 834	-
	<b>21 271</b>	<b>16 555</b>
<b>Current loans and borrowings</b>		
J.P.Morgan SE	20 834	78 632
Euro Commercial Paper (ECP)	-	57 385
International Bank for Economic Cooperation	-	23 728
International Investment Bank	9 632	5 379
Other	4 328	-
	<b>34 794</b>	<b>165 124</b>
	<b>56 065</b>	<b>181 679</b>

### Parameters under the loans and borrowings:

Bank	Type	Currency	Contract limit	Principal as of 31.12.2023	Principal as of 31.12.2022	Interest rate	Maturity date	Security
International Investment Bank	Loan - Principal	EUR	10 000 000 €	3 850 €	4 620 €	6.0% + 3m EURIBOR	03.2025	Pledge on subsidiary shares
International Investment Bank	Loan - Principal	EUR	7 000 000 €	6 192 €	6 462 €	5.0% + 3m EURIBOR	01.2029	Pledge on subsidiary shares. Insurance.
International Bank for Economic Co-operation	Loan - Principal	EUR	20 000 000 €	-	12 000 €	6.5%	07.2023	Pledge on subsidiary shares
JP Morgan SE	Loan - Principal	EUR	40 000 000 €	15 085 €	40 000 €	8.75% + 6m EURIBOR	06.2025	Pledge on subsidiary shares. Insurance.

### As of 31.12.2023

- Other current loans and borrowings to financial and non-financial institutions represent a liability (principal + interest) under a loan agreement for financial instruments with an annual interest rate of 7.0% and maturity on 05.06.2024.

### In 2023

- The company has performed a transaction on the repurchase of the European Commercial Papers (ECP) from an issue with ISIN XS2491929290 with a nominal value of EUR 2 500 thousand. The issue was mark down due to maturity (*Note 24.*).
- The company has performed transactions on the repurchase of the European Commercial Papers (ECP) from an issue with ISIN XS2565406654 with a nominal value of EUR 27 500 thousand. The issue was withdrawn due to maturity (*Note 24.*). As a result, losses from operations with investments and financial instruments in the amount of BGN 448 thousand (*Note 5.*) and profits from operations with investments and financial instruments in the amount of BGN 236 thousand (*Note 5.*) were reported.

### As of 31.12.2022

European Commercial Papers (ECP) consists of:

- ISIN XS2565406654, with a maturity 12.2023, an annual interest rate - 2.5% and a par value of EUR 27 500 thousand.
- ISIN XS2491929290, with a maturity 06.2023, an annual interest rate - 1.5% and a par value of EUR 2 500 thousand.

**In 2022**

- The company has issued and repurchased one European Commercial Papers (ECP) issue, with a total par value of EUR 2 500 thousand.
- The company performed transactions on the sale of the European Commercial Papers (ECP) from an issue with ISIN XS2430057443 worth EUR 29 160 thousand, as a result of which losses from operations with investments and financial instruments in the amount of BGN 39 thousand (*Note 5.*) and profits from operations with investments and financial instruments in the amount of BGN 7 thousand (*Note 5.*) were reported.
- The company performed a transaction on the repurchase of the European Commercial Papers (ECP) from an issue with ISIN XS2430057443 in the amount of EUR 1 660 thousand.
- The company carried out transactions on the exchange of a European Commercial Papers (ECP) issue bought back before maturity with ISIN XS2430057443 with a newly issued one with ISIN XS2565406654, both with a nominal value of EUR 27 500 thousand. As a result of the exchange transactions, the Company reported profits from operations with investments and financial instruments in the amount of BGN 186 thousand (*Note 5. and Note 24.*).

**20. Lease liabilities**

	31.12.2023 BGN'000	31.12.2022 BGN'000
Lease liabilities – non-current	917	1 106
Lease liabilities - current	269	202
	<b>1 186</b>	<b>1 308</b>

**21. Pension and other employee obligations**

	31.12.2023 BGN'000	31.12.2022 BGN'000
Non-current obligations for retirement benefits	33	35
Current employee and social security obligations	170	204
	<b>203</b>	<b>239</b>

**22. Trade and other payables**

	31.12.2023 ХИЛ. ЛВ.	31.12.2022 ХИЛ. ЛВ.
<b>Other payables - non-current</b>		
Liabilities on contract for transferred receivables	58 675	-
	<b>58 675</b>	<b>-</b>
<b>Trade and other payables - current</b>		
Trade payables	11 367	1 374
Tax liabilities	1 675	212
Dividend payables	249	249
Liabilities from receivables transfer agreement - current	14	14
Liabilities to transferees	8	-
Interest on loans	-	22
Other liabilities	179	478
<b>Trade and other payables - current</b>	<b>13 492</b>	<b>2 349</b>
	<b>72 167</b>	<b>2 349</b>

**As of 31 December 2023:**

Non-current liabilities on contract for transferred receivables are non-interest-bearing and mature on 20.06.2025.

**23. Transactions and balances with related parties**

**The related parties of the Company are as follows:**

- **Starcom Holding AD, Bulgaria – major shareholder in Eurohold Bulgaria AD.**
- Starcom Finance EAD, Bulgaria - subsidiary of Starcom Holding AD, Bulgaria;
- Quintar Capital Limited, Hong Kong, China - subsidiary of Starcom Holding AD, Bulgaria;
- Hanson Asset Management Ltd, United Kingdom - subsidiary of Starcom Holding AD, Bulgaria;
- Swiss Global Asset Management AG, Switzerland - subsidiary of Starcom Holding AD, Bulgaria since 03.05.2022;
- Vedernik EAD, Bulgaria – since 17.8.2023;
- Solars Energy AD – associate of Starcom Holding AD since October, 2022.

**Subsidiaries of Eurohold Bulgaria AD:**

- **Euroins Insurance Group AD (EIG) – subsidiary of Eurohold Bulgaria AD;**
- IC Euroins AD, Bulgaria – subsidiary of EIG;
- Euroins Romania Asiguarare – Reasigurare S.A., Romania (in insolvency) – subsidiary of EIG;
- Euroins Osigurovanje AD, North Macedonia – subsidiary of EIG;
- IC Euroins Life EAD, Bulgaria – subsidiary of EIG;
- IC Euroins Ukraine PrAT, Ukraine – subsidiary of EIG;
- European Travel Insurance PrAT, Ukraine - subsidiary of EIG;
- ECLAIM Settlement Services Single Member P.C. (previous name Euroins Claims I.K.E.), Greece - subsidiary of EIG;
- IC Euroins Georgia JSC, Georgia - subsidiary of EIG;
- Shardeni 2017 Ltd., Georgia – subsidiary of EIG since 29.02.2023;
- PHOENIX MGA SERVICES S.R.L., Romania - subsidiary of EIG – established on 12.06.2023.
- CJSC Insurance company Euroins, Belarus - subsidiary of EIG (former CJSC Insurance company ERGO) until 30.12.2022;
- IC Euroins, Russian Federation - associated of EIG until 30.12.2022;
- IC EIG Re AD, Bulgaria– subsidiary of EIG - EIG AD has entered into a preliminary agreement for the sale of EIG RE EAD. As of 31.12.2023, control over EIG RE EAD has been lost, with all necessary notifications made to the competent authority in accordance with applicable legislation.
  
