

EUROHOLD BULGARIA

INTERIM CONDENSED CONSOLIDATED REPORT



30 September 2024

INTERIM CONDENSED CONSOLIDATED REPORT

containing information on important events that occurred during the period

1 January - 30 September 2024 pursuant to Article 100o, paragraph 4, item 2 of the POSA

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- 1. Interim condensed consolidated activity report as at 30 September 2024**
- 2. Interim condensed consolidated financial statements as at 30 September 2024**
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Communication and Media
please visit:
www.eurohold.bg



30 September 2024



1

INTERIM CONDENSED
CONSOLIDATED
ACTIVITY REPORT

as of 30 September 2024

OPERATIONAL AND FINANCIAL REVIEW

BUSINESS HIGHLIGHTS

EUROHOLD GROUP,

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

September 2024

BUSINESS HIGHLIGHTS

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

STRATEGIC ASSETS:

Eastern Electric Company II B.V. - energy

One of the largest energy groups in Bulgaria.

Euroins Insurance Group - insurance

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

Euro-Finance - financial-investment activity

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

KEY FINANCIAL INFORMATION

Eurohold Bulgaria reports strong results of its energy business

In the nine months of 2024, the Eurohold Group continued its successful performance and reported gross profit growth of 1% and 37% growth in EBITDA (earnings before interest, depreciation and taxes).

Group results highlights

	30.09.2024	30.09.2023*
Revenues	BGN 1.99 billion ▼ 5%	BGN 2.10 billion
Gross profit	BGN 355 million ▲ 1%	BGN 353 million
EBITDA (earnings before interest, depreciation and taxes)	BGN 240 million ▲ 37%	BGN 176 million
Net result from continuing operations	BGN 31.2 million ▲ 259%	BGN (19.6) million
	30.09.2024	2023
Financial assets	BGN 520 million ▲ 24%	BGN 420 million
Cash and cash equivalents	BGN 185 million ▼ 18%	BGN 227 million
Total Assets	BGN 2.54 billion ▲ 2.7%	BGN 2.48 billion
Equity	BGN 138 million ▲ 10%	BGN 125 million
Liabilities	BGN 2.40 billion ▲ 2.3%	BGN 2.35 billion

*Recalculated data as of 30.09.2023. in accordance with IFRS 17 - Insurance contracts.

SIGNIFICANT EVENTS

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

(the Important events for Eurohold Group are presented in chronological order)

Important events for the Group during 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 shares are traded on the Standard segment, which is the largest on the BSE in terms of the number of listed companies.

March

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

May

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

June

- ✓ **On 18 June 2024**, Eastern European Electric Company B.V. (EEEC) and Eastern European Electric Company II B.V. (EEEC II) successfully refinanced approximately EUR 500 million of existing debt raised for the acquisition of CEZ Group's business in Bulgaria in 2021, its subsequent development and investments in the energy business.
The new financing transaction is to include a EUR 460 million syndicated secured loan and additional debt financing for a further EUR 65 million with a repayment term of 5 years and 3 months. The purpose of the funds raised from the new financing is for the refinancing of the existing syndicated loan of EUR 360 million at the level of EEEC B.V. and liabilities of EUR 125 million at the level of EEEC II B.V. as well as for capital expenditure within the energy subsidiaries in preparation for the liberalisation of the electricity market.
The new financing achieves better terms, including savings on interest costs, until maturity in 2029. It also provides for a smoother debt repayment schedule on relaxed terms, in line with the energy group's operations and taking into account its good performance achieved over the last few years following its acquisition by the Eurohold group. It also removes the need for guarantees from the parent company, Eurohold.
The newly raised financing also includes capital expenditure (CAPEX) financing of EUR 15 million provided by the European Bank for Reconstruction and Development (EBRD) for ERM West EAD, the Group's electricity distribution subsidiary, to upgrade and develop the power distribution network, which will accelerate the Company's investment programme in view of the upcoming liberalisation of the electricity market.
- ✓ **On 19 June 2024**, Fitch Ratings confirmed a long-term 'B' rating with a stable outlook for Eurohold Bulgaria AD.
Fitch's rating reflects the reduced risk following the successful refinancing of the obligations of the group's energy subholdings and the good performance of their subsidiaries.
Fitch's rating also reflects the increased profitability and reduced indebtedness of Eurohold's energy companies, as well as their good growth prospects.

July

- ✓ **On 02 July 2024**, the International Court of Arbitration at the "Institute of Private International Law" made an award in the arbitration case initiated by IC EIG Re EAD (an associated company of Euroins Insurance Group AD) in connection with a reinsurance contract concluded on 09.02.2023 between IC EIG Re EAD and Euroins Romania - Asigurare Reasigurare S.A. (a subsidiary of Euroins Insurance Group AD - with license revoked).
The decision confirms in full the arbitration claim of EIG Re, as:
 - » confirms that the Reinsurance Contract was concluded in accordance with all the requirements of Bulgarian law (the applicable law in respect of the Reinsurance Contract);
 - » confirms that the Reinsurance contract is fully effective and there are no conditions for its partial and/or complete nullity;
 - » confirms that the Reinsurance Contract was validly terminated on 17 March 2023;
 - » confirms that, following the legal termination of the Reinsurance Contract, the minimum and deposit premium has been lawfully retained by EIG Re EAD.
 The current decision confirms that the actions of the management of EIG Re, Euroins Romania and Euroins Insurance Group are lawful and have been carried out in full compliance with all requirements of applicable Bulgarian law.
- ✓ **On 11 July 2024**, Eurohold Bulgaria AD repaid early a loan to JP Morgan SE in the amount of EUR 15 084 thousand.

September

- ✓ **On September 5, 2024**, Eurohold Bulgaria AD introduced the new members of the Board of Directors of Euroins Insurance Group AD, namely:
 - ✓ Nikolaus Frei represents the European Bank for Reconstruction and Development (EBRD), which has been a minority shareholder in EIG since 2021 with a share of 9.90% in the capital.
 - ✓ Ivan Kostov, Chief Financial Officer and Director of Risk Management of the group, and
 - » Iva Falina, Director of IT and Digitalization of Euroins Insurance AD.
- ✓ **On September 12, 2024**, the transfer of ownership of all shares held by EIG in ICLAIM Sole Proprietorship for Claims Settlement Services P.K., Greece to a new owner following the conclusion of a purchase and sale agreement for the company was entered into in the Commercial Register of Greece. As of the date of entry, ICLAIM is not part of the EIG group.
- ✓ **On September 17, 2024**, Eurohold Bulgaria AD introduced Ms. Angeliki Mouratidou as the manager of the Euroins branch in Greece.

- ✓ **On September 26, 2024**, the Bulgarian Credit Rating Agency (BCRA) published an updated corporate credit rating of Eurohold Bulgaria AD. BCRA affirms the assigned ratings of Eurohold Bulgaria AD, maintaining their outlooks as follows:
 - » Long-term credit rating: BBB; Outlook: Stable; Short-term credit rating: A-3
 - » Long-term national scale rating: A (BG); Outlook: Stable; Short-term national scale rating: A-1 (BG)
 - » Issue rating BG2100013205: Long-term credit rating: BBB; Outlook: Stable; Short-term credit rating: A-3
 - » Issue rating BG2100002224: Long-term credit rating: BBB; Outlook: Stable; Short-term credit rating: A-3.
- ✓ **On October 23, 2024**, Eurohold Bulgaria AD published an Invitation to the shareholders of the company to convene an extraordinary General Meeting of Shareholders, which will be held on November 25, 2024 with the following agenda:
 1. Adoption of the audited consolidated annual report of the company for 2023
 2. Selection of a specialized auditing firm to perform an independent financial audit of the financial statements and the activity report of Eurohold Bulgaria AD for 2024 and to express assurance on the sustainability report of Eurohold Bulgaria AD for 2024 (draft resolution - The General Meeting of Shareholders elects Grant Thornton OOD, UIC 831716285)
 3. Adoption of a resolution on amendments and supplements to the company's articles of association.

Important events for the Group after the reporting period

October

- ✓ **On October 23, 2024**, Eurohold Bulgaria AD published an Invitation to the shareholders of the company to convene an extraordinary General Meeting of Shareholders, which will be held on November 25, 2024 with the following agenda:
 4. Adoption of the audited consolidated annual report of the company for 2023
 5. Selection of a specialized auditing firm to perform an independent financial audit of the financial statements and the activity report of Eurohold Bulgaria AD for 2024 and to express assurance on the sustainability report of Eurohold Bulgaria AD for 2024 (draft resolution - The General Meeting of Shareholders elects Grant Thornton OOD, UIC 831716285)
 6. Adoption of a resolution on amendments and supplements to the company's articles of association.
- ✓ The associated participation of the group "EIG Re" AD changes its name to "IC Phoenix Re" AD, effective October 30, 2024.

November

- ✓ **On November 12, 2024**, the Financial Supervision Commission (FSC) approved the prospectus for the initial public offering of warrants to be issued by Eurohold Bulgaria AD, Sofia.
The issue is in the amount of up to 260,500,000 dematerialized, registered, freely transferable warrants, with an issue value of BGN 0.50 each warrant, with ISIN code BG9200007243, which entitle the warrant holders within a period of 10 years to exercise their right to subscribe for the respective number of shares of the underlying asset of the warrants at an issue value of BGN 2.00 per share, with a warrant/share conversion ratio of 1:1.
The manager of the public offering is the investment intermediary "FOCAL POINT INVESTMENTS" AD.
- ✓ **On November 25, 2024**, at an extraordinary General Meeting of Shareholders of Eurohold Bulgaria AD, the following decisions were made:
 1. The consolidated annual report of the company for 2023 was adopted.
 2. A specialized auditing firm, Grant Thornton Ltd., has been selected to perform an independent financial audit of the financial statements and the activity report of Eurohold Bulgaria AD for 2024 and to express assurance on the sustainability report of Eurohold Bulgaria AD.
 3. Amendments and supplements to the company's statutes have been adopted. The current statutes will be available on the websites of the Commercial Register and the Register of Non-Profit Legal Entities <https://portal.registryagency.bg>, as well as the company <https://www.eurohold.bg/>.

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- ✓ **On November 27, 2024**, Fitch Ratings confirmed a 'B+' rating with a stable outlook for Euroins Insurance Company AD (Euroins Bulgaria) - the largest subsidiary of Euroins Insurance Group AD (EIG), part of Eurohold Bulgaria AD. Fitch notes the insurer's leading position on the Bulgarian market as a strength and expects the company's reserves to improve.
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No other significant adjusting or non-adjusting events have occurred between the date of the consolidated financial statements and the date of their approval for issue.

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

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

BRIEF PRESENTATION OF EUROHOLD GROUP

A / "EUROHOLD BULGARIA" AD - PARENT COMPANY

Company information

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

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

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

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

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

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

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

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

B / ECONOMIC GROUP

The organizational structure of Eurohold is structured on three levels:

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

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

Existing business activities as of 30.09.2024

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

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

As of 30.09.2024 and as of the date of this report, Eurohold Bulgaria AD has holdings in 23 subsidiaries and 1 associated company

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

**Euroins Romania Asigurare-Reasigurare S.A. (an insurance company in Romania) - discontinued activity due to revocation of its license and opening of insolvency proceedings. At the date of issue of this interim condensed consolidated management report, the decision to open insolvency proceedings for the Romanian subsidiary has been appealed to a higher court and has not yet been confirmed by a final court decision at this time.*

Changes in Eurohold economic group,

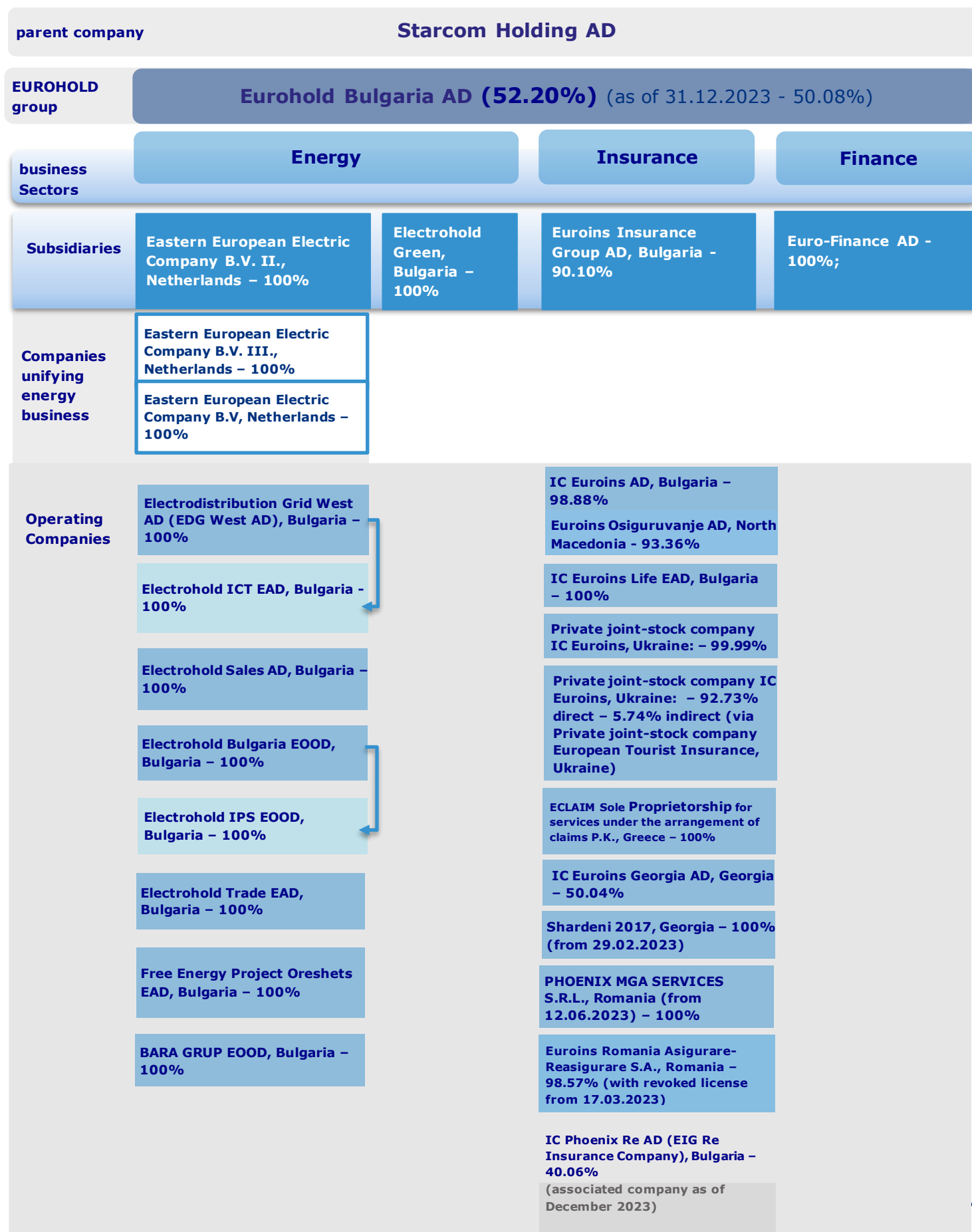
> for the period 1 January - 30 September 2024

- ICLAIM Sole Proprietorship for Claims Settlement Services P.K., Greece – discontinued operations as of 12.09.2024 (as of 31.12.2023 -100%)

> for the period 1 January - 31 December 2023

- The insurance company IC Euroins Georgia AD acquired a subsidiary trading company - Shardeni 2017, Georgia (from 29.02.2023);
- Euroins Insurance Group AD established a subsidiary company in Romania - FENIX EM G.I. SERVICES S.R.L., Romania (as of 12.06.2023);
- At the end of 2023, the Group lost its control within the meaning of IFRS 10 "Consolidated Financial Statements" over EIG Re EAD (from September 2024 - "IC Phoenix Re" AD) and transformed its interest in the company from a subsidiary to an associate.