- **Daru Invest EAD, Bulgaria – subsidiary of Eurohold Bulgaria AD until 22.03.2022;**
  
- **Avto Union AD (AU), Bulgaria – subsidiary of Eurohold Bulgaria AD until 30.06.2022;**
- Avto Union Service EOOD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Auto Italia EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Bulvaria EOOD, Bulgaria – subsidiary of AU – (previous name Bulvaria Varna EOOD) – related party until 30.06.2022;
- Bulvaria Sofia EAD, Bulgaria - subsidiary of AU – related party until 30.06.2022;
- Daru Car AD, Bulgaria – subsidiary of AU – related party until 30.06.2022;
- Star Motors EOOD, Bulgaria – subsidiary of AU – related party until 11.05.2022;
- Star Motors DOOEL, North Macedonia through Star Motors EOOD - subsidiary of AU – related party until 11.05.2022;
- Star Motors SH.P.K., Kosovo through Star Motors EOOD - subsidiary of AU – related party until 11.05.2022;
- Motohub OOD, Bulgaria - subsidiary of AU – related party until 30.06.2022;
- Motobul EAD, Bulgaria – subsidiary of AU – related party until 30.06.2022;

- Benzin Finance EAD, Bulgaria - subsidiary of AU – related party until 30.06.2022;
- Bopar Pro S.R.L, Romania through Motobul EAD - subsidiary of AU – related party until 30.06.2022;
- China Motor Company AD, Bulgaria - a subsidiary of AU AD – related party until 30.06.2022;
- N Auto Sofia EAD, Bulgaria - a subsidiary of AU AD until 02.08.2021.
- Espas Auto OOD, Bulgaria through N Auto Sofia EAD - a subsidiary of AU AD until 02.08.2021.
- EA Properties EOOD, Bulgaria through N Auto Sofia EAD - a subsidiary of AU AD until 02.08.2021.
  
- **Eurolease Group AD (ELG) – subsidiary of Eurohold Bulgaria AD until 30.06.2022;**
- Money Lease EAD (previous name Eurolease Auto EAD), Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Auto Romania AD, Romania – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Auto DOOEL, North Macedonia – subsidiary of ELG – related party until 30.06.2022;
- Eurolease Rent-a-Car EOOD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Finacity AD, Bulgaria (previous name Amigo Leasing EAD) – subsidiary of ELG – related party until 30.06.2022;
- Kazam Bulgaria EAD, Bulgaria (previous name Autoplaza EAD) – subsidiary of ELG – related party until 30.06.2022;
- Sofia Motors EOOD, Bulgaria – subsidiary of ELG – related party until 30.06.2022;
- Amigo Finance EOOD, Bulgaria (previous name Mogo Bulgaria EOOD) – subsidiary of ELG from 01.12.2021 – related party until 30.06.2022;
  
- **Euro-Finance AD – subsidiary of Eurohold Bulgaria AD;**
  
- **Eastern European Electric Company II B.V, Netherlands – subsidiary of Eurohold Bulgaria AD;**
- Eastern European Electric Company III BV, Netherlands - a subsidiary of Eastern European Electric Company BV. II, Netherlands.
- Eastern European Electric Company BV, Netherlands - a subsidiary of Eastern European Electric Company BV. III, Netherlands.
- Electrodistribution Grid West AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Information and Communication Technologies AD, Bulgaria through CEZ Distribution Bulgaria AD – a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Sales Bulgaria AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold Bulgaria EAD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Electrohold EPS EAD, Bulgaria - through Electrohold Bulgaria EAD, Bulgaria – a subsidiary of Eastern European Electric Company BV, Netherlands. Established in 2022.
- Electrohold Sales Bulgaria AD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands
- Electrohold Trade EAD - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Free Energy Project Oreshets EOOD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
- Bara Group EOOD, Bulgaria - a subsidiary of Eastern European Electric Company BV, Netherlands from 27.07.2021.
  
- **Electrohold Green EOOD, Bulgaria – subsidiary of Eurohold Bulgaria AD – established in 2022.** No activity as of 31.12.2023.

## **23.1. Transactions with related parties**

### **23.1.1. Transactions with subsidiary companies and related parties**

#### **In 2023**

- Pursuant to an Agreement, IC EIG-RE EAD (subsidiary company, lost control as of 31 December 2023) replace IC Euroins AD in its capacity as a lender under a loan agreement for financial instruments with 2 126 pcs. due from Eurohold Bulgaria AD securities from the EMTN Program in EUR with ISIN XS1731768302 with a total nominal value of EUR 2 126 thousand and unpaid interest in the amount of BGN 91 thousand (*Note 10. and 24.*).
- The company has performed a swap transaction with IC Euroins AD of repurchased own European Commercial Papers (ECP) issuance with ISIN XS2491929290 before its maturity, with other similar financial instruments, both with a nominal value of 2 500 thousand euros (*Note 19.*).
- The company has performed a swap transaction with IC Euroins Life AD of repurchased own European Commercial Papers (ECP) issuance with ISIN XS2565406654 before its maturity, with other similar financial instruments, both with a nominal value of 1 302 thousand euros (*Note 19.*).
- The company has performed a swap transaction with IC EIG Re AD (subsidiary company, lost control as of 31 December 2023) of repurchased own European Commercial Papers (ECP) issuance with ISIN XS2565406654 before its maturity, with other similar financial instruments, both with a nominal value of 15 478 thousand euros (*Note 19.*).
- The company has performed a swap transaction with IC Euroins AD of repurchased own European Commercial Papers (ECP) issuance with ISIN XS2565406654 before its maturity, with other similar financial instruments, both with a nominal value of 10 120 thousand euros (*Note 19.*).
- Pursuant to the Sale and Purchase Agreement, an obligation in the amount of EUR 10 143 thousand of Eurohold Bulgaria AD to ZD Euroins AD - Assignor has been transferred to ZD EIG-Re EAD - Assignee (subsidiary company, lost control as of 31 December 2023).