**ORGANIZATIONAL STRUCTURE OF THE ECONOMIC GROUP EUROHOLD BULGARIA AS OF 30.09.2024
AND AS OF THE DATE OF THIS REPORT**



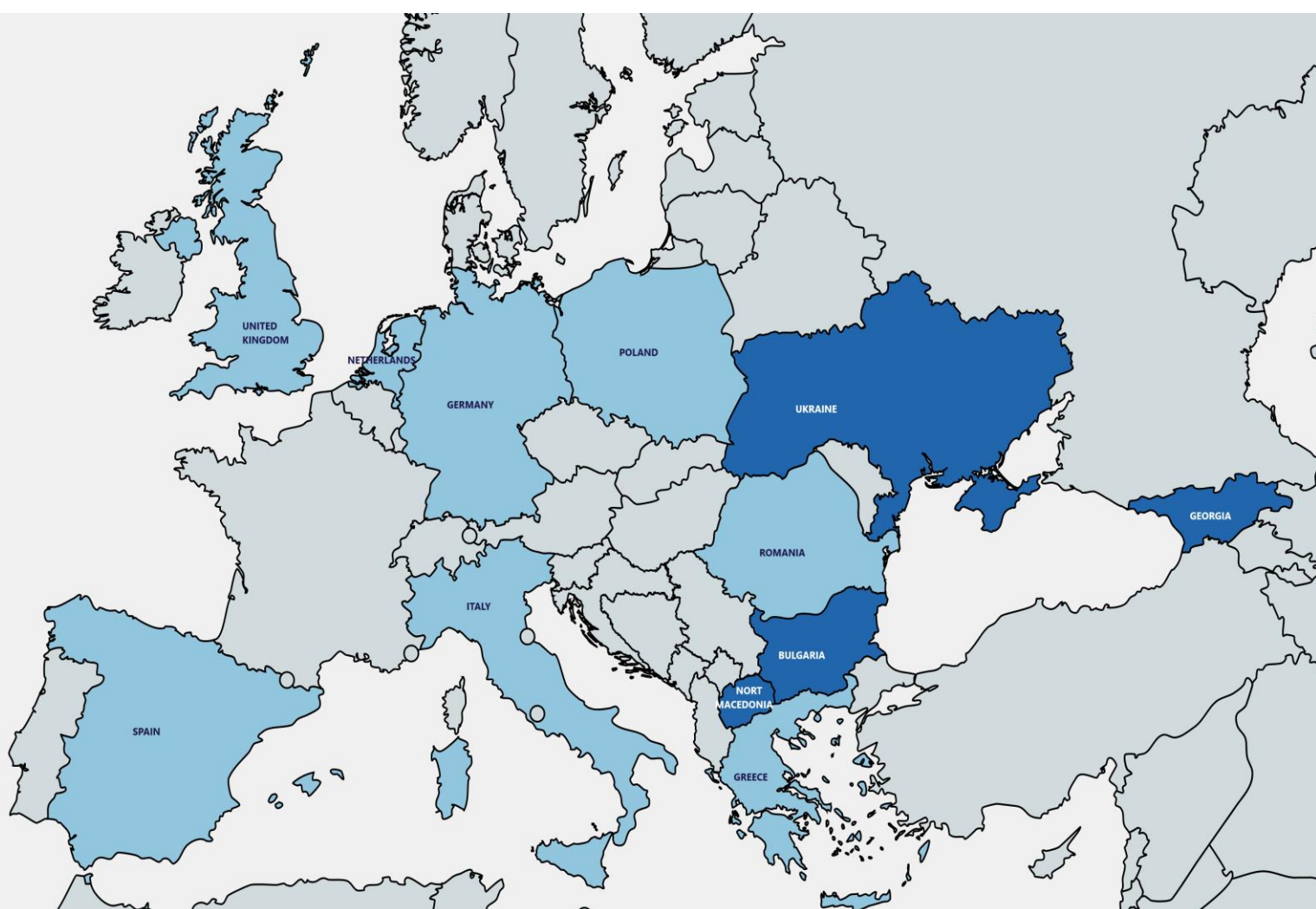
TYPES OF SERVICES AND PRODUCTS OFFERED BY THE EUROHOLD GROUP, REGIONAL REPRESENTATION


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


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

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

Through its subsidiary companies, Eurohold is positioned in the markets of the Central and South-Eastern Europe region.



 Subsidiaries - operating companies

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

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

INSURANCE	
Services and products provided	Country
» General insurance	Bulgaria; North Macedonia; Ukraine; Georgia; Romania
» Life insurance	Bulgaria
» Travel insurance	Ukraine
» Claims settlement - motor claims	Greece
» Insurance services distributed under the right to freedom of establishment and freedom to provide services	Italy, Greece (branch), Spain, Poland, Germany, the Netherlands and United Kingdom, and Romania (from the end of September 2023) - IC Euroins AD operates in these markets

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

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

Credit ratings awarded

 <p>EuroHold Issuer Default Rating "B" Outlook: stable</p>	 <p>est. 2002</p> <p>ISIN: BG2100013205; ISIN: BG2100002224</p> <p>EuroHold Long-term: BBB- Outlook: stable Short-term: A-3</p> <p>bonds issues Long-term: BBB- Outlook: stable Short-term: A-3</p>
 <p>Euroins Bulgaria Insurer Financial Strength Rating "B+", Outlook: stable</p>	 <p>est. 2002</p> <p>Euroins Bulgaria Long-term: BBB- Outlook: stable</p>

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

REVIEW OF THE GROUP FINANCIAL RESULTS

30.09.2024

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

The data are based on the interim condensed consolidated financial statements of Eurohold Bulgaria AD as of 30.09.2024 prepared in accordance with the applicable International Financial Reporting Standards (IFRS) adopted by the EU.

SUMMARY

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

- ↘ Gross profit - an increase of 1% up to BGN 355 million
- ↘ EBITDA - an increase of 36.6% up to BGN 240 million
- ↘ Net profit from continuing operations - an increase of 258% up to BGN 31 million

! *Highlights of influences on group results*

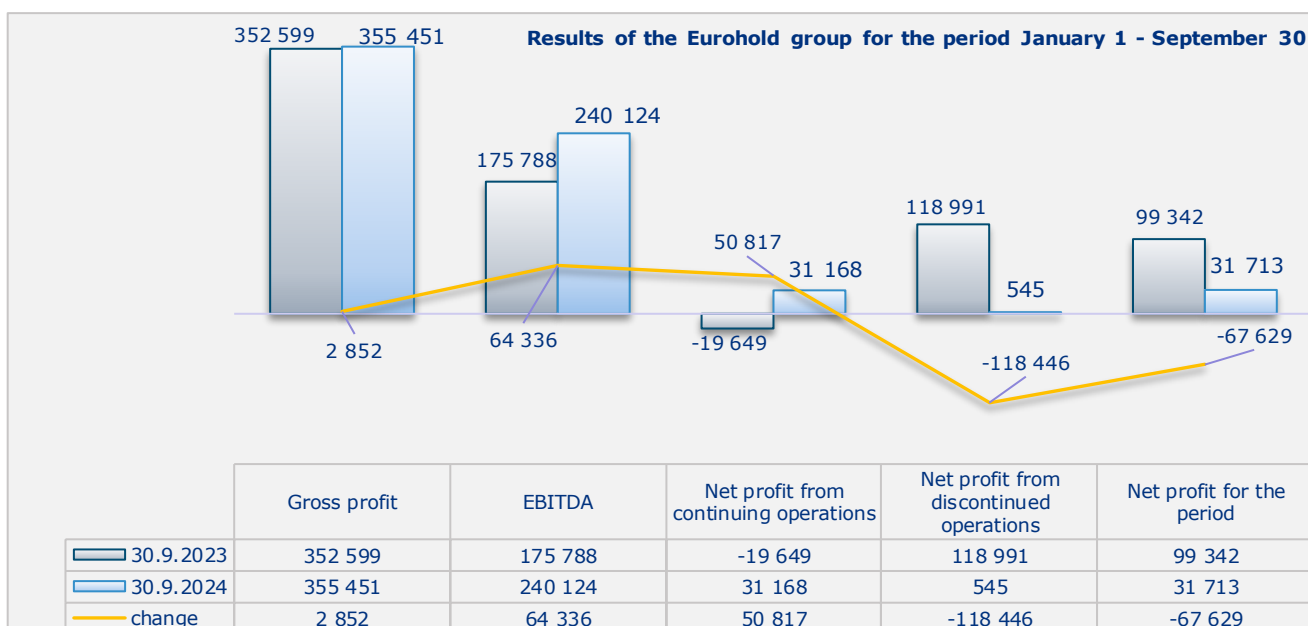
Events that occurred in 2023 affecting the presentation in this report of the financial data and results of operations for the comparable period of 2023.

From 1 January 2023, the Group applies for the first time the accounting standard IFRS 17 "Insurance contracts". In view of the changes arising from IFRS 17 'Insurance contracts', the Group is changing the current format of the income statement and other comprehensive income, aiming to present fairly and accurately the results of operations for the Group.

In order to make the information comparable, the financial data for the previous reporting period (30.09.2023) presented in the Interim condensed consolidated statement of profit or loss and other comprehensive income for the nine months of 2024 have been restated.

The specific financial results of our operations are set out in the following analysis.

CONSOLIDATED FINANCIAL RESULT



CONSOLIDATED RESULTS BY BUSINESS ACTIVITIES

In the new presentation of the group results, the revenues on a consolidated basis are formed by the operating activities of the subsidiaries.

The total group revenues for the nine months of 2024 are in the amount of BGN 1.98 billion, marking a decrease of 5% compared to the realized consolidated revenues for the comparable period of 2023, when they were in the amount of BGN 2.09 billion.

The operating expenses of the group directly reflect the changes in the volume of business of the companies reported in the consolidated report of Eurohold. The reported operating expenses in the amount of BGN 1.63 billion mark a decrease of 6.4% compared to the expenses for the previous period.

As a result of improved operating efficiency, the Group's gross profit increased by 1% representing an increase of BGN 2.8 million.

Consolidated results	change	30.09.2024	30.09.2023
	in %	BGN thousand	BGN thousand
Revenue			
Revenue from energy business	-9,0%	1 567 855	1 723 067
Insurance revenue, including:	12,8%	415 859	368 780
- insurance revenue	5,2%	381 805	362 903
- finance and investment income/ from insurance	479,4%	34 054	5 877
Revenue from financial-investment business	17,8%	1 293	1 098
Total operating income	-5,2%	1 985 007	2 092 945
Expenses			
Expenses of energy business	-6,3%	-1 228 903	-1 312 195
Expenses for insurance business	-6,4%	-400 501	-428 027
- insurance expenses	3,6%	-365 534	-352 927
- net result from reinsurance contracts held	-73,6%	-17 799	-67 433

- financial and investment expenses of insurance	123,9%	-17 168	-7 667
Intermediary expenses	22,6%	-152	-124
Total expenses of main activity	-6,4%	-1 629 556	-1 740 346
Gross profit	0,8%	355 451	352 599
Income from dividends - financial-investment business	-2,5%	116	119
Other income from the activity	60,6%	80 237	49 973
Profit (loss) from financial instruments, net	-1112,0%	9 604	-949
Administrative expenses	-8,4%	-161 336	-176 050
➤ expenses on materials	9,7%	-10 791	-9 834
➤ hired services expenses	-11,5%	-47 031	-53 157
➤ employee benefits expenses	-8,7%	-100 671	-110 210
➤ other expenses	-0,2%	-2 843	-2 849
(Accrued)/recovered impairment loss on financial assets, net	33,3%	-2 761	-2 072
Other operating expenses	-13,9%	-41 187	-47 832
- energy business	-91,2%	-1 874	-21 360
- insurance business	-59,9%	-10 620	-26 472
- parent company	+100%	-28 693	0
EBITDA (Profit before interest, depreciation and taxes)	36,6%	240 124	175 788
Amortization expense	4,8%	-85 934	-81 983
EBIT (Profit before interest and taxes)	64,4%	154 190	93 805
Result from financial operations, net	19,0%	-112 693	-94 685
Gain/(loss) from changes in foreign exchange rates, net	553,0%	2 501	383
Share of profit of associate	+100%	707	0
EBIT (Profit)/(Loss) Before Taxes	-9095,0%	44 705	-497
Tax expenses	-29,3%	-13 537	-19 152
Net profit/(loss) for the year from continuing operations	-258,6%	31 168	-19 649
Net (loss)/profit for the year from discontinued operations	-99,5%	545	118 991
Net (loss)/profit for the year attributable to:	-68,1%	31 713	99 342
➤ Equity holders of the parent	-68,1%	30 942	97 084
➤ Non-controlling interests	-65,9%	771	2 258

📌 **Revenues from the energy business decreased by 9% compared to 30.09.2023.**

Revenues from the energy sector decreased by BGN 155.2 million due to lower purchase prices on the Bulgarian National Energy Exchange (BNEX) in the nine months of 2024 compared to the same period in 2023. For the nine months of 2024, the energy group's revenues amounted to BGN 1.57 billion (30.09.2023: BGN 1.72 billion).

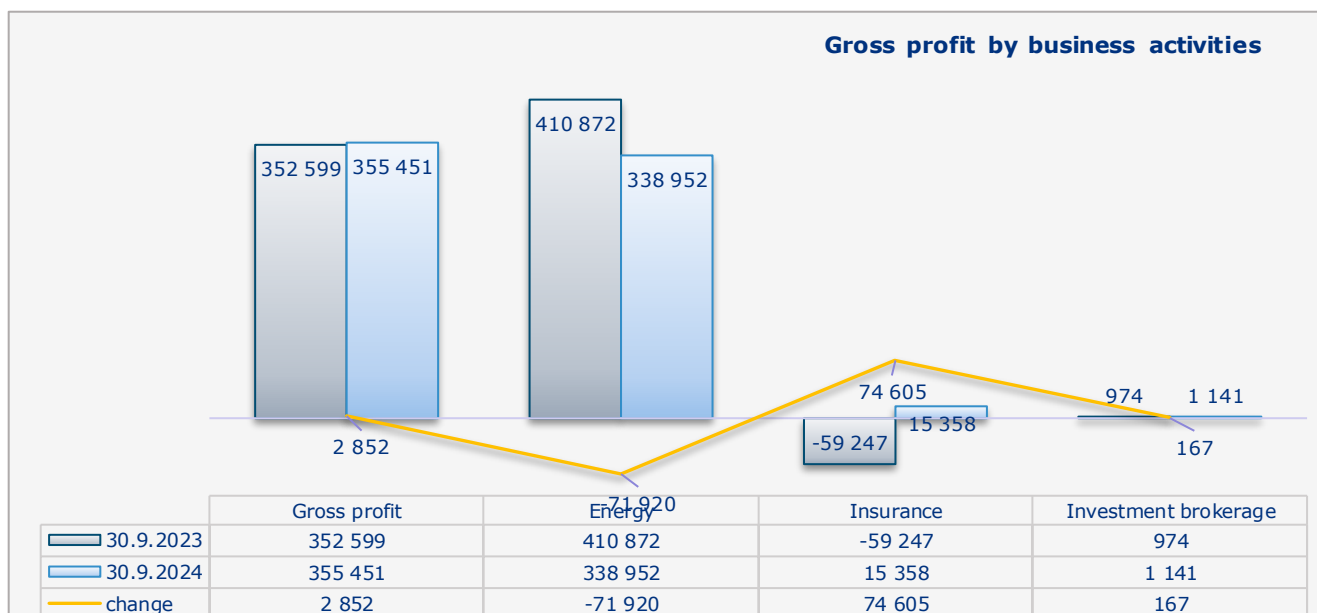
📌 **Total income from insurance activity increased by 12.8% or BGN 47 million due to:**

- Growth in insurance revenues (income from insurance activities) of 5.2% or an increase of BGN 18.9 million. For the nine months of 2024, the consolidated insurance revenues of the group amounted to BGN 381.8 million (30.09.2023: BGN 362.9 million).
- Increase in the realized net positive result from financial and investment operations by 479% or by BGN 28.2 million. For the nine months of 2024, financial and investment income from insurance amounted to BGN 34 million (30.09.2023: BGN 5.9 million).

↪ **Revenues from financial and investment activities increased by 17.8% or BGN 195 thousand.**

For the nine months of 2024, the revenues of the investment intermediary Euro-Finance AD recorded a slight increase, amounting to BGN 1.3 million (30.09.2023: BGN 1.1 million).

↪ **Gross profit by business activities**



↪ **Administrative costs**

Administrative costs (BGN thousand)	Energy		Insurance		Financial-investment activity		Parent company	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Expenses on materials	-10 696	-8 918	-34	-862	-48	-39	--13	-15
Hired services expenses	-39 646	-39 014	-4 201	-10 879	-612	-456	2 569	-2 808
Employee benefits expenses	-95 847	-93 775	-3 110	-14 868	-920	-858	-794	-709
Other expenses	-2 365	-562	-59	-1750	-222	-180	-197	-357
Total administrative costs	-148 554	-142 269	-7 404	--28 359	-1 802	--1 533	-3 573	-3 889

↪ **Financial operations**

Result of financial operations (BGN thousand)	Energy		Insurance		Financial-investment activity		Parent company	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Interest costs on loans	-77 439	-62 238	-4 085	-5 518	-130	-117	-13 295	-17 205
- including interest income from cash flow hedges*	1 008	0	-	-	-	-	-	-
Interest expense - leasing contracts	-453	-360	-356	-386	-30	-33	-30	-35
Other finance costs	-11 966	-8784	-7268	-1 959	-	-	-657	-598
Total finance costs	-89 858	-71 382	-11 709	-7 863	-160	-150	-13 982	-17 838
Interest income	2 434	2 099	-	-	582	449	-	-
Result of financial operations	-87 424	-69 283	-11 709	-7 863	422	299	-13 982	-17 838

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

↳ Depreciation and tax expenses

Expenses of business activities (BGN thousand)	Energy		Insurance		Financial-investment activity		Parent company	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Depreciation expense	-81 928	-78 187	-3 625	-3 419	-230	-214	-151	-163
<i>incl. right of use assets</i>	-4 970	-4 283	-2 336	-2 422	-183	-164	-132	-132
Tax expenses	-13 140	-18 915	-394	-234	-3	-3	-	-

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

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

Operating revenues from business activities			
Business activities	change %	30.09.2024 BGN thousand	30.09.2023* BGN thousand
Energy	-9,0%	1 567 894	1 723 123
Insurance, incl. <i>insurance revenue</i>	+11,6% +4,0%	422 427 387 069	378 539 372 107
Financial-investment activity	+3,9%	1 789	1 722
Revenue from operating activities	-5,3%	1 992 110	2 103 384
<i>Intragroup eliminations</i>	-32,0%	-7 103	-10 439
Consolidated operating revenues from business activities	-5,2%	1 985 007	2 092 945

Gross profit by business activities			
Business activities	change %	30.09.2024 BGN thousand	30.09.2023* BGN thousand
Energy	-17,5%	338 991	410 928
Insurance	-143,9%	21 926	-49 974
Financial-investment activity	+2,4%	1 637	1 598
Gross profit	+0,0%	362 554	362 552
<i>Intragroup eliminations</i>	-28,6%	-7 103	-9 953
Consolidated gross profit from operating activities	+0,8%	355 451	352 599

Earnings before interest, depreciation and taxes (EBITDA)			
Business activities	change %	30.09.2024 BGN thousand	30.09.2023* BGN thousand
Energy	-20,5%	213 123	268 241
Insurance	-119%	16 507	-84 908
Financial-investment activity	-193%	790	-853
EBITDA from subsidiaries	+26,3%	230 420	182 480
Parent company	-2214%	11 733	-555
EBITDA before eliminations	+33,1%	242 153	181 925
<i>Intragroup eliminations</i>	-66,9%	-2 029	-6 137
Consolidated earnings before interest, depreciation and taxes (EBITDA)	+36,6%	240 124	175 788

Financial result			
Business activities	change %	30.09.2024 BGN thousand	30.09.2023* BGN thousand
Energy	-62,7%	45 097	120 745
Insurance	-103,8%	3 649	-97 238
Financial and investment activity	-288,7%	1 200	-636
Financial result of subsidiaries	+118%	49 946	22 871
The parent company	-75,6%	-4 630	-18 997
Financial result before eliminations	+1070%	45 316	3 874
<i>Intragroup eliminations</i>	-86,0%	-611	-4 371
Financial result from continuing operations	-9095%	44 705	-497
Tax expenses	-29,3%	-13 537	-19 152
<i>Net (loss)/gain from discontinued operations</i>	-99,5%	545	118 991
Consolidated net result for the period	-68,1%	31 713	99 342

*Recalculated comparative information as of 30.09.2023 in accordance with IFRS 17 - Insurance contracts.

Consolidated assets and liabilities by business activities			
Business activities	change %	30.09.2024 BGN thousand	31.12.2023 BGN thousand
Assets			
Energy	-13,6%	1 907 446	2 207 076
Insurance	+4,1%	822 197	789 961
Financial-investment activity	-2,0%	28 741	29 314
Parent company	+5,7%	668 147	631 830
Total Assets before eliminations	-6,3%	3 426 531	3 658 181
<i>Intragroup eliminations</i>	-25,2%	-884 673	-1 183 160
Consolidated Assets	+2,7%	2 541 858	2 475 021
Liabilities			
Energy	+63,9%	2 207 076	1 346 244
Insurance	+23,8%	789 961	638 154
Financial-investment activity	+343,9%	29 314	6 603
Parent company	+52,9%	631 830	413 123
Total Liabilities before eliminations	+52,2%	3 658 181	2 404 124
<i>Intragroup eliminations</i>	+2083,2%	-1 183 160	-54 193
Consolidated Liabilities	+5,3%	2 475 021	2 349 931

FINANCIAL POSITION

ASSETS

By the end of the nine months of 2024, the consolidated assets of the Eurohold group increase by BGN 37.6 million, amounting to BGN 2.51 billion compared to BGN 2.47 billion as of 31.12.2023.

Consolidated Assets	change	30.09.2024	31.12.2023
	in %	BGN thousand	BGN thousand
ASSETS			
Cash and cash equivalents	-18,46%	184 908	226 779
- energy business	-19,17%	164 664	203 707
- insurance business	-6,89%	17 287	18 567
- financial-investment activity	-34,18%	2 904	4 412
- parent company	-43,01%	53	93
Term deposits in banks – insurance business	-44,12%	17 047	30 505
Assets under insurance contracts purchased	-0,12%	200 722	200 970
Assets under reinsurance contracts held	0,00%	9 273	9 273
Assets under insurance contracts	-8,06%	228	248
Trade and other receivables	-5,67%	435 249	461 404
➤ Non-current receivables	-3,07%	6 777	6 992
➤ Current receivable	-21,77%	299 198	382 459
➤ Other current receivables	+79,66%	129 274	71 953
Financial actives	+23,85%	519 752	419 676
Inventory	+77,15%	42 472	23 975
- energy business	+25,88%	29 946	23 790
- insurance business	-29,19%	131	185
- parent company	+100%	12395	0
Property, plant and equipment	+4,03%	904 856	869 827
- energy business	+4,34%	887 531	850 623
- insurance business	-9,77%	15 529	17 211
- financial-investment activity	-85,15%	899	6053
- parent company	-11,36%	897	1 012
Intangible assets	-6,07%	88 215	93 916
- energy business	-7,38%	83 936	90 622
- insurance business	+29,85%	4 115	3 169
- financial-investment activity	+31,20%	164	125
Investment accounted for using the equity method - insurance business	+5,59%	13 364	12 657
Reputation	0,00%	116 883	116 883
Deferred Tax Assets	-0,21%	8 889	8 908
Total Assets	+2,70%	2 541 858	2 475 021

Receivables by sector

Receivables	Energy		Insurance		Financial-investment activity		Parent company	
BGN thousand	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Non-current trade receivables	-	-	6 739	6 964	38	28	-	-
Current trade receivables	394 611	414 033	30 481	39 156	-	147	3 380	1 076
Receivables from customers and suppliers	268 548	330 930	303	11 398	-	-	2 568	1 474
Impairment	-71 923	-68 294	-	-	-	-	-514	-516
Advances paid	99 939	98 839	277	8 628	-	-	-	-
Other receivables	101 033	47330	34 504	23 415	-	147	1	5
Impairment	-12 190	-12 178	-5 059	-4 672	-	-	-	-
Prepaid expenses	6 146	5 701	54	355	-	-	1 325	113
Court and awarded receivables	41 608	41 932	-	-	-	-	-	-
Impairment	-38 635	-38 156	-	-	-	-	-	-
Tax receivables	85	7 929	402	32	-	-	-	-
Total after impairment	394 611	414 033	37 220	46 120	38	175	3 380	1 076

Financial assets

Financial assets	Energy		Insurance		Financial-investment activity		Parent company	
BGN thousand	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Government bonds ¹	-	-	7 316	25 046	973	956	-	-
Corporate bonds ¹	35 647	36 464	39 263	70 389	1 890	1 347	16 226	7
Capital investments ¹	18 720	8 114	268 330	215 271	9 640	7 199	5 420	9
Impairment	-	-	-	-	-	-	(9)	(9)
Other financial assets ²	76 438	44 671	31 876	1 639	8 205	8 798	-	-
Impairment	-	-	-119	-115	-64	-110	-	-
Total	130 805	89 249	346 666	312 230	20 644	18 190	21 637	7

¹ reported at fair value through profit or loss

² reported at amortised cost

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

The investment of the insurance business represents an associated participation in Phoenix Re Insurance Company AD (previously known as "EIG Re" ED). The registered capital amounts to BGN 12 500 thousand. The company is licensed to carry out insurance activities in the field of general insurance by the National Insurance Council with the Permit No. 100/20.11.2000 and is a member of the Association of Bulgarian Insurers and the National Bureau of Bulgarian Motor Insurers.