#### **In 2022**

- Pursuant to the contract for the loan of financial instruments with ZD Euroins AD, 2 126 units securities from the EMTN Program in EUR with ISIN XS1731768302 were acquired from Eurohold Bulgaria AD, as a result of which the company reported interest expenses in the amount of BGN 282 thousand (*Notes 10. and 24.*).
- Pursuant to the contract for the loan of financial instruments with Euroins Romania Insurance - Reinsurance S.A., 1 650 units securities from the EMTN Program in EUR with ISIN XS1731768302 were acquired from Eurohold Bulgaria AD, as a result of which the company has reported interest expenses in the amount of BGN 218 thousand (*Notes 10. and 24.*).
- By virtue of a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to Avto Union AD (related party until 30.06.2022) - Lender and has replaced Euroins Insurance Group AD - Initial Debtor in debt.
- In accordance with a Debt replacement agreement, the Company as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to Daru Car EAD (related party until 30.06.2022) - Lender and has replaced in debt Auto Union AD - Initial Debtor.
- Pursuant to an Assignment Notification, the Company has transferred a liability to Daru Car EAD (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a company outside the group.
- By virtue of an Assignment Notification, the Company has transferred a liability to Avto Union AD (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a company outside the group.



- In accordance with a Set-off agreement with the Eastern European Electric Company B.V. Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable of EUR 96 thousand up to the amount of the receivable.
- Pursuant to a Set-off agreement with IC EIG-Re AD, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.
- By virtue of a Debt replacement agreement, Eurolease Group AD (related party until 30.06.2022) as a Borrower has assumed liabilities amounting to BGN 4 370 thousand to Eurolease Auto EAD (related party until 30.06.2022) - Lender and has replaced Eurohold Bulgaria AD - Initial Debtor in debt.
- Pursuant to a Set-off agreement with Eurolease Group AD (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable of BGN 148 thousand up to the amount of the receivable.
- Pursuant to the contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Pursuant to the contract for the purchase and sale of financial instruments from ZD EIG Re EAD (subsidiary company, lost control as of 31 December 2023), the ownership of 856 units was transferred. (acquired) repurchased own bonds with ISIN XS1731768302 of Eurohold Bulgaria AD. As of 31.12.2022, the financial relationships under these contracts have been fully settled (*Note 18.*).
- Pursuant to the contract for the purchase and sale of financial instruments from IC Euroins AD, the ownership of 450 units was transferred. (acquired) repurchased own bonds with ISIN XS1731768302 of Eurohold Bulgaria AD. As of 31.12.2022, the financial relationships under these contracts have been fully settled (*Note 18.*).
- The company performed a SWAP transaction with IC Euroins AD, buying back 25 pcs. ECP with ISIN: XS2344657163 with a face value of EUR 2 500 thousand worth EUR 2 500 thousand and simultaneously replaced it with 25 newly issued ECPs with ISIN: XS2491929290 for EUR 2 462.5 thousand (*Note 19.*).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability of BGN 735 thousand to Auto Union AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Auto Union AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its liability in the amount of BGN 4 256 thousand to Eurolease Group AD (related party until 30.06.2022) - Creditor, and the closure of this liability represents the coverage of a part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of Eurolease Group AD (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).
- Pursuant to the Agreement for the transfer of receivables, Eurohold Bulgaria AD as Assignor transfers its receivable worth BGN 189 thousand from Motobul EAD (related party until 30.06.2022) - Debtor of Auto Union Service EOOD (related party until 30.06.2022) – Assignor. Pursuant to the Agreement for set-off of counter-obligations between Eurohold Bulgaria AD and Auto Union Service EOOD (related party until 30.06.2022), the transferred claim in the amount of BGN 189 thousand is set-off against part of the obligation that Eurohold Bulgaria AD has to Auto Union Service EOOD (related party until 30.06.2022).

- Pursuant to the Tripartite Agreement, a receivable from a transferee with a loan obligation to Starcom Holding AD in the amount of BGN 7 808 thousand was set off.
- The company performed a SWAP transaction with Euroins Romania Insurance - Reinsurance S.A., buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 23 470 thousand and a value of EUR 23 340.9 thousand and simultaneously exchanged it for newly issued ECPs with ISIN: XS2565406654 for EUR 22 883.3 thousand (*Note 19.*).
- The company performed a SWAP transaction with ZD Euroins Life AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 660 thousand and a value of EUR 659.0 thousand and at the same time exchanged it for newly issued ECP with ISIN: XS2565406654 for EUR 643.5 thousand (*Note 19.*).
- The company performed a SWAP transaction with ZD Euroins AD, buying back ECP with ISIN: XS2430057443 with a nominal value of EUR 3 270 thousand and a value of EUR 3 265.3 thousand and simultaneously exchanged it for newly issued ECPs with ISIN: XS2565406654 for EUR 3 188.3 thousand (*Note 19.*).
- The company performed a SWAP transaction with ZD EIG-Re AD, buying back ECP with ISIN: XS2430057443 with a face value of EUR 100 thousand and a value of EUR 99.8 thousand and at the same time exchanged it for newly issued ECP with ISIN: XS2565406654 for EUR 99.5 thousand (*Note 19.*).
- On behalf of Eurohold Bulgaria AD, a third party paid insurance on a loan in the amount of EUR 360 thousand to a related party.
- Pursuant to the Agreement for set-off of counter-obligations with ZD EIG-Re AD, Eurohold Bulgaria AD has set-off a claim worth BGN 50 thousand with a liability of BGN 1 742 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-obligations with Money Lease EAD (former name Eurolease Auto EAD, related party until 30.06.2022) Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 8 thousand with a liability of BGN 20 thousand up to the amount of the receivable.
- Pursuant to the Agreement for set-off with Euroins Insurance Group AD, the Company has set off a liability in the amount of BGN 85 thousand (BGN 77 thousand principal and BGN 8 thousand interest) with a claim for BGN 13 676 thousand (BGN 13 348 thousand principal and BGN 328 thousand interest) up to the amount of the obligation.
- Pursuant to the Agreement for set-off of counter-obligations with Avto Union Service EOOD (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a receivable in the amount of BGN 7 thousand with a liability for BGN 21 thousand up to the amount of the receivable.

The other related parties' transactions for 2023 and 2022 are disclosed in *Notes 3., 4., 5., 6., 7., 9., 10., 11.1., 12., 15., 17. and 23.*

### **23.1.2. Transactions with key management personnel**

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

	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Short-term remunerations:		
Salaries and wages	364	364
Social security costs	8	8
<b>Total short - term remuneration</b>	<b>372</b>	<b>372</b>



## 23.2. Receivables from related parties

	Notes	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Principal on loans granted	23.2.1.	4 518	8 010
Interest on loans granted	23.2.2.	1 018	318
Other receivables	23.2.3.	14 699	15 431
		<b>20 235</b>	<b>23 759</b>

### 23.2.1. Principal on loans granted

	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Euroins Insurance Group AD	4 555	8 010
Impairment	(37)	-
	<b>4 518</b>	<b>8 010</b>

### 23.2.2. Interest on loans granted

	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Euroins Insurance Group AD	1 026	321
Impairment	(8)	(3)
	<b>1 018</b>	<b>318</b>

### 23.2.3. Other receivables

	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Euroins Insurance Group AD	13 168	13 300
Eastern European Electric Company BV	1 173	1 224
Eastern European Electric Company II BV	665	850
Euroins Romania Insurance - Reinsurance S.A. ( <i>in insolvency</i> )	509	193
IC Euroins AD	73	83
Eastern European Electric Company III BV	-	3
Euroins Osigurovanje AD, North Macedonia	-	1
Electrodistribution Grid West AD	3	-
Electrohold Bulgaria EOOD	2	-
Electrohold Trade EAD	-	1
Electrohold EPS EOOD	1	-
Electrohold IKT EAD	16	-
Euro-finance AD	-	1
	<b>15 610</b>	<b>15 656</b>
Impairment	(911)	(225)
	<b>14 699</b>	<b>15 431</b>

The receivable from Euroins Insurance Group AD with a balance of BGN 13 168 thousand as of 31 December 2023 (as of 31 December 2022: BGN 13 300 thousand) includes BGN 13 152 thousand (as of 31 December 2022: BGN 13 271 thousand BGN) receivable under a debt substitution agreement, whereby Eurohold Bulgaria AD received receivables from Euroins Insurance Group AD against the transfer of ownership of 7 375 repurchased own bonds with ISIN BG2100002224, with a nominal value of 1 000 euros each (*Note 18. and 24.*).

Parameters regarding loans/assignments to related parties:

Lender	Debtor	Currency	Contractual limit BGN	Outstanding principal 31.12.2023 '000 BGN	Outstanding principal 31.12.2022 '000 BGN	Interest rate	Maturity
<i>Receivable from a loan agreement with related parties:</i>							
Eurohold Bulgaria AD	Euroins Insurance Group AD	BGN	8 010 000	4 555	8 010	8.00%	08.11.2024
<i>Receivable from an assignment agreement with related parties:</i>							
Eurohold Bulgaria AD	Euroins Insurance Group AD	BGN	14 425 523	13 152	13 271	2.50%	01.01.2025
Total receivables from loans/assignments from related parties:				17 707	21 281		

### 23.3. Related party payables

#### 23.3.1. Related party payables – non-current

	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Starcom Holding AD - subordinated debt	386	8 580
Starcom Holding AD – loan received - principal	-	13 797
	<b>386</b>	<b>22 377</b>

#### 23.3.2. Related party payables - current

	31.12.2023 '000 BGN	31.12.2022 '000 BGN
Starcom Holding AD		
Dividends	101	101
Principal	37 198	-
Interest	2 463	290
Euroins Romania Insurance - Reinsurance S.A. (in insolvency) – loan received		
Principal	-	3 227
Interest	-	218
IC Euroins AD – loan received		
Principal	-	4 158
Interest	-	282
IC Euroins Life AD – trade payables	30	30
Euroins Romania Insurance - Reinsurance S.A. (in insolvency) – trade payables	-	910
IC Euroins AD – trade payables	-	155
IC EIG Re EAD – trade payables	-	5
	<b>39 792</b>	<b>9 376</b>

#### Starcom Holding AD - Subordinated Debt Instruments

The subordinated debts have no definite maturity, and the borrower, Starcom Holding AD, cannot demand their repayment regardless of default. Eurohold Bulgaria AD has the right (but not the obligation) to repay amounts of the principal of the loan corresponding to each sequentially received tranche after 5 years from the date of receiving the respective tranche. Pre-maturity of the principal of the subordinated debt is not allowed except in cases of liquidation or insolvency, after payment of due amounts to all privileged creditors as well as to all remaining ordinary creditors.

The interest due on the agreement dated 12.08.2021 is at a rate of 5% annually on the attracted amounts for the term of their actual use. The interest due on the agreement dated 29.11.2022 is at a rate of 6% + 3M EURIBOR annually on the attracted amounts for the term of their actual use.

#### **Starcom Holding AD – Loans**

- Loan 1 – BGN 386 thousand in the form of subordinated debt with an annual interest rate of 5.0%, maturity on 09.08.2026, and an agreed limit of BGN 50 million.
- Loan 2 – BGN 28 984 thousand BGN with an annual interest rate of 5.5%, maturity on 31.12.2024, and an agreed limit of BGN 40 million.
- Loan 3 – BGN 8 214 thousand with an annual interest rate of 6.0% + 3M EURIBOR, maturity on 31.12.2024, and an agreed limit of EUR 4.2 million.

#### **Euroins Romania Insurance - Reinsurance S.A. (in insolvency) - Loan**

The obligation under the agreement with Euroins Romania Insurance - Reinsurance S.A. (in insolvency) for a loan of financial instruments is at an annual interest rate of 7.0% and maturity on 05.12.2023.

#### **Euroins AD - Loan**

The obligation under the agreement with Euroins AD for a loan of financial instruments is at an annual interest rate of 7.0% and maturity on 05.12.2023.

#### **Trade Payables to Related Parties**

**As of 31.12.2023**, the Company has other liabilities to the following related parties:

- BGN 30 thousand liabilities to Euroins Life AD under swap agreements.

**As of 31.12.2022**, the Company has other liabilities to the following related parties:

- BGN 895 thousand liabilities to Euroins Romania Insurance - Reinsurance S.A. (in insolvency) under swap agreements and trade payables – BGN 15 thousand.
- BGN 151 thousand liabilities to Euroins AD under swap agreements and trade payables – BGN 4 thousand.
- BGN 30 thousand liabilities to Euroins Life AD under swap agreements.
- BGN 5 thousand liabilities to EIG RE EAD under swap agreements.

## **24. Non-cash transactions**

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

### **In 2023**

- Pursuant to an Agreement, a subsidiary of Eurohold Bulgaria AD replace another subsidiary of Eurohold Bulgaria AD in its capacity as a lender under a loan agreement for financial instruments with 2 126 pcs. due from Eurohold Bulgaria AD notes from the EMTN Program in EUR with ISIN XS1731768302 with a total nominal value of EUR 2 126 thousand and unpaid interest in the amount of BGN 91 thousand (*Note 10. and 23.3.1.*).
- The company has conducted a swap transaction of a European Commercial Papers (ECP) issue bought back before maturity with ISIN XS2491929290 with another similar type of securities, both with a nominal value of EUR 2 500 thousand (*Note 19.*).
- The company has conducted swap transactions of European Commercial Papers (ECP) issue bought back before maturity with ISIN XS2565406654 and with a nominal value of EUR 27 500 thousand and at the same time undertook to replace them with another similar type of securities (*Note 19.*).