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

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

Off-balance sheet assets

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

EQUITY AND LIABILITIES

Consolidated Equity and Liabilities	change	30.09.2024	31.12.2023
	in %	BGN thousand	BGN thousand
EQUITY			
Share capital	0,0%	260 500	260 500
Repurchased own shares	0,0%	-77	-77
Premium reserves when issuing securities	0,0%	144 030	144 030
General reserves	0,0%	7 641	7 641
Cash flow hedge reserve	+100,0%	-17 618	0
Revaluation and other reserves	+34,3%	1 136	846
Accumulated loss	-19,6%	-309 532	-384 999
Current (loss)/profit	-59,9%	30 942	77 242
Equity belonging to the owners of the Parent Company	+11,3%	117 022	105 183
Non-controlling interest	+3,5%	20 605	19 907
Total Equity	+10,0%	137 627	125 090
SUBORDINATED DEBT INSTRUMENTS			
	+36,2%	75 281	55 265
- Insurance business	+36,4%	74 879	54 879
- Parent company	+4,1%	402	386
LIABILITIES			
Loans from banks and non-bank financial institutions	+5,4%	1 089 859	1 034 043
- Energy business	+8,7%	1067211	982 054
- Insurance business	-18,7%	205	252
- Parent company	-56,6%	22 443	51 737
Obligations under bond loans - Parent company	+2,5%	223 076	217 588
Trade and other liabilities	-7,8%	526 651	571 433
- Non-current trade and other liabilities	-44,1%	74 327	132 928
- Current trade liabilities	-23,8%	146 675	192 461
- Current other liabilities	25,5%	277 452	221 010
- Leasing liabilities	12,6%	28 197	25 034
Derivative financial instruments	+100,0%	17 618	0
Liabilities under insurance contracts issued	+0,4%	439 879	438 113
Liabilities under reinsurance contracts purchased	-5,4%	14 577	15 408
Deferred tax liabilities	-4,4%	17 290	18 081
Total liabilities	1,5%	2 328 950	2 294 666
Total liabilities and subordinated debt instruments	2,3%	2 404 231	2 349 931
TOTAL EQUITY AND LIABILITIES	2,7%	2 541 858	2 475 021

↳ Equity

The total consolidated equity of Eurohold Bulgaria amounts to BGN 137.7 million, reporting a growth of 10% compared to December 31, 2023. Including this, the capital belonging to the owners of the parent company amounts to BGN 117 million (+11.3%), while the capital belonging to the non-controlling interest amounts to BGN 20.6 million (+3.5%).

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

The share capital of Eurohold as of 30.09.2024 did not change and amounted to BGN 260.5 million.

↳ Shares repurchased

As of 30.09.2024, 77,227 pcs. shares with voting rights of Eurohold Bulgaria AD are held by companies in the Eurohold Group (as of 31.12.2023 – 77,227 shares with voting rights).

↳ Subordinated debt instruments

In support of equity, the Group holds subordinated debt instruments of BGN 75.3 million owned by companies from the insurance business and the parent company.

During the reporting period, the total amount of subordinated debt instruments increased by a total of BGN 20 million in connection with the conclusion (in the first quarter of 2024) of two new contracts for subordinated debt from the insurance business in the amount of BGN 10 million each, annual interest rate 5% and repayment term not earlier than 5 years.

Subordinated debt instruments in the form of a loan received:

- » Insurance business - BGN 74.9 million (31.12.2023: BGN 54.9 million)
- » Parent company - BGN 402 thousand (31.12.2023: BGN 386 thousand)

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

↳ Liabilities

The consolidated liabilities (excluding subordinated debts) of Eurohold Group amounted to BGN 2.3 billion, with an increase of BGN 1.5 million compared to the corresponding period.

The majority of the liabilities represent loan commitments to banks and non-banks financial institutions and bonded loans. The total amount of liabilities on borrowed funds amounted to BGN 1.3 billion compared to BGN 1.3 billion as at 31 December 2023, recording a growth of 3.6%.

Obligations for loans from banks and non-bank institutions, and bond issues:	30.09.2024 thousand BGN	Change %	31.12.2023 thousand BGN
To banks and non-bank financial institutions, including:	1 089 589	+5.4%	1 034 043
- non-current liabilities	1 022 475	+27.5%	802 157
- current liabilities	67 384	-70.9%	231 886
On bond loans, including:	223 076	+2.5%	217 588
- non-current liabilities	212 556	-1.7%	216 264
- current liabilities	10 520	+695%	1 324
Total debt obligations, including:	1 312 935	+4.9%	1 251 631
- total non-current liabilities	1 235 031	+21.3%	1 018 421
- total current liabilities	77 904	-66.6%	233 210

Obligations for loans from banks and non-banking institutions, and bond issues by business sector:	30.09.2024 <i>thousand BGN</i>	Change %	31.12.2023 <i>thousand BGN</i>
To banks and non-bank financial institutions, including:	1 089 859	+5.4%	1 034 043
- Energy, including:	1 067 211	+8.7%	982 054
> <i>non-current liabilities of them:</i>	<i>1 015 630</i>	<i>+30%</i>	<i>780 886</i>
■ <i>on loans from banks</i>	<i>1 015 630</i>	<i>+86%</i>	<i>546 181</i>
■ <i>on loans from non-bank financial institutions</i>	<i>-</i>	<i>-100%</i>	<i>234 705</i>
> <i>current liabilities</i>	<i>51 581</i>	<i>-74.4%</i>	<i>201 168</i>
- Insurance - current liabilities on loans from banks	205	-18.7%	252
- Parent company	22 443	-56.6%	51 737
> <i>non-current liabilities – on loans from banks</i>	<i>6 845</i>	<i>-67.8%</i>	<i>21 271</i>
> <i>current liabilities – on loans from banks</i>	<i>15 598</i>	<i>-48.8%</i>	<i>30 466</i>
On bond loans, including:	223 076	+2.5%	217 588
- Parent company, including:	223 076	+2.5%	217 588
> <i>non-current liabilities (principal)</i>	<i>212 556</i>	<i>-1.7%</i>	<i>216 264</i>
> <i>current liabilities (accrued interest)</i>	<i>10 520</i>	<i>+695%</i>	<i>1 324</i>

Bond loans

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

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

For more information on the parameters of the bank and bond loan commitments - see Appendix 32, 32.1, 32.2, 32.3, 33, and 33.1 to the interim condensed consolidated financial statements for the nine months of 2024.

Legal cases

As of 30.09.2024 Eurohold Bulgaria AD has no material legal cases pending.

In May 2024, Eurohold Bulgaria AD and Euroins Insurance Group AD formally filed an international arbitration case against the Government of Romania with the International Centre for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than EUR 500 million.

As at 30.09.2024, there are no material legal cases against the Group that are outside the ordinary course of business of the relevant Group companies.

Energy business companies are parties to a number of cases, but they are not material for the Group.

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

Derivative financial instruments

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

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

Sureties and Guarantees

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

1 / The Group is a co-borrower/guarantor on borrowings from bank/financial institutions as follows:

Business line	Amount in EUR'000 at 30.09.2024	Amount in BGN'000 at 30.09.2024	Amount in EUR'000 at 31.12.2023	Amount in BGN'000 at 31.12.2023	MATURITY of exposure to 31.03.2024 (EUR'000)					
					2024	2025	2026	2027	2028	след 2028
Крайна										
End parent company										
Bank loans for investment purposes	5 000	9 779	5 000	9 779	-	5 000	-	-	-	-
Group of leasing companies										
To finance leasing activities - related entities until 30.06.2022	16 919	33 091	18 519	36 220	3 217	6 425	4 173	2 007	915	182
Group of automotive companies										
Working capital loans - Related parties until 30.06.2022	3 958	7 741	5 167	10 106	1 627	557	557	557	557	103
	25 877	50 611	32 886	64 319	4 844	11 982	4 730	2 564	1 472	285

2 / The Group is a guarantor of bank guarantees issued as follows:

Company from:	Amount in EUR'000 at 30.09.2024	Amount in BGN'000 at 30.09.2024	MATURITY of exposure (EUR'000)
Energy Subholding - Bank Guarantees	18 839	36 848	05.2027
Energy Subholding - Corporate Guarantee	3 500	6 845	05.2025
Automotive Subholding - (related party until 30.6.2022)	2 028	3 966	02.2026
Automotive Subholding - (related party until 30.6.2022)	1 662	3 251	05.2025
TOTAL:	26 029	50 908	

3 / In connection with the participation of IC Euroins AD through its branch in the Republic of Greece in the so-called Amicable Settlement Agreement between insurers offering compulsory third-party liability insurance in the territory of the Republic of Greece, a bank guarantee has been established in favour of the Greek Association of Insurers. As at 30.09.2024, the bank guarantee amounted to 243 thousand euro (31 December 2023: 243 thousand euro) and the funds were blocked in a deposit account of the branch.

- 4 / Insurers offering compulsory third-party liability insurance shall provide a bank guarantee in accordance with the Statutes of the National Bureau of Bulgarian Motor Insurers (NBBMI). As at 30.09.2024 and 31 December 2023. IC Euroins AD, a subsidiary, provides a bank guarantee in the amount of EUR 600 thousand in favour of NBBMI, and the funds securing the bank guarantee are blocked in the company's current account.
- 5 / The subsidiary ERM West EAD has established a bank guarantee as of 30.09.2024 in favour of the Sofia Municipality in the amount of BGN 99 thousand for the rehabilitation of the sidewalks during investment activities (31.12.2023 BGN 68 thousand).
- 6 / As of 30.09.2024, on the order of Elektrohold Bulgaria EOOD, two bank guarantees have been issued for a total amount of BGN 90 thousand (31.12.2023 - BGN 87 thousand). The Group acts as guarantor, with funds restricted in favour of a commercial bank in the amount of BGN 19 558 thousand.
- 7 / In 2023, the Group assumed a joint and several liability under a loan agreement of an unrelated third party dated 27.09.2017 in the amount of EUR 6 200 thousand. According to the contract, the borrower and the lender can terminate the contract with 3 months' notice from the end of the month of application.

CASH FLOWS

Consolidated cash flows		30.09.2024	31.12.2023
Net cash flows from operating activities	BGN thousand	122 488	336 613
Net cash flows from investing activities	BGN thousand	-127 717	-239 549
Net cash flows from financing activities	BGN thousand	-36 642	-88 751
Net increase/(decrease) in cash and cash equivalents	BGN thousand	-41 871	8 313
Cash and cash equivalents at the beginning of the period	BGN thousand	226 779	214 012
Cash and cash equivalents at the end of the period	BGN thousand	184 908	222 325

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

OVERVIEW OF KEY RESULTS BY BUSINESS LINES

RESULTS BY BUSINESS ACTIVITIES

EUROINS INSURANCE GROUP AD – INSURANCE

Key figures:

- Premium income - 387 million BGN (comparatively maintaining volumes compared to the nine months of 2023: 372 thousand BGN)
- Result before taxes - BGN 3.6 million

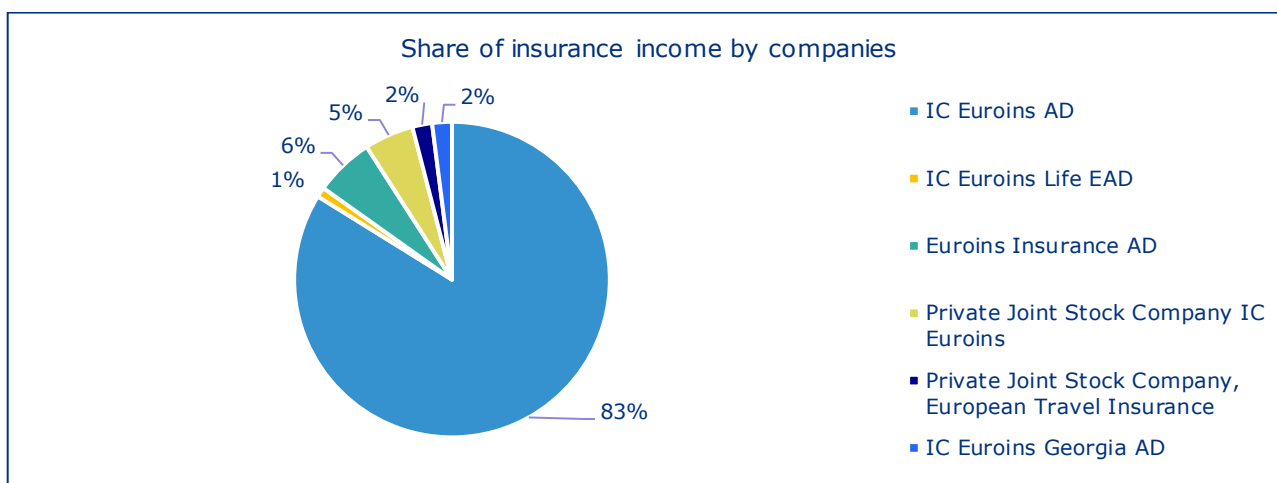
As of the nine months of 2024, Euroins Insurance Group (EIG) generated consolidated revenues from insurance business of BGN 387 million compared to BGN 372 million for the comparable period of 2023.

EIG reports a consolidated profit after taxes of BGN 3.8 million for the reporting period of 2024. For comparison, the result for the nine months of 2023 is BGN 21.5 million, with part of the profit being formed from discontinued operations and having a one-time effect.

Insurance income by companies:

Company	Insurance income
	January – September 2024 (BGN thousand)
IC Euroins AD, Bulgaria	7 669
IC Euroins Life EAD, Bulgaria	5 551
Euroins Insurance AD, North Macedonia	6 439
Private Joint Stock Company IC Euroins, Ukraine	21 830
Private Joint Stock Company, European Travel Insurance, Ukraine (ETI)	20 063
IC Euroins Georgia AD	325 517
Total Insurance income	387 069

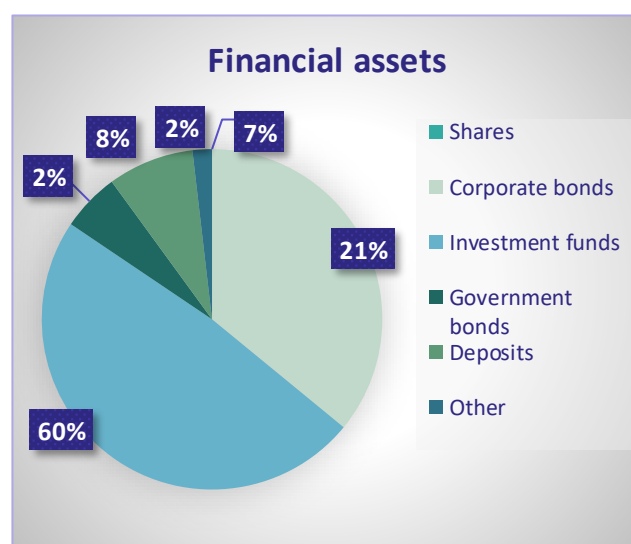
The EIG Group operates in Bulgaria, Greece, North Macedonia, UK, Georgia, Poland, Ukraine, Spain, Italy, Germany and the Netherlands.