- Pursuant to the Agreement for the purchase and sale of a receivable, a liability in the amount of EUR 10 143 thousand of Eurohold Bulgaria AD to a subsidiary company (Assignor) was transferred to another subsidiary company (Assignee).

## **In 2022**

- Pursuant to loan agreement for financial instruments with a related party Eurohold Bulgaria AD acquired 2 126 pcs. own securities from the EMTN Program in EUR with ISIN XS1731768302, under which the company has suffered interest amounting to BGN 282 thousand (*Notes 10. and 23.1.1.*).
- Pursuant to loan agreement for financial instruments with a related party Eurohold Bulgaria AD acquired 1 650 pcs. own securities from the EMTN Program in EUR with ISIN XS1731768302, under which the company has suffered interest amounting to BGN 218 thousand (*Notes 10. and 23.1.1.*).
- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 14 426 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary - Initial Debtor.
- Under a Debt replacement agreement, Eurohold Bulgaria AD as a Borrower has assumed a liability in the amount of BGN 4 782 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt another subsidiary (related party until 30.06.2022) - Initial Debtor.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 4 782 thousand to a third party.
- Under an Assignment notification, Eurohold Bulgaria AD has transferred a liability to a subsidiary (related party until 30.06.2022) in the amount of BGN 14 426 thousand to a third party.
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of EUR 2 500 thousand with a receivable in the amount of EUR 96 thousand up to the amount of the receivable.
- Under a Set-off agreement with a third party, Eurohold Bulgaria AD has set off a receivable in the amount of GBP 69 thousand with a liability of GBP 54 thousand up to the amount of the liability
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a third company outside the group in the amount of BGN 21 000 thousand (*Note 15.*). The financial relations are settled with the transfer to the patrimony of the Assignor a total of 10 681 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 18.*).
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 14 429 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 7 375 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 18.*).
- Under a Receivables transfer agreement, a third party - Assignor has transferred to Eurohold Bulgaria AD - Assignee its receivable from a subsidiary of Eurohold Bulgaria AD in the amount of BGN 4 782 thousand. The financial relations are settled with the transfer to the patrimony of the Assignor a total of 2 444 pcs. repurchased own bonds with ISIN BG2100002224, with a par value of EUR 1 000 each (*Note 18.*).
- Under a Set-off agreement with a subsidiary, Eurohold Bulgaria AD has set off a liability in the amount of BGN 55 thousand with a receivable of BGN 42 thousand up to the amount of the receivable.

- Under a Debt replacement agreement, a subsidiary (related party until 30.06.2022) of Eurohold Bulgaria AD as a Borrower has assumed liabilities in the amount of BGN 4 370 thousand to a subsidiary (related party until 30.06.2022) - Lender and has replaced in debt Eurohold Bulgaria AD - Initial Debtor.
- Under a Settlement agreement with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set off a liability in the amount of BGN 4 370 thousand with a receivable in the amount of BGN 148 thousand up to the amount of the receivable.
- Under a contract for the purchase and sale of financial instruments, the ownership of 6 000 pcs. repurchased own bonds with ISIN BG2100002224 were transferred (acquired), and the liability with the transferor was settled with the sale of 100% of the shares of Daru Invest EAD (related party until 22.03.2022).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 735 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part from the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Under a Debt Substitution Agreement, Eurohold Bulgaria AD, as the Initial Debtor, closes its own liability in the amount of BGN 4 256 thousand to a subsidiary (related party until 30.06.2022) - Creditor, and the closure of this liability represents the covering of part of the receivable that Eurohold Bulgaria AD owns for the sale of the shares of the same subsidiary (related party until 30.06.2022) from its buyer - Transferee (third party).
- Pursuant to the Tripartite Agreement and Agreement has transferred ownership of 495 pcs. (acquired) repurchased own bonds with ISIN BG2100002224, which partially settled the financial relationships under the concluded contract for the purchase and sale of shares of Auto Union AD (related party until 30.06.2022).
- Pursuant to the Agreement for the transfer of receivables, Eurohold Bulgaria AD as Assignor transfers its receivable worth BGN 189 thousand from one subsidiary (related party until 30.06.2022) - Debtor of a second subsidiary (related party until 30.06. 2022) – Assignor. Pursuant to the Agreement for the set-off of counter-obligations between Eurohold Bulgaria AD and the second subsidiary (related entity until 30.06.2022), the transferred claim in the amount of BGN 189,000 is set-off against part of the obligation that Eurohold Bulgaria AD has towards the second subsidiary (related party until 30.06.2022).
- Pursuant to the Tripartite Agreement, a claim was set off from a transferee with an obligation under a loan with a related party in the amount of BGN 7 808 thousand.
- Pursuant to a swap agreement, the Company exchanged a Euro Commercial Book (ECP) issue repurchased prior to maturity with ISIN XS2430057443 for a newly issued issue with ISIN XS2565406654, both with a nominal value of EUR 27 500 thousand (*Note 19.*).
- In connection with a loan agreement concluded with a credit institution in December 2022, the lender has deducted EUR 3 878 thousand. The amount was used to cover loan costs (consulting services, insurance, fees).
- Upon repurchase of own securities from the EMTN Program in EUR with ISIN XS1731768302 with a nominal value of EUR 31 000 thousand and interest in the amount of EUR 44 thousand, payments were made on behalf of the Company directly to the intermediaries of the holders on the securities with funds from a loan granted.
- Pursuant to the Agreement for set-off of counter-obligations with the subsidiary Eurohold Bulgaria AD, set-off of a claim in the amount of BGN 50 thousand with a liability of BGN 1 742 thousand up to the amount of the claim.

- Pursuant to the Agreement for set-off of counter-obligations with a subsidiary (related party until 30.06.2022), Eurohold Bulgaria AD has set-off a claim worth BGN 8 thousand with a liability of BGN 20 thousand up to the amount of the claim.
- Pursuant to the Agreement for set-off of counter-obligations with the subsidiary Eurohold Bulgaria AD, set-off of a liability in the amount of BGN 85 thousand (BGN 77 thousand principal and BGN 8 thousand interest) with a claim for BGN 13 676 thousand (BGN 13 348 thousand principal and BGN 328 thousand interest) up to the amount of the obligation.
- Pursuant to the Agreement for set-off of counter-obligations with a subsidiary (related party until 30.06.2022) Eurohold Bulgaria AD has set-off a claim worth BGN 7 thousand with a liability of BGN 21 thousand up to the amount of the claim.