Financial assets

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

Financial assets	Value 30.09.2024 (BGN thousand)	share %
Shares	28 405	7%
Corporate bonds	86 869	21%
Investment funds	242 380	60%
Government bonds	7 316	2%
Deposits	33 431	8%
Other	6 837	2%
Total	405 239	100%



New accounting standards

As of 1 January 2023, Euroins group applies the IFRS 17 accounting standard for the first time. The first-time application leads to significant changes and therefore has a material influence on this Q3 financial report including adjusted comparative information for the previous year.

IFRS 17 introduces a valuation model based on the present value of future cash flows expected to occur when the Group fulfills the contracts, a risk adjustment and a contract service margin

A premium allocation method is a simplified valuation model in IFRS 17 that is applicable to insurance and reinsurance contracts that meet the eligibility criteria:

- » have a term of up to one year or as a result of a test of the liabilities under the contracts under the general model and under the simplified model it is clear that the liabilities estimated under both models are approximately the same and;
- » not to be burdensome.

The Group applies the simplified model to the main part of its insurance portfolio, with the exception of long-term insurance policies from insurance products Guarantees and credits, savings insurance - basic coverage (death and survival), individual risk insurance - basic coverage (death)

On initial recognition of each group of contracts, the carrying amount of the remaining coverage obligation is estimated at the premiums received on initial recognition. The Group has elected to recognize cash flows from insurance acquisitions as expenses when incurred.

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

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

Significant events for the insurance group

For the period January - June 2024, there have been no significant events in the Euroins Insurance Group that are relevant to:

- » organisational changes in the EIG Group structure;
- » pending legal, administrative or arbitration proceedings concerning liabilities or claims amounting to at least 10 per cent of the equity of the EIG Group;

On 22 May 2024, Eurohold Bulgaria AD (Eurohold) and Euroins Insurance Group AD (EIG) officially filed an international arbitration case against the Government of Romania at the International Center for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than 500 million euros.

- » intra-EIG loans, guarantees or commitments.

During the nine months of 2024, two new subordinated debt contracts (subordinated debt instruments) were negotiated and concluded within the insurance group for a total amount of BGN 20 million, each amounting to BGN 10 million, bearing an annual interest rate of 5% and a repayment term of not earlier than 5 years. At the end of the first quarter of 2024, the subordinated debt instruments in the form of a loan received by the EIG Group increased to BGN 74.9 million (31.12.2023: BGN 54.9 million).

Results by companies

<i>amount in BGN thousand</i>	IC Euroins AD*	IC Euroins Life EAD	Euroins Insurance AD	PJSC IC Euroins	PJSC European Travel Insurance	IC Euroins Georgia AD
	<i>Bulgaria</i>	<i>Bulgaria</i>	<i>North Macedonia</i>	<i>Ukraine</i>	<i>Ukraine</i>	<i>Georgia</i>
Insurance revenues	325 517	5 551	21 830	20 063	7 669	6 439
Equity	97 998	12 543	17 755	7 235	9 933	6 165
Liabilities, incl. Subordinated liabilities	461 118	7 913	23 252	39 480	4 447	5 098
Assets	559 116	20 456	41 008	46 715	14 380	11 262
Share capital	49 721	8 445	7 574	3 317	1 637	2 562

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

IC Euroins AD, Bulgaria

The main insurance revenues for the Group are generated by Euroins. In the third quarter of 2024, Euroins Bulgaria reported total revenues from insurance services of BGN 326 million, comparatively increasing volumes compared to the same period in 2023 by 7%.

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

IC Euroins Life EAD, Bulgaria

Euroins Life's insurance revenues for the third quarter of 2024 amounted to BGN 5.5 million and reported a decrease of 35% compared to the BGN 8.6 million realized for the comparable period of 2023.

Euroins Insurance AD, North Macedonia

In the third quarter of 2024, insurance revenues at Euroins North Macedonia reported a slight increase, amounting to BGN 22 million, compared to the same period in 2023 of BGN 24 million. The company's main areas of activity are Civil Liability and Agricultural Insurance.

Private Joint Stock Company IC Euroins, Ukraine

In the third quarter of 2024, the Company reported insurance income of BGN 20 million, maintaining the levels compared to the previous period. The majority of the premium income generated in 2023 and the reporting period of 2024 was formed based on sales in the Western part of Ukraine, which is relatively much less affected by the military actions.

The main business lines in which the company specialises are motor insurance.

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

In the third quarter of 2024, the Company reported insurance income of BGN 7.6 million, which represents a maintenance of the levels from the comparative period of 2023.

Travel assistance insurance is the core business in the Company's portfolio.

IC Euroins Georgia AD

Total insurance income in the reporting quarter of 2024 was BGN 6.4 million, with a relatively stable level compared to the comparable period of 2023 (BGN 6.5 million).

Insurance Company Euroins Georgia specializes in Accident and Sickness insurance.

Euroins Insurance Group AD (individual level)

The company continues to report higher administrative costs for the nine months of 2024, a total of BGN 2 million, due to an increase in the costs of external services - legal services related to active legal protection in connection with Euroins Romania.

Other group companies

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

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

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

At the end of July 2021. Eastern Europe Electric Company B.V. acquired the assets of CEZ Group in Bulgaria, turning the energy group of Eurohold (now the Electrohold Group) into one of the largest independent private energy groups in Bulgaria.

As of 30.09.2024, the Electrohold Group consists of eight operating companies operating in the areas of distribution, supply, electricity trading and intercompany management, information technology services, and three specially created companies with the purpose of pooling Eurohold's energy investments.

Key indicators:

- » Revenues from operational activity – BGN 1.57 billion (30.09.2023: BGN 1.72 billion)
- » EBITDA – BGN 213.1 million (30.09.2023: BGN 268.2 million)
- » Net profit – BGN 32 million (30.09.2023: BGN 102 million)

Financial results of the operating companies in the EEEC Group

Analysis of the material revenues and expenses

» Revenues

Revenues from energy activity	30.09.2024 BGN thousand	30.09.2023 BGN thousand
Customers on the open market	782 346	948 753
Household consumers	633 502	591 200
Business users	84 768	130 358
Revenues from customer connection fees	23 248	17 943
Late payment penalties	-	3 065
Revenues from services for the survey, repair and maintenance of the electricity distribution network, and commercial metering facilities	4 769	7 007
Revenues from information, communication, technology (ICT) and other services	344	566
Revenue from the Electricity System Security Fund	1 408	696
Other revenue	37 509	23 535
Total revenue from energy activities	1 567 894	1 723 123

» Expenses

» Energy activity expenses	30.09.2024 BGN thousand	30.09.2023 BGN thousand
Expenses for purchased electricity	1 122 546	1 171 902
Technology expenses for electricity transmission	79 254	111 871
Balancing energy	23 511	26 748
Transmission and access service expenses	3 122	1 568
Other expenses	470	106
Total energy activity expenses	1 228 903	1 312 195

Other operating expenses	30.09.2024 BGN thousand	30.09.2023 BGN thousand
Expenses on materials	10 696	8 918
Hired services expenses	42 607	43 314
Employee benefits expenses	95 847	93 775
Other operating expenses	2 365	562
Total other energy activity expenses	151 515	146 569

» **Financial income/expenses**

Financial income/expenses	30.09.2024 BGN thousand	30.09.2023 BGN thousand
Financial income	9 258	3 878
Interest income	2 434	2 099
Other financial income	6 824	1 779
Financial expenses	-55 736	-39 869
Interest expenses	-53 518	-37 049
Interest expense - cash flow hedge	1 008	-
Interest expense on right of use assets	-453	-360
Other financial expenses	-2 773	-2 460
Financial income/expenses (net)	-46 478	-35 991

Material Assets, Equity and Liabilities

Assets	30.09.2024 BGN thousand
Property, plant and equipment	887 531
Intangible assets	83 936
Inventory	29 946
Current receivables	467 625
Financial assets for sale	54 367
Cash and cash equivalents	164 664
Liabilities	30.09.2024 BGN thousand
Non-current liabilities for loans received from banking and non-banking institutions	1 015 630
Current liabilities for loans received from banking and non-banking institutions	50 848
Current trade and other liabilities	219 153

Significant events for the energy group

For the period January to September 2024:

- > Have been no significant events in the EEE Group that are relevant to
 - » organisational changes in the EEE Group structure;
 - » pending legal, administrative or arbitration proceedings concerning liabilities or claims amounting to at least 10 per cent of the EEE group's equity;
- » Refinanced within the EEC group - loans, provision of guarantees or assumption of liabilities
 - » Eastern European Electric Company BV and Eastern European Electric Company II BV successfully closed a financing deal for a new 5-year syndicated secured loan in the amount of EUR 460 million and additional debt financing for another EUR 65 million with a repayment term of 5 years and 3 the month. The funds raised from the new financing were used to refinance the existing syndicated loan in the amount of EUR 360 million at the EEE B.V. level. and liabilities in the amount of EUR 125 million at the EEE II B.V level, as well as for capital expenditure within the energy subsidiaries in preparation for the liberalization of the electricity market.

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

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

- » Reduction of equity premium reserve
 - » on June 10, 2024, the premium reserve in the capital of Eastern European Electric Company BV and Eastern European Electric Company III BV was reduced as a result of a decision taken to return a contribution in the amount of BGN 181,892 thousand (EUR 93,000 thousand) .

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

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

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

The company also has the highest equity capital of all investment intermediaries, according to the FCS data.

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

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

- » Affiliated agent "Winners Group" EOOD, entered in the Trade Register and the Register of the National Center for Registration at the Registration Agency with EIC: 204522460, with headquarters and management address in the city of Sofia, Vazrazhdane district, "Alexander Stamboliyski" Blvd. No. 84, building "Urban Model", floor 6, entered in the Register of persons who can perform activities as bound agents of the FSC based on Decision No. 19 - OA dated 14.01.2021 of the FSC.
- » Affiliated agent "Studio Personal Finances" Ltd., entered in the Commercial Register and the Register of the National Center for Registration at the Registration Agency with EIC: 206297756, with headquarters and management address in the city of Sofia, 3 Dr. Hristo Stambolski Street, fl. 3, entered in the Register of persons

who can perform activities as bound agents of the FSC on the basis of Decision No. 496 - OA dated 15.07.2021 of the FSC.

» "BM Credit Group" Ltd., registered in the Trade Register and the Register of the National Register of Trade Unions at the Registration Agency with EIC 205162378, with registered office and management address: Sofia, g.k. "Lozenets", "Viskyar planina" street No. 19, floor 2, entered in the Register of persons who can carry out activities as bound agents of the FSC on the basis of Decision No. 548-TA of 16.05.2023 of the FSC.

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

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

Affiliated agents provide the above-mentioned services to the clients or potential clients of "Euro-Finance" AD only in relation to the shares of collective investment schemes of AMUNDI.

Key indicators:

The Company generated net income from core operations for the nine months of 2024 in the amount of BGN 3.2 million, generated from:

- » Interest income - BGN 424 thousand;
- » Other operating income - BGN 2.8 million;

Expenses for the period related to the ongoing servicing of the Company amount to BGN 2 million.

Results of activity:

<i>Indicator</i>	30.09.2024 <i>BGN thousand</i>	30.09.2023 <i>BGN thousand</i>
Net profit from financial operations	3 241	1 117
Net profit before tax	1 200	636
Total Assets	28 741	29 314
Equity	23 285	22 711
Total liabilities	5 456	6 603

The result before taxes is BGN 1,200 thousand. The result for the same period of 2023 is BGN (636) thousand. The change is mainly due to the reported increase in the prices of financial assets. The following table presents the main net revenues of the company, related to the activity as an investment intermediary, for the nine months of 2024 and the comparable period:

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

<i>Indicator</i>	30.09.2024 <i>BGN thousand</i>	30.09.2023 <i>BGN thousand</i>
Interest and similar income	424	299
Income from transactions in financial assets and instruments	1 637	1 598
Fees and commissions from transactions in financial instruments	763	-1 076
Total:	2 824	821

Net interest income increased by 41.6% compared to the same period in the previous year. Fee and commission income decreased by 2.5% compared to the previous period. The result from operations with financial assets for the nine months of 2024 was BGN 763 thousand compared to a loss of BGN 1,076 thousand for the same period in 2023.

Significant events for Euro-Finance AD

For the period January - September 2024, there were no significant events for Euro-Finance Plc that are relevant to:

- » organisational changes in the company;
- » pending judicial, administrative or arbitration proceedings concerning liabilities or claims amounting to at least 10 per cent of the campaign's equity;
- » intra-company loans, guarantees or commitments.

EUROHOLD BULGARIA AD - INDIVIDUAL BASIS

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

DESCRIPTION OF THE MAIN RISKS

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

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

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

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

Each business sector, including the segments in which we operate, is subject to common risks, such as: changes in the macroeconomic environment, social, political, financial, regulatory and legislative changes. Our principal risks and uncertainties are those that may have the greatest impact on our Group's key priorities.

Climate risks

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

Eurohold Bulgaria has embarked on a project to accelerate its sustainability journey, including implementing the requirements of the Task Force on Climate-related Financial Disclosures (TCFD). As a Group, we have recognised the significant risks posed by climate change to our operations and the wider environment.