## 25. Contingent, liabilities and commitments

### Litigations

As of 31.12.2023, there are no significant lawsuits filed against the Company.

### Warranties and provided guarantees

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

Business area	Third / Related parties	Amount in EUR'000 as of 31.12.2023	Amount in BGN'000 as of 31.12.2023	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	MATURITY (EUR'000)					
						2024	2025	2026	2027	2028	after 2028
<b>Energy sub-holding</b>											
Corporate payment guarantee	Related parties	3 500	6 845	3 500	6 845	3 500	-	-	-	-	-
Working capital loans	Related parties	20 189	39 486	19 238	37 626	5 430	-	-	14 759	-	-
Corporate guarantee in connection with an acquisition	Related parties	220 000	430 283	220 000	430 283	-	-	-	220 000	-	-
<b>Insurance sub-holding</b>											
Bond loan	Related parties	-	-	10 000	34 622	-	-	-	-	-	-
<b>Parent company</b>											
Bank loans for investment purposes	Related parties	5 000	9 779	5 000	9 779	5 000	-	-	-	-	-
<b>Group of leasing companies*</b>											
For financing leasing activity	Related parties until 30.06.2022	18 519	36 220	21 891	42 815	7 749	5 534	4 048	1 018	170	-
<b>Group of automotive companies*</b>											
Working capital loans	Related parties until 30.06.2022	5 167	10 106	4 788	9 365	2 542	523	523	523	523	533
<b>TOTAL:</b>		<b>272 375</b>	<b>532 719</b>	<b>284 417</b>	<b>571 335</b>	<b>24 221</b>	<b>6 057</b>	<b>4 571</b>	<b>236 300</b>	<b>693</b>	<b>533</b>

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

In connection with financing as part of a package deal, a pledge of 35% shares of a subsidiary was established.

In connection with a concluded contract for financing by a financial institution, a pledge of shares of a subsidiary company was established (*Note 19.*).

In connection with a loan contract by a credit institution in 12.2022, renegotiated in 09.2023, a pledge of shares of a subsidiary company and a pledge of bonds was established (*Note 19.*).

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

Company of:	Amount in EUR'000 as of 31.12.2023	Amount in BGN'000 as of 31.12.2023	Amount in EUR'000 as of 31.12.2022	Amount in BGN'000 as of 31.12.2022	MATURITY OF EXPOSURE AS OF 31.12.2023 (EUR'000)
Automotive subholding (related party until 30.6.2022)	2 050	4 009	2 050	4 009	2024
Automotive subholding (related party until 30.6.2022)	1 662	3 251	1 800	3 520	2024
<b>TOTAL:</b>	<b>3 712</b>	<b>7 260</b>	<b>3 850</b>	<b>7 529</b>	

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

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

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2023 in original currency (EUR'000)	Maturity date
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	70 000	07.2026
Euroins Insurance Group AD	EUR	Issue of bonds (EMTN programme)	10 000	12.2026
Euroins Insurance Group AD <i>Pledge of shares of a subsidiary and pledge of debt notes</i>	EUR	Loan from financial institution	15 084	06.2025

Established guarantees in favour of the Company:

Company/ Guarantor	Currency	Guaranteed liability	Guaranteed amount as of 31.12.2023 in original currency	Maturity date
Milena Milchova Cuentcheva, Procurator	BGN	Management guarantee	3 330	03.2024 *

\*Automatic renewal with 1 year.

## 26. Post-reporting date events

According to the Share Premium Contribution Agreement dated 18.03.2024, an additional capital contribution of EUR 940 thousand was made to the subsidiary company Eastern European Electric Company II B.V. The amount was paid in two instalments – EUR 600 thousand on 14 March 2024, and EUR 340 thousand on 15 March 2024.

With the minutes of the Board of Directors dated 29.3.2024, a decision was taken to convene an extraordinary session of the General meeting of the shareholders of Eurohold Bulgaria AD, for the issuance by the company of an issue of warrants in the amount of up to 260 500 000 (two hundred and sixty million and five hundred thousand) dematerialized, registered, freely transferable warrants under the terms of a public offering pursuant to the provisions of the Public Offering of Securities Act with an issue value of BGN 0.50 (fifty stotinki) for each warrant, which entitle the warrant holders to exercise within a 10-year period their right to subscribe for the corresponding number of shares (of the same type and class as the existing issue of shares of the company - 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) - the underlying asset of the warrants under issue value BGN 2.00 (two Bulgarian lev) per share, at a warrant/share conversion ratio of 1:1, which shares "Eurohold Bulgaria" AD will issue in the future conditional capital increase/s, under the condition, that the new shares are issued only for subscription by the owners of the warrants. The public offering of the issue of warrants of Eurohold Bulgaria AD shall be considered successfully completed only if at least 78 150 000 warrants are subscribed and fully paid, representing 30% (thirty percent) of the offered for issuance securities.

There are no adjusting events or other significant non-adjusting events, which occurred between the date of the separate financial statements and the date of their approval for issue.

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DECLARATION BY THE  
RESPONSIBLE PERSONS



## DECLARATION

under Art. 100n, para 4, item 4 of POSA




The undersigned,

1. Kiril Boshov - Chairman of the Management Board of Eurohold Bulgaria AD
2. Assen Minchev - Executive Director of Eurohold Bulgaria AD
3. Salih Trampov - Chief Accountant of Eurohold Bulgaria AD (compiler of financial statements)

### WE DECLARE that as far as we know:

1. The annual financial statements for 2023, prepared in accordance with the applicable accounting standards, accurately and fairly reflect the information on the assets and liabilities, financial condition and profit or loss of Eurohold Bulgaria AD;
2. The Annual Activity Report for 2023 contains a reliable overview of the development and results of the activities of Eurohold Bulgaria AD, as well as a description of the main risks and uncertainties facing the company.

### Declarators:

- |    |               |  |  |
|----|---------------|--|--|
| 1. | Kirill Boshov | <b>KIRIL IVANOV<br/>BOSHOV</b>         |  Digitally signed by<br>KIRIL IVANOV BOSHOV<br>Date: 2024.04.08<br>14:02:13 +03'00'     |
| 2. | Assen Minchev | <b>ASEN<br/>MINCHEV<br/>MINCHEV</b>    |  Digitally signed by ASEN<br>MINCHEV MINCHEV<br>Date: 2024.04.08 14:04:43<br>+03'00'    |
| 3. | Salih Trampov | <b>SALIH<br/>REDZHEPOV<br/>TRAMPOV</b> |  Digitally signed by SALIH<br>REDZHEPOV TRAMPOV<br>Date: 2024.04.08 14:06:32<br>+03'00' |

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INDEPENDENT AUDITOR'S REPORT

**Grant Thornton OOD**  
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## INDEPENDENT AUDITOR'S REPORT

To the shareholders of  
**EUROHOLD BULGARIA AD**  
Sofia, 43, Christopher Columbus Blvd.