A. NON-SYSTEMATIC RISKS

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

⇒ Risks related to the activity and structure of Eurohold

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

The Company's financial results are directly linked to the financial performance and development trends of its business units. The impact of the individual risks of the subsidiaries is proportional to the share of the respective industry in the structure of Eurohold's long-term investment portfolio.

The main risk associated with the operations of Eurohold Bulgaria AD is the possibility of a reduction in the earnings of the companies in which it participates and on the receipt of dividends. In this regard, this may have an impact on the company's revenue growth as well as on the change in its profitability.

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

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

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

Specific risks associated with the activities of subsidiaries

➤ Insurance business

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

» Sector risk

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

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

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

» Company risk

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

The Group's business risk is characterised by:

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

» Business risk associated with the occurrence of large claims

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

Natural disasters

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

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

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

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

Major accidents

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

Terrorist acts

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

» Energy business

» Environmental and climate risk

Risk of negative impact on the environment

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

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

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

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

Climate change risk

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

For the most part, climate change risks arise from:

- Change in policies and regulations as a result of the implementation of European climate regulations by the relevant regulatory authorities in the Republic of
- Change in regulations in line with European climate-related documents and approved policies;
- Change in distribution network technologies required to move towards a carbon neutral society;
- Negative climate-related effects on suppliers or customers that affect the company.

Regulatory risk

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

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

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

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

Market risk

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

- Competition and switching risks in a free market;
- Risks associated with changes in wholesale electricity prices and their impact on the Company's energy position and expected trading margin;
- Risks resulting from the pronounced volatility and unpredictability of the wholesale market and the fundamentals influencing it (natural gas prices, fuels, CO2 emissions, renewables, EU policy, market mergers, climate change, etc.);
- Risks related to liquidity and adequate supply of long-term energy products in the wholesale market, matching the consumption profile of end customers;

- Risks due to seasonality, weather changes, generator maintenance programs, transmission capacity, generator outages, and other unforeseen events that may impact the wholesale electricity market;
- Risks associated with mispredictions, and/or abrupt changes in the wholesale market and the Company's inability to adapt its end-use customer portfolio to the changes;
- Risks related to market infrastructure, data exchange systems, security and information protection;
- Risks related to trading participant behaviour, experience and code of ethics;
- Risks arising from leaving positions of other participants in the Company's balancing group unfilled;
- Risks of non-renewal of contracts with end customers due to internal and external factors;
- Risk of changes in the regulatory framework, respectively inability to fully or partially pass on purchase costs to end customers' selling prices.

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

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

➤ **Investment intermediary and asset management**

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

» **Market and credit risk**

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

» **Settlement and clearing risk**

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

» Risk of change in the regulatory framework

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

» Risks in information transmission and processing

"Euro-Finance" AD conducts all stock exchange transactions, asset management, currency trading and settlement activities only electronically and is therefore exposed to the risk of loss in the transmission of information or theft of personal and confidential information. Failure to provide continuity and the necessary level of protection to the flow of information could expose the Company's internal securities trading system, its databases and daily transactions to risks, which in turn could damage the Company's image in the eyes of its customers and counterparties. Any loss of full control over information flow could have a material adverse effect on Euro-Finance plc's prospects, results and/or financial condition.

⇒ Risks related to Eurohold's development strategy

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

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

⇒ Risks related to the management of Eurohold. Operational risk

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

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

Eurohold continuously analyses and monitors the management of subsidiaries.

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

⇒ Risks associated with financing the activity

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

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

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

⇒ Risk of concentration

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

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

⇒ Risk of lack of liquidity

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

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

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

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

⇒ Credit risk

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

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

⇒ Risk related to staff

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

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

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

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

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

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

Following the sale (mid-2022) of the automotive and leasing businesses, this risk has been significantly reduced.

B. SYSTEMATIC RISKS

⇒ **Macroeconomic risk**

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

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

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

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

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

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

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

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

Macroeconomic risks at the date of preparation of this Report

Military actions on the territory of Ukraine and the Middle East

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

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

If the conflict were to continue, the economic damage would be significant for all sectors of the economy, both in Bulgaria and the EU, including the sectors and regions in which the Eurohold Group operates. Eurohold's management is monitoring with concern the development of the military conflict between Russia and Ukraine and

is assessing its impact on the Group's business with a view to taking measures, decisions and specific actions to mitigate the impact on the Group. "Eurohold Bulgaria AD, through its subsidiary Euroins Insurance Group, owns investments in two insurance companies in Ukraine and, until the end of 2022, also owned one company in Belarus and one with a minority interest in Russia.

At the end of 2022, the management of Eurohold Bulgaria and its subsidiary Euroins Insurance Group decided to divest the insurance group of its interests in companies in Belarus (100%) and Russia (associate 48.61%). These holdings added insignificant values to the consolidated results against the Assets of the Insurance Subholding and the Assets of Eurohold Bulgaria plc. EIG's business in the two countries accounted for less than 1% of the insurance group's 2022 revenue.

Macroeconomic forecast

According to the latest ECB Economic Bulletin, Issue 6/2024 – the economy grew by 0.2% in the second quarter, after 0.3% in the first, which is weaker than projected in the Eurosystem staff macroeconomic projections of June 2024. Growth was mainly driven by net exports and general government expenditure. Private domestic demand weakened as household consumption declined, firms cut back on business investment and residential investment declined. While services supported growth, the contribution of industry and construction was negative. Survey indicators suggest that the recovery continues to face some headwinds. The labour market remains resilient. The unemployment rate remained broadly unchanged at 6.4% in July. At the same time, employment growth slowed to 0.2% in the second quarter, compared to 0.3% in the first quarter. Current survey indicators point to a further weakening in labour demand, with job vacancies falling to levels close to pre-pandemic levels.

The latest data suggest that growth will continue in the short term, but at a slower pace than projected in the Eurosystem staff macroeconomic projections of June 2024.

Source: www.ecb.europa.eu

The BNB's September 2024 Macroeconomic forecast projects average annual real GDP growth of 0.8% in 2024 and reaching 1.3% in 2025 and 1.5% in 2026. Compared to the Eurosystem staff macroeconomic projections of June 2024, the GDP growth outlook has been revised slightly downwards for each year of the forecast period.

Source: www.bnb.bg

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

⇒ Risk of force majeure events

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

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

⇒ Political risk

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

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

Political risks include the successful continuation of Bulgaria's integration into the European Union (EU).

After our country's accession to the EU in early 2007, economic reforms were imposed in the name of our country's integration into the European Union. In the future, economic growth will depend on the political will to continue the economic reforms in order to implement the best market practices of the EU in economic, political, social, legal, financial terms.

The political situation in Bulgaria is currently not particularly stable. This instability manifested itself in April 2021, when the country was faced with the inability to form a regular and stable government. This is a prerequisite for increasing the existing risk of a further deepening of the political crisis, and in the absence of a clear parliamentary majority, it will be difficult to adopt a number of legislative changes supporting business activities.

Notwithstanding the stable policies pursued to date, there can be no assurance that factors will not emerge in the country that would give rise to social and political tensions, lead to a significant and abrupt change in political and economic conditions, which could have a material adverse effect on the business of the Company and its Group.

⇒ Country credit risk

Credit risk represents the probability of deterioration of a country's international credit ratings. Low credit ratings of a country can lead to higher interest rates, more difficult financing conditions for economic entities, including Eurohold.

Credit ratings serve as a basis for measuring and determining the credit risk of a country. The latest assigned credit ratings of Bulgaria are as follows:

On 19.10.2024, the international rating agency Fitch Ratings confirmed Bulgaria's long-term foreign and local currency credit rating of 'BBB' with a positive outlook.

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. Fitch Ratings also notes that low labor productivity and unfavorable demographics have a deterrent effect on potential growth and the stability of public finances in the long term.

The positive outlook reflects the country's prospects for eurozone membership, which would lead to further improvements in the country's external position indicators. Fitch Ratings believes that there is broad political commitment at the national and European levels to adopt the euro.

Source: www.minfin.bg

On 25.05.2024, the international rating agency S&P Global Ratings affirmed Bulgaria's long-term and short-term foreign and local currency credit ratings at 'BBB/A-2'. The outlook for the rating remains positive.

S&P Global Ratings notes that if a stable government is formed quickly after the June elections and a prolonged period of instability, such as that experienced in 2021–2023, is avoided, there is no expected significant delay in the country's accession to the eurozone. Bulgaria does not yet meet the price stability criterion among the convergence criteria that all countries must meet before joining. The rating agency believes that even if Bulgaria does not join the eurozone in 2025, this will likely be postponed until January 1, 2026.

S&P Global Ratings assumes that Bulgaria's economy has strong growth prospects over the next few years. They forecast real GDP growth of just under 3% on average in 2025–2027, supported primarily by increased domestic demand.

Source: www.minfin.bg

The implementation of a consistent and long-term economic policy in Bulgaria would be a valid reason for the potential increase in the country's credit rating, which in turn would have a favorable impact on the Eurohold economic group, expressed in the Group's financing opportunities. In the event of a decrease in Bulgaria's credit rating, as a result of unstable governance in the country, it could have a negative impact on the Group and on the cost of financing, unless its loan agreements are not fixed interest rates.

⇒ Inflation risk

Inflation risk is associated with the likelihood that inflation will affect real investment returns. The main risks related to the inflation forecast relate to the dynamics of international prices and the rate of economic growth in Bulgaria. International prices of raw materials and food products may rise more significantly as a result of political crises such as are currently available or an increase in demand. The limited supply of some agricultural goods and

especially cereals internationally in connection with adverse climatic events or force majeure circumstances may additionally cause higher inflation in the country.

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

Consumer Price Index (CPI)		
Monthly inflation	October 2024 / May 2024	+1.1%
Annual inflation	October 2024 / October 2023	+1.8%
Inflation from early 2024	October 2024 / December 2023	+1.2%
Average annual inflation	November 2023 – October 2024 / November 2022 – October 2023	+2.9%

Harmonized Index of Consumer Prices (HICP)		
Monthly inflation	October 2024 r. / September 2024	+0.6%
Annual inflation	October 2024 r. / October 2023	+2.0%
Inflation from early 2024	October 2024 r. / December 2023	+1.5%
Average annual inflation	November 2023 - October 2024 r. / November 2022 - October 2023	+3.1%

Price index for the small basket (ICPM)		
Monthly inflation	October 2024 r. / September 2024	+0.6%
Inflation from early 2024	October 2024 r. / December 2023	+1.2%

Source: www.nsi.bg

In general, inflation can affect the amount of the Company's expenses, since part of the company's liabilities are interest-bearing. Their service is linked to the current interest rates, which also reflect the inflation rates in the country. Therefore, the maintenance of low inflation levels in the country is considered a significant factor for the activity of the Eurohold group.

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

However, the current geopolitical situation in Europe makes the outlook for inflation in the Eurozone very uncertain and depends crucially on the development of the military conflict, the impact of current sanctions and possible further measures.

Given this, users of this Report should carefully consider and account for both current levels of inflation risk and future opportunities for its manifestation.

⇒ **Currency risk**

This risk is related to the possibility of depreciation of the local currency. For Bulgaria specifically, this is a risk of premature rejection of the conditions of the Currency Board at a fixed exchange rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva. It was accepted that Bulgaria joins the currency mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB. The agreement on the participation of the Bulgarian lev in Currency Mechanism II (CM II) is accompanied by a firm commitment of the Bulgarian authorities to conduct prudent economic policies with the aim of preserving economic and financial stability and achieving a high degree of sustainable economic convergence.

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

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.

Significant changes in the various exchange rates of subsidiaries outside Bulgaria, namely in North Macedonia, Ukraine, Georgia and Romania, respectively - Macedonian denar (MKD), Ukrainian hryvnia (UAH), Georgian lari (GEL) and Romanian leu (RON), whose exchange rate is determined almost freely in the local currency market would have a corresponding reflection in the group results of Eurohold. The consolidated revenues of "Eurohold Bulgaria" AD will be exposed to currency risk depending on the movement of these currencies against the euro.

⇒ Interest rate risk

Interest rate risk is related to the possibility of changing the prevailing interest rates in the country. Its influence is expressed by the possibility that the net income of the companies will decrease as a result of an increase in the interest rates at which the Issuer finances its activity. This risk can be managed through the balanced use of different sources of financial resources.

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

⇒ Risk of high levels of unemployment

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

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

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

	Amendment Q3. 2024/ Q3. 2023	total	men	women
Unemployment rate in the nine months of 2024	-0.4%	3.6%		
Unemployed persons		110.3 BGN thousand.	62 BGN thousand.	48.4 BGN thousand.
The long-term unemployment rate		2.2%		

Source: www.nsi.bg

⇒ Regulatory risk

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.

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

The Eurohold Group operates in a highly regulated environment in various European countries. The possibility of more radical changes in the regulatory framework, in the interpretation or practice of applying the legislation, as well as in divergence in the legislation and regulations in Bulgaria and in the countries in which the Group operates, may have an adverse effect on the activity as a whole, the operational results, and her financial status.

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

⇒ Risk of increased competition

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

C. RISK MANAGEMENT AND MINIMISATION MECHANISMS

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

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

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

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

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

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

Sofia,
November 25, 2024

Assen Minchev,
Executive Director

Milena Guancheva,
Prosecutor

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Interim condensed consolidated financial statements

as of September 30, 2024

Interim condensed consolidated statement of profit or loss and other comprehensive income for the nine months ending on 30 September 2024

<i>In thousand BGN</i>	Note	30.9.2024	30.9.2023 Restated
Continuing operations			
Revenue from energy business	3	1 567 855	1 723 067
Expenses for energy business	4	(1 228 903)	(1 312 195)
Gross profit from energy business		338 952	410 872
Insurance revenue	5	381 805	362 903
Insurance expenses	6	(365 534)	(352 927)
Net result from reinsurance contracts held	7	(17 799)	(67 433)
Net finance and investment income/(expenses) from insurance	8	16 886	(1 790)
Gross profit/(loss) from insurance business		15 358	(59 247)
Commission income from asset management and brokerage		1 293	1 098
Expenses for asset management and brokerage		(152)	(124)
Gross profit from asset management and brokerage		1 141	974
Gross profit		355 451	352 599
Dividend income	9	116	119
Other operating income	10	80 237	49 973
Profit/(loss) from transactions with financial instruments	11	9 604	(949)
Administrative expenses	12	(161 336)	(176 050)
(Accrued)/Reversed impairment loss on financial assets, net	13	(2 761)	(2 072)
Other operating expenses	14	(41 187)	(47 832)
EBITDA		240 124	175 788
Depreciation and amortisation expenses	15	(85 934)	(81 983)
EBIT		154 190	93 805
Finance income	16	3 016	2 548
Finance costs	17	(115 709)	(97 233)
Net profit/(loss) on foreign exchange differences	18	2 501	383
Share of profit of an associate		707	-
EBT		44 705	(497)
Income tax expenses	19	(13 537)	(19 152)
Net profit/(loss) for the period from continuing operations		31 168	(19 649)
Discontinued operations			
Net profit for the period from discontinued operations	39	545	118 991
Net profit for the period		31 713	99 342
Net profit attributable to:			
Owners of the parent		30 942	97 084
Non-controlling interest		771	2 258

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of profit or loss and other comprehensive income for the nine months ending on 30 September 2024 (continued)

<i>In thousand BGN</i>	<i>Note</i>	30.9.2024	30.9.2023 Restated
Net profit for the period		31 713	99 342
Other comprehensive income			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		-	800
Cash flow hedging		(17 618)	-
Share of other comprehensive income of an associate		-	-
<i>Items that will be not reclassified to profit or loss:</i>			
Change in fair value of non-financial assets		-	-
Share of other comprehensive income of an associate		-	-
Other comprehensive income for the period, net of taxes		(17 618)	800
Total comprehensive income for the period, net of taxes		14 095	100 142
Other comprehensive income for the period attributable to:			
Owners of the parent		13 324	97 639
Non-controlling interest		771	2 503
		14 095	100 142

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of financial position
as at 30.9.2024

<i>In thousand BGN</i>	<i>Note</i>	30.9.2024	31.12.2023
ASSETS			
Cash and cash equivalents	20	184 908	226 779
Fixed-term deposits at banks	21	17 047	30 505
Reinsurance contract assets held	22	200 722	200 970
Reinsurance contract assets issued	22	9 273	9 273
Insurance contract assets	22	228	248
Trade and other receivables	23	435 249	461 404
Financial assets	27	519 752	419 676
Inventories	26	42 472	23 975
Property, plant and equipment	24	904 856	869 827
Intangible assets	25	88 215	93 916
Investments accounted for using the equity method	29	13 364	12 657
Goodwill	30	116 883	116 883
Deferred tax assets	28	8 889	8 908
TOTAL ASSETS		2 541 858	2 475 021

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of financial position
as at 30.9.2024 (continued)

<i>In thousand BGN</i>	<i>Note</i>	30.9.2024	31.12.2023
EQUITY AND LIABILITIES			
Equity			
Share capital	37	260 500	260 500
Treasury shares	37	(77)	(77)
Share premium reserve		144 030	144 030
General reserves		7 641	7 641
Cash flow hedge reserve		(17 618)	-
Revaluation and other reserves		1 136	846
Accumulated loss		(309 532)	(384 999)
Profit for the current period		30 942	77 242
Equity attributable to owners of the parent		117 022	105 183
Non-controlling interest		20 605	19 907
Total equity		137 627	125 090
Subordinated loans	31	75 281	55 265
LIABILITIES			
Bank and non-bank loans	32	1 089 859	1 034 043
Obligations on bond issues	33	223 076	217 588
Trade and other payables	34	526 651	571 433
Derivative financial instruments	35	17 618	-
Insurance contracts liabilities issued	36	439 879	438 113
Reinsurance contracts liabilities held	36	14 577	15 408
Deferred tax liabilities	28	17 290	18 081
Total liabilities		2 328 950	2 294 666
Total liabilities and subordinated loans		2 404 231	2 349 931
TOTAL EQUITY AND LIABILITIES		2 541 858	2 475 021

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of cash flows
for the nine months ending on 30 September 2024

<i>In thousand BGN</i>	<i>Note</i>	30.9.2024	30.9.2023 Restated
Operating activities			
Profit for the period before tax from continuing operations:		44 705	(497)
Profit for the period before tax from discontinued operations:		545	118 991
Adjustments for:			
Depreciation and amortisation	15	85 934	82 056
Foreign exchange (loss)/gain		(2 501)	(365)
Dividend income		(116)	(158)
Provision costs		-	67 527
Impairment expenses under IFRS 9		2 761	2 072
Profit/(loss) from investments accounted for using the equity method		(707)	-
Loss/(Gain) on sale of investments		(13 746)	41 114
Net investment income (interest income and expense)		92 802	77 531
Other non-cash adjustments		14 185	9 055
Operating profit before change in working capital		223 862	397 326
Change in trade and other receivables		26 155	(294 743)
Change in inventories		(18 497)	8 753
Change in trade and other payables and other adjustments		(100 598)	230 224
Cash generated from operating activities		130 922	341 560
Interest received		3 203	5 002
Income tax paid		(11 637)	(9 949)
Net cash flows from operating activities		122 488	336 613
Investing activities			
Payments for property, plant and equipment		(95 489)	(83 449)
Proceeds from sale of property, plant and equipment		3 284	10
Loans granted		(58 869)	(9 584)
Repayment of loans granted, including net investment in finance lease		20 250	29 891
Interest received on loans granted		4 300	2 055
Payment for purchased of financial assets		(175 153)	(338 287)
Proceeds from sale of financial assets		172 058	156 613
Dividends received		69	1 233
Effect of exchange rate changes		(26)	(41)
Other proceeds from investing activities, net		1 859	2 010
Net cash flows from investing activities		(127 717)	(239 549)

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of cash flows
for the nine months ending on 30 September 2024 (continued)

<i>In thousand BGN</i>	<i>Note</i>	30.9.2024	30.9.2023 Restated
Financing activities			
Proceeds from loans		288 673	54 961
Repayment of loans		(241 202)	(76 729)
Lease payments		(9 019)	(27 453)
Paid interest, fees, and commissions on loans with investment purpose		(73 825)	(35 808)
Other payments/(proceeds) from financing activities, net		(1 269)	(3 722)
Net cash flows from financing activities		(36 642)	(88 751)
Net increase in cash and cash equivalents		(41 871)	8 313
Cash and cash equivalents at the beginning of the period	20	226 779	214 012
Cash and cash equivalents at the end of the period	20	184 908	222 325

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of changes in equity for the nine months ending on 30 September 2024

<i>In thousand BGN</i>	Share capital	Share premium	General reserves	Cash flow hedge reserve	Revaluation and other reserves	Retained earnings/(losses)	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
At 1 January 2023 (restated)	260 423	144 030	7 641	-	(309)	(377 422)	34 363	17 226	51 589
Profit for the period	-	-	-	-	-	97 084	97 084	2 258	99 342
Other comprehensive income	-	-	-	-	555	-	555	245	800
Total comprehensive income	-	-	-	-	555	97 084	97 639	2 503	100 142
Other changes	-	-	-	-	849	2 588	3 437	(844)	2 593
At 30 September 2023	260 423	144 030	7 641	-	1 095	(277 750)	135 439	18 885	154 324
At 1 January 2024	260 423	144 030	7 641	-	846	(307 757)	105 183	19 907	125 090
Profit for the period	-	-	-	-	-	30 942	30 942	771	31 713
Other comprehensive income	-	-	-	(17 618)	-	-	(17 618)	-	(17 618)
Total comprehensive income	-	-	-	(17 618)	-	30 942	13 324	771	14 095
Other changes	-	-	-	-	290	(1 775)	(1 485)	(73)	(1 558)
At 30 September 2024	260 423	144 030	7 641	(17 618)	1 136	(278 590)	117 022	20 605	137 627

Prepared by:

/Tsvetelina Cheresharova-Doycheva/

Date: 25.11.2024

Represented by:

/Asen Minchev, Executive Director/

/Milena Guentcheva, Procurator/

Interim condensed consolidated statement of profit or loss and other comprehensive income for the first nine months ending on 30 September 2024 by segments

		30.9.2024	30.9.2024	30.9.2024	30.9.2024	30.9.2024	30.9.2024
	Note	Consolidated	Energy business	Insurance business	Asset management and brokerage	Parent company	Eliminations
In thousand BGN							
Continuing operations							
Revenue from energy business	3	1 567 855	1 567 894	-	-	-	(39)
Expenses for energy business	4	(1 228 903)	(1 228 903)	-	-	-	-
Gross profit from energy business		338 952	338 991	-	-	-	(39)
Insurance revenue	5	381 805	-	387 069	-	-	(5 264)
Insurance expenses	6	(365 534)	-	(365 534)	-	-	-
Net result from reinsurance contracts held	7	(17 799)	-	(17 799)	-	-	-
Net finance and investment income/(expenses) from insurance	8	16 886	-	18 190	-	-	(1 304)
Gross profit from insurance business		15 358	-	21 926	-	-	(6 568)
Commission income from asset management and brokerage		1 293	-	-	1 789	-	(496)
Expenses for asset management and brokerage		(152)	-	-	(152)	-	-
Gross profit from asset management and brokerage		1 141	-	-	1 637	-	(496)
Gross profit		355 451	338 991	21 926	1 637	-	(7 103)
Dividend income	9	116	-	-	116	623	(623)
Other operating income	10	80 237	26 353	13 033	74	40 777	-
Profit/(loss) from transactions with financial instruments	11	9 604	6 268	-	762	2 552	22
Administrative expenses	12	(161 336)	(153 566)	(7 832)	(1 811)	(3 790)	5 663
(Accrued)/Reversed impairment loss on financial assets, net	13	(2 761)	(3 049)	-	12	264	12
Other operating expenses	14	(41 187)	(1 874)	(10 620)	-	(28 693)	-
EBITDA		240 124	213 123	16 507	790	11 733	(2 029)
Depreciation and amortisation expenses	15	(85 934)	(81 928)	(3 625)	(230)	(151)	-
EBIT		154 190	131 195	12 882	560	11 582	(2 029)
Finance income	16	3 016	3 835	-	584	519	(1 922)
Finance costs	17	(115 709)	(89 933)	(12 237)	(160)	(16 719)	3 340
Net loss on foreign exchange differences	18	2 501	-	2 297	216	(12)	-
Share of profit of an associate		707	-	707	-	-	-
EBT		44 705	45 097	3 649	1 200	(4 630)	(611)
Income tax expenses	19	(13 537)	(13 140)	(394)	(3)	-	-
Net profit/(loss) for the period from continuing operations		31 168	31 957	3 255	1 197	(4 630)	(611)
Discontinued operations							
Net profit for the period from discontinued operations	39	545	-	545	-	-	-
Net profit/(loss), attributable to:		31 713	31 957	3 800	1 197	(4 630)	(611)
Owners of the parent		30 942	31 957	3 405	1 197	(4 630)	(987)
Non-controlling interest		771	-	395	-	-	376

Consolidated assets and liabilities by business segments as at 30.9.2024

Total assets	2 541 858	1 907 446	822 197	28 741	668 147	(884 673)
Total liabilities and subordinated loans	2 404 231	1 391 933	667 603	5 456	454 070	(114 831)

**Interim condensed consolidated statement of profit or loss and other comprehensive income
for the first nine months ending on 30 September 2023 by segments**

		30.9.2023	30.9.2023	30.9.2023	30.9.2023	30.9.2023	30.9.2023
	Note	Consolidated	Energy business	Insurance business	Asset management and brokerage	Parent company	Eliminations
In thousand BGN							
Continuing operations							
Revenue from energy business	3	1 723 067	1 723 123	-	-	-	(56)
Expenses for energy business	4	(1 312 195)	(1 312 195)	-	-	-	-
Gross profit from energy business		410 872	410 928	-	-	-	(56)
Insurance revenue	5	362 903	-	372 107	-	-	(9 204)
Insurance expenses	6	(352 927)	-	(353 413)	-	-	486
Net result from reinsurance contracts held	7	(67 433)	-	(67 433)	-	-	-
Net finance and investment income/(expenses) from insurance	8	(1 790)	-	(1 235)	-	-	(555)
Gross loss from insurance business		(59 247)	-	(49 974)	-	-	(9 273)
Commission income from asset management and brokerage		1 098	-	-	1 722	-	(624)
Expenses for asset management and brokerage		(124)	-	-	(124)	-	-
Gross profit from asset management and brokerage		974	-	-	1 598	-	(624)
Gross profit		352 599	410 928	(49 974)	1 598	-	(9 953)
Dividend income	9	119	-	-	119	1 306	(1 306)
Other operating income	10	49 973	30 021	19 897	21	190	(156)
Profit/(loss) from transactions with financial instruments	11	(949)	101	-	(1 076)	17	9
Administrative expenses	12	(176 050)	(146 638)	(28 359)	(1 540)	(4 523)	5 010
(Accrued)/Reversed impairment loss on financial assets, net	13	(2 072)	(4 811)	-	25	2 455	259
Other operating expenses	14	(47 832)	(21 360)	(26 472)	-	-	-
EBITDA		175 788	268 241	(84 908)	(853)	(555)	(6 137)
Depreciation and amortisation expenses	15	(81 983)	(78 187)	(3 419)	(214)	(163)	-
EBIT		93 805	190 054	(88 327)	(1 067)	(718)	(6 137)
Finance income	16	2 548	2 099	-	449	728	(728)
Finance costs	17	(97 233)	(71 408)	(9 168)	(150)	(19 003)	2 496
Net loss on foreign exchange differences	18	383	-	257	132	(4)	(2)
Share of profit of an associate		-	-	-	-	-	-
EBT		(497)	120 745	(97 238)	(636)	(18 997)	(4 371)
Income tax expenses	19	(19 152)	(18 915)	(234)	(3)	-	-
Net (loss)/profit for the period from continuing operations		(19 649)	101 830	(97 472)	(639)	(18 997)	(4 371)
Discontinued operations							
Net profit for the period from discontinued operations	39	118 991	-	118 991	-	-	-
Net profit/(loss), attributable to:		99 342	101 830	21 519	(639)	(18 997)	(4 371)
Owners of the parent		97 084	101 830	21 377	(639)	(18 997)	(6 487)
Non-controlling interest		2 258	-	142	-	-	2 116

Consolidated assets and liabilities by business segments as at 31.12.2023

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

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Notes to the interim condensed consolidated financial statements

as at September 30, 2024

Notes to the Interim condensed consolidated financial statements

1. GENERAL INFORMATION ABOUT THE GROUP

1.1 Scope of Activity

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

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

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

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

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

The governing bodies of the company are the General meeting of shareholders, the Supervisory Board /two-tier system/ and the Management Board comprising the following members as at 30.9.2024:

Supervisory Board:

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

Management Board:

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

As of 30.9.2024 Eurohold Bulgaria AD is represented and managed by Kiril Ivanov Boshov and Asen Minchev Minchev, Executive Directors, and Milena Milchova Guentcheva - Procurator, only jointly by the two executive directors or by one executive director and the procurator.