### Report on the Audit of the Separate Financial Statements

#### Opinion

We have audited the separate financial statements of Eurohold Bulgaria AD („the Company“), which comprise the separate statement of financial position as of 31 December 2023 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year ended and notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note “1.3 Highlights of the activity in 2023” to the separate financial statements, in which it is disclosed that as at 31 December 2023 the Company's registered capital exceeds its equity by BGN 41,793 thousand. Pursuant to Article 252, paragraph 1, item 5 of Bulgarian Commercial Law, when the net assets of the Company fall below the amount of the registered capital, the general meeting should take measures within one year to reduce the capital, reorganize or dissolve the Company. On 29 March 2024, the Management Board of the Company made a decision to convene an extraordinary general meeting of shareholders in order to adopt a resolution to issue up to 260 500 000 (two hundred and sixty million and five hundred thousand) dematerialized, registered, freely transferable under the terms of a public offering pursuant to the provisions of Bulgarian Public Offering of Securities Act (POSA). The warrants have an issue value of BGN 0.50 (fifty stotinki) each. Within ten years, the holders can exercise their right to subscribe for the corresponding number of shares (of the same type and class as the existing shares issued by the company - 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) - the underlying asset of the warrants under issue value BGN 2.00 (two Bulgarian lev) per share, at a warrant/share conversion ratio of 1:1. "Eurohold Bulgaria" AD will issue these shares in the future by capital increase/s, provided that the new shares are issued only for the owners of the warrants. The public offering of the issue of warrants of Eurohold Bulgaria AD shall be considered successfully completed only if at least 78 150 000 warrants are subscribed and fully paid, representing 30% (thirty percent) of the offered securities. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments in subsidiaries	
The disclosures of the Company regarding the investments in subsidiaries are presented in Notes 2.5, 2.22 and 12 to the separate financial statements.	
Key audit matter	How this matter was addressed during the audit
<p>Eurohold Bulgaria AD, as a holding company, has as its main activity the acquisition and management of subsidiaries. Investments in subsidiaries of Eurohold Bulgaria AD have a carrying value of BGN 608,922 thousand as of 31 December 2023 and represent a significant portion, 96.4%, of the Company's total assets. They are measured at cost in the individual financial statements.</p> <p>We have focused on management's judgements as to whether there is any indication of impairment of the value of investments in subsidiaries and the results of impairment tests performed.</p> <p>In determining the recoverable amount of investments, the Company's management makes a number of significant assumptions and assumptions that may be based on uncertain future events and may be affected by factors specific to each entity's industry, proposed future events or general macroeconomic indicators.</p> <p>Management performs detailed analyses of its subsidiaries' operations and financial performance to determine whether there is any indication of impairment of the value of investments and whether the carrying value exceeds the recoverable amount. In addition, management uses reports of independent licensed appraisers to determine their fair value measurements.</p> <p>Due to the significance of the investments in subsidiaries and the fact that management's judgments are based on significant assumptions and future events, we identified this matter as a key audit matter.</p>	<p>During our audit, our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>- analysis of the adequacy of the policies, procedures, and controls, which are in place over the process of impairment testing of investments in subsidiaries;</li> <li>- assessment of the reasonableness of the key assumptions regarding the existence of impairment indicators, including those based on the current financial performance of subsidiaries;</li> <li>- analysis of the financial statements and other available, relevant financial information, including budgets, business plans and valuations of the subsidiaries;</li> <li>- a detailed analysis of the financial position of the most significant components of the investments in the subsidiaries, including investments made by the subsidiaries in other companies;</li> <li>- discussions about the susceptibility of subsidiaries to material misstatements in the financial information, including the existence of significant risks of material misstatements;</li> <li>- assessment of the qualifications of external valuation experts;</li> <li>- analysis of the independence of the external experts;</li> <li>- assessment of the valuation methods applied, including estimates and judgements and other key assumptions with regard to their relevance and appropriateness; we involved our internal valuation experts for this analysis;</li> <li>- assessment of the adequacy of the disclosures in the separate financial statements, including disclosures of key assumptions.</li> </ul>

### Information Other than the Separate Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information consists of the annual individual activity report, including the corporate governance statement and the report on compliance with the remuneration policy prepared by management in accordance with Bulgarian Accountancy Act and other applicable legislation requirements, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this

other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements**

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the separate financial statements, whether due to fraud or error, develop and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not disclosing material misstatement resulting from fraud is higher than the risk of material misstatement resulting from error, as fraud may include collusion, falsification, intentional omissions, introductory statements the auditor's misrepresentation, as well as neglect or circumvention of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the accounting base based on the going concern assumption and, based on the audit evidence obtained, whether there is material uncertainty about events or conditions that could give rise to significant doubts about the Company's ability to continue to operate as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the disclosures related to this uncertainty in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to operate as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In addition to our responsibilities for reporting under ISAs, described above in section “Information Other than the Separate Financial Statements and Auditor’s Report Thereon”, regarding the annual individual activity report, including the corporate governance statement and the report on compliance with the remuneration policy, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act and Article 100m, paragraph (10) in relation to Article 100m, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act, as well as Article 100m, paragraph 14 in relation to Article 116c, paragraph (1) of Bulgarian Public Offering of Securities Act.

### ***Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act***

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the management report is consistent with the separate financial statements for the same reporting period;
- (b) the individual activity report is prepared in accordance with the applicable legal requirements;
- (c) as a result of the acquired knowledge and understanding of the Company’s activities and the environment in which it operates, we have found no cases of material misrepresentation in the individual activity report;
- (d) the corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100m, paragraph (8) of Bulgarian Public Offering of Securities Act;
- (e) the report on compliance with the remuneration policy has been prepared in accordance with the requirements of the ordinance pursuant to Article 116c, paragraph 1 of Bulgarian Public Offering of Securities Act and the information in it is consistent with the separate financial statements for the same reporting period.

### ***Statement Pursuant to Article 100m, Paragraph (10) of Bulgarian Public Offering of Securities Act***

Based on the procedures performed and our knowledge of the Company and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Company in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items “c”, “d”, “f”, “h” and “i” of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the corporate governance statement, being a component of the annual individual activity report.

### ***Additional reporting concerning the audit of financial statements in connection with Article 100m, paragraph (4), subparagraph (3) of Bulgarian Public Offering of Securities Act***

- *Statement on Article 100m, paragraph 4, subparagraph (3), item “b” of Public Offering of Securities Act*

Related party transactions are disclosed in Note 23 to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of separate financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the accompanying separate financial statements for the year ended on 31 December 2023, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures“. The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor’s opinion on the separate financial statements, not for issuing a separate opinion only on related party transactions.

- *Statement on Article 100m, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act*

Our responsibilities for audit of the separate financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Separate Financial Statements“, include assessment whether the separate financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the separate financial statements for the year ended on 31 December 2023, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the separate financial statements, were taken into consideration for the purposes of issuing an auditor’s opinion on the separate financial statements, not for issuing a separate opinion only on the significant transactions.

***Reporting on compliance of the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, para 4 of Bulgarian Public Offering of Securities Act with the requirements of ESEF Regulation***

In addition to our responsibilities and reporting under ISA, described above in the section "Auditor's Responsibilities for the Audit of the Separate Financial Statements", we have followed the procedures in accordance with the Guidelines on Issuing of Audit Opinion regarding the Implementation of the European Single Electronic Format ( ESEF) for the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)" of Bulgarian Institute of Chartered Accountants (ICPA) in Bulgaria". These procedures include verifying the electronic file format and whether the human readable part of it corresponds to the audited separate financial statements and expressing an opinion regarding the compliance of the electronic format of the separate financial statements of Eurohold Bulgaria AD for the year ended 31 December 2023, contained in the electronic file „74780000J0W85Y204X80-20231231-BG-SEP.xhtml“, with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (“ESEF Regulation”). Based on these requirements, the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, para. 4 of Bulgarian Public Offering of Securities Act, must be submitted in XHTML format.

The management of the Company is responsible for the application of the requirements of ESEF Regulation when preparing the electronic format of the separate financial statements in XHTML.

Our opinion is only regarding the electronic format of the separate financial statements included in the electronic file „74780000J0W85Y204X80-20231231-BG-SEP.xhtml“ and does not include the other information contained in the annual separate financial report on the activity under art. 100n, para. 4 of Bulgarian Public Offering of Securities Act.

Based on the performed procedures, our opinion is that the electronic format of the separate financial statements of the Company for the year ended 31 December 2023, contained in the attached electronic file „74780000J0W85Y204X80-20231231-BG-SEP.xhtml“, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

***Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014***

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the separate financial statements of "Eurohold Bulgaria" AD for the year ended on 31 December 2023 by the general meeting of shareholders, held on 30 June 2023, for a period of one year.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2023 of the Company represents third, consecutive year of continuous commitment for statutory audit of the Company, performed by us.



- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor’s response and where relevant, key observations arising with respect to those risks in the section „Key audit matters“ of this report.
- We confirm that our audit opinion is consistent with the additional report to the audit committee of the Company, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, in addition to the audit, we have provided the following permitted services: report on prospectus issued by the Company, and other services to its controlled undertakings. No tax consultations or other consultations were provided.

**Mariy Apostolov**  
Managing partner

MARIY GEORGIEV  
APOSTOLOV

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GEORGIEV APOSTOLOV  
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**Grant Thornton Ltd., registered № 032**  
Audit firm

**Silvia Dinova**  
Registered auditor responsible for the audit

SYLVIA BORISLAVOVA  
DINOVA

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DINOVA  
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8 April 2024  
Bulgaria, Sofia, 26, Cherni Vrah Blvd.



**Grant Thornton OOD**  
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## **DECLARATION under Art. 100n, para. 4, item 3 of the Public Offering of Securities Act**

**To the shareholders of  
EUROHOLD BULGARIA AD  
Sofia, 43 Christofor Columbus Blvd.**

### ***Undersigned:***

1. Mariy Georgiev Apostolov, in my capacity as Manager of an **audit firm** Grant Thornton OOD, registered with UIC 831716285, with registered office, address of management and address for correspondence: Sofia, 1421, Cherni Vrah Bld. № 26 and
2. Silvia Borislavova Dinova, in my capacity as a registered auditor (with reg. № 737 from the register under Art. 20 of the Independent Financial Audit Act), responsible for the audit engagement on behalf of audit firm Grant Thornton (with reg. № 032 from the register under Art. 20 of the Independent Financial Audit Act), **we declare that:**

The audit firm Grant Thornton OOD was engaged to perform a statutory financial audit of the separate financial statements of Eurohold Bulgaria AD for 2023, prepared in accordance with International Financial Reporting Standards, adopted by the EU, the common name of the accounting base, defined in item 8 of the Additional Provisions of the Accounting Act under the name „International Accounting Standards”. As a result of our audit, we issued an auditor’s report dated 8 April 2024.

***We hereby CERTIFY THAT, as reported in our auditor’s report on the annual separate financial statements of Eurohold Bulgaria AD for 2023, issued on 8 April 2024:***

1. ***Statement of Article 100n, paragraph. 4, subparagraph. 3, item „a” Audit opinion:*** In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted from the EU and Bulgarian legislation. (*page 1 of audit report*);
2. ***Statement on Article 100n, paragraph 4, subparagraph (3), item "b" Information, relating to transactions of Eurohold Bulgaria AD with related parties.*** Related party transactions are disclosed in Note 23 to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of the separate financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the separate financial statements for the year ended on 31 December 2023, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures”. The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor’s opinion on the separate financial statements as a whole, not for issuing a separate opinion only on related party transactions. (*page 4 of auditor’s report*).
3. ***Statement on Article 100n, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act***

Our responsibilities for audit of the financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Financial Statements”, include assessment whether the financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the financial statements for the year ended on 31 December 2023, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the financial statements, were taken

into consideration for the purposes of issuing an auditor's opinion on the financial statements as a whole, not for issuing a separate opinion only on the significant transactions. (*page 5 of auditor's report*).

The verifications made with this statement should be considered only in the context of the auditor's report issued by us as a result of the independent financial audit of the annual separate financial statements of Eurohold Bulgaria AD for the reporting period ending 31 December 2023, with date of auditor's report 8 April 2024. This declaration is intended only for the above-mentioned addressee and has been prepared solely in compliance with the requirements set out in Art. 100n, para. 4, item 3 of the Public Offering of Securities Act (POSA) and should not be taken as a substitute for our statements contained in the auditor's report issued by us on 8 April 2024 with regard to the issues covered by Art. 100n, item 3 of Bulgarian POSA.

**Mariy Apostolov**  
Managing partner

**Grant Thornton OOD**  
Audit firm

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**Silvia Dinova**  
Registered auditor responsible for the audit

SYLVIA BORISLAVOVA  
DINOVA

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8 April 2024  
Sofia, Bulgaria



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