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

As of 30.9.2024, the Audit Committee of the Parent company comprises the following members:

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

1.2. Structure of the economic group

Eurohold Bulgaria AD is controlled by Starcom AD, the ultimate parent company and a public company. The shares of Eurohold Bulgaria AD are traded on the Bulgarian and Warsaw Stock Exchanges.

The investment portfolio of Eurohold Bulgaria AD comprises of 3 economic sectors: energy, insurance and asset management and brokerage.

Subsidiaries:

Energy segment

Company	% of participation in the share capital 30.9.2024	% of participation in the share capital 31.12.2023
ELECTROHOLD GREEN EOOD, Bulgaria*	100.00%	100.00%
Eastern European Electric Company II B.V., Netherlands	100.00%	100.00%
<i>Indirect participation through Eastern European Electric Company II B.V.:</i>		
Eastern European Electric Company III B.V., Netherlands, owned by Eastern European Electric Company II B.V., The Netherlands	100.00%	100.00%
Eastern European Electric Company B.V. (EEEC B.V.), Netherlands, owned by Eastern European Electric Company III B.V. III, The Netherlands	100.00%	100.00%
Electrodistribution Grid West EAD and/or Electroražpredelitelni mreži Zapad EAD, Bulgaria, owned by EEEC B.V., Netherlands	100.00%	100.00%
Electrohold ICT EAD, Bulgaria through Electrodistribution Grid West EAD	100.00%	100.00%
Electrohold Sales EAD, owned by EEEC B.V., Netherlands	100.00%	100.00%
Electrohold Bulgaria EOOD, Bulgaria owned by EEEC B.V., Netherlands	100.00%	100.00%
Electrohold EPC EOOD, Bulgaria through Electrohold Bulgaria EOOD	100.00%	100.00%
Electrohold Trade EAD, Bulgaria owned by EEEC B.V., Netherlands	100.00%	100.00%
Free Energy Project Oreshets EOOD, Bulgaria, owned by EEEC B.V., Netherlands	100.00%	100.00%
Bara Group EOOD, Bulgaria, owned by EEEC B.V., Netherlands	100.00%	100.00%

* direct participation

Insurance segment

Company	% of participation in the share capital 30.9.2024	% of participation in the share capital 31.12.2023
Euroins Insurance Group AD (EIG AD) *	90.10%	90.10%
<i>Indirect participation through EIG AD:</i>		
Insurance Company Euroins AD, Bulgaria	98.88%	98.63%
Euroins Romania Asigurare-Reasigurare S.A., Romania – loss of control, Note 2.6.6 Loss of control over subsidiaries	98.57%	98.57%
Euroins Osiguruvanje AD, North Macedonia	93.36%	93.36%
Insurance Company Euroins Life EAD, Bulgaria	100.00%	100.00%
Euroins Ukraine PrAT, Ukraine	92.73%	92.73%
ECLAIM - Sole Proprietorship for Claims Settlement Services PC, Greece – lost of control on 12.9.2024 Note 39. Disposals and discontinued operations.	-	100.00%
Insurance Company Euroins Georgia AD, Georgia	50.04%	50.04%
Shardeni 2017 Ltd., Georgia - <i>renting and operating own real estate</i>	100.00%	100.00%
PHOENIX MGA SERVICES S.R.L., Romania – established on 12.06.2023 – <i>consulting services for insurance</i>	100.00%	100.00%
European Travel Insurance PrAT, Ukraine	99.99%	99.99%
Insurance Company Phoenix Re AD, Bulgaria (<i>former name IC EIG Re AD, entry of name change - 30.10.2024</i>) – <i>associate from 29.12.2023.</i>	40.06%	40.06%

Notes 29. Investments accounted for using the equity method and 39. Disposals and discontinued operations.

* direct participation

Asset management and brokerage segment

Company	% of participation in the share capital 30.9.2024	% of participation in the share capital 31.12.2023
Euro-finance AD, Bulgaria*	99.99%	99.99%
* direct participation		

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation and statement of compliance with IFRS

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

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

The interim condensed consolidated financial statements for the period ending 30 September 2024 should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2023, prepared in accordance with all International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS adopted by the EU). For the purposes of paragraph 1 (8) of the Supplementary Provisions of the Accounting Act applicable in Bulgaria, the term "IFRS adopted by the EU" means International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and the Council.

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

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

2.2 New standards, interpretations and amendments effective 1 January 2024

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

Other Standards and amendments that are effective for the first time in 2024 (for entities with a 31 December 2024 year-end) and could be applicable to the Group are:

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

Due to the scope of the economic activity of the Starcom Holding AD Group, to which Group Eurohold Bulgaria AD belongs, it is expected that the subsidiaries within the group to be subject to additional corporate tax in accordance with the changes in Bulgarian Corporate Income Tax Act, which are in force from 1 January 2024. The group is in the process of analyzing the new requirements issued by the Organization for Economic Co-

operation and Development (OECD) and accepted by national governments. With the new rules in Corporate Income Tax Act introduces the following types of taxation:

- Taxation with additional tax, and namely:
 - primary taxation with an additional tax on parent companies, and
 - secondary taxation with additional tax.
- Taxation with national additional tax.

2.3 Consolidation

The Group's consolidated financial statements include those of the parent company and all of its subsidiaries as of 30 September 2024. Subsidiaries are all entities that are under the control of the parent company. Control exists when the parent is exposed to, or has rights to, variable returns from its interest in the investee and has the ability to influence those returns through its power over the investee.

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

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

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

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

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

2.4 Functional and reporting currency

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

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

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

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

2.5 Segment reporting

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

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

Energy:

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

Insurance:

- Insurance Services

Financial services:

- Asset management and brokerage

2.6 Significant management judgements in applying accounting policies

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

2.6.1 Deferred tax assets

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

2.6.2 Revenue from contracts with customers

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

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

- Determination of the moment in time of fulfillment of performance obligations in the sale of electricity, services provided in the field of electricity trade and in contracts for the construction of energy facilities - the Company has made an analysis and determined that control is transferred during of time.

- Method for approximate evaluation of the variable remuneration - penalties for non-fulfillment of the obligations of any of the parties, including for quality performance by the Company.
- Assessment of a significant component of financing in case of deferred payment over one year in contracts for the construction of energy facilities.
- Considerations related to the principal versus agent relationship regarding the collection of access and transmission charges to the electricity distribution network and the "Obligations to the public" component - net presentation.

2.6.3 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at the end of each reporting period. Management determines the useful life of the assets, which represents the expected period of use of the assets by the Group. The carrying values of the assets as of 30 September 2024 and 31 December 2023 are analyzed in [Notes 24. Property, plant and equipment and 25. Intangible assets](#). The actual useful life may differ from the estimate due to technical and moral obsolescence, primarily of software products and computer equipment.

2.6.4 Uninvoiced energy

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

As at 30.9.2024 the uninvoiced energy amounts to BGN 16 486 thousand (31.12.2023: BGN 77 188 thousand), net from credit impairment losses ([Note 23. Trade and other receivables](#)).

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

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

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

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

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

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

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

2.6.6 Lack of control over subsidiaries

Loss of control over the subsidiary Euroins Romania Asigurare-Reasigurare S.A.

Based on the available information, facts, and circumstances, occurred after 31.12.2022, the management of the Group has determined that as of 31 December 2022, in accordance with the requirements of IFRS 10 "Consolidated Financial Statements" and IAS 10 "Events after the Reporting Period," a loss of control over the subsidiary Euroins Romania Insurance - Reinsurance S.A. should be reported. That judgment applies to these interim consolidated financial statements.

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

„Insurance Company Phoenix Re" AD has been reported as an associate entity of the Group since, by the end of 2023, there has been an effective transfer of control over a part of its shares, specifically 59.94%.

2.7 Uncertainty of accountig estimates

In preparation of consolidated financial statements, management makes a number of assumptions, estimates and assumptions regarding the recognition and measurement of assets, liabilities, income and expenses.

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

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

Impairment of inventories

At the end of the reporting period, management reviews the available inventories – materials and goods to determine whether their net realizable value has fallen below their carrying amount. In this review as at 30 September 2024, the Group did not recognise impairment of inventories. (as of 31 December 2023 – no impairment) *Note 26. Inventory.*

Impairment of property, plant and equipment

In accordance with IAS 36, at the end of the reporting period, an estimate is made as to whether there is any indication that the value of an asset in property, plant and equipment is impaired. In the case of such indications, the recoverable amount of the asset is calculated and the impairment loss is determined. As of 30 September 2024 and 31 December 2023, no impairment of property, plant and equipment was recorded. *Note 24. Property, plant and equipment and 25. Intangible assets.*

Actuarial assessments

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

Impairment of goodwill

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

Impairment of cash and cash equivalents, loans and receivables

o Cash and cash equivalents

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

o Loans receivables

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

o Litigation and claims

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

Defined benefit obligations

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

Fair value of financial instruments

Management uses techniques to measure the fair value of financial instruments in the absence of quoted prices in an active market. Details of the assumptions used are presented in the notes on financial assets and liabilities. In applying valuation techniques, management uses the market data and assumptions that market participants would use when evaluating a financial instrument. When no applicable market data is available, management uses its best estimate of the assumptions that market participants would make. These estimates may differ from the actual prices that would have been determined in a fair market transaction between informed and willing parties at the end of the reporting period.

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

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

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

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

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

Discount rates

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

Adjustments for non-financial risk

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

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

2.8 Derivative Financial Instruments and Hedge Accounting

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

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

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

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

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

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

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

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

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

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

3. Revenue from energy business

	30.9.2024 <i>BGN'000</i>	30.9.2023 <i>BGN'000</i>
Open market customers	782 346	948 753
Household consumers	633 502	591 200
Business consumers	84 730	130 304
Access fees	23 248	17 943
Revenue from services for research, repair and maintenance of electricity distribution network, and commercial metering devices	4 769	7 007
Revenue from information, communication, technological services	344	566
Revenue from the Power System Security Fund	1 408	696
Other revenue	37 508	26 598
	1 567 855	1 723 067

Changes in stock market prices have a major impact on reducing revenues in the energy sector. This trend is also reflected in the cost of purchasing electricity.

4. Expenses for energy business

	30.9.2024 <i>BGN'000</i>	30.9.2023 <i>BGN'000</i>
Costs for purchased electricity	(1 122 546)	(1 171 902)
Technological costs for electricity transmission	(79 254)	(111 871)
Balancing energy	(23 511)	(26 748)
Costs for transmission and access services	(3 122)	(1 568)
Other expenses	(470)	(106)
	(1 228 903)	(1 312 195)

5. Revenue from insurance business

	30.9.2024 <i>BGN'000</i>	30.9.2023 <i>BGN'000</i>
Contracts not measured under general model	172 809	-
Amounts relating to the changes in the LRC incl.	172 809	-
<i>Expected cash flows - incurred claims and other directly attributable expenses recovery</i>	160 397	-
<i>CSM recognised for the services provided</i>	12 412	-
Insurance acquisition cash flows recovery	-	-
Insurance revenue from contracts measured under the the premium allocation approach (PAA) – direct insurance	208 996	362 903
	381 805	362 903

6. Expenses for insurance business

	30.9.2024 BGN'000	30.9.2023 BGN'000
Incurring claims and other directly attributable expenses	(234 693)	(203 230)
Changes related to past service	-	-
Total incurred claims and insurance service expenses	(234 693)	(203 230)
Insurance acquisition cash flows	(107 957)	(122 642)
Administrative expenses	(22 884)	(27 055)
Total insurance service expenses	(130 841)	(149 697)
	(365 534)	(352 927)

7. Net result from reinsurance contracts held

	30.9.2024 BGN'000	30.9.2023 BGN'000
Assigned cash flows for the acquisition of insurance and incurred damages, and changes in the liability for claims filed, recovered from reinsurers	72 428	36 381
Insurance revenue ceded to reinsurers	(90 227)	(103 814)
	(17 799)	(67 433)

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

	30.9.2024 BGN'000	30.9.2023 BGN'000
Gain from impairment of financial assets	22 826	2 133
Interest income using the effective interest method	5 475	3 376
Other investment income	5 753	368
Finance income/(expenses) from insurance	(244)	-
Loss from impairment of financial assets	(15 787)	(7 595)
Other investment expenses	(1 137)	(72)
	16 886	(1 790)

9. Dividend income

	30.9.2024 BGN'000	30.9.2023 BGN'000
Asset management and brokerage	116	119
	116	119

10. Other operating income

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	26 353	30 021
Insurance business	13 033	19 897
Asset management and brokerage	74	21
Parent company incl.	40 777	34
- Revenue from the sale of goods	32 169	-
	80 237	49 973

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

	30.9.2024 BGN'000	30.9.2023 BGN'000
Profit from operations with financial instruments	18 242	9 203
Loss from operations with financial instruments	(8 638)	(10 152)
	9 604	(949)

11.1 Profit from operations with financial instruments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	6 824	1 779
Asset management and brokerage	8 245	7 360
Parent company	3 173	64
	18 242	9 203

11.2 Loss from operations with financial instruments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(556)	(1 678)
Asset management and brokerage	(7 483)	(8 436)
Parent company	(599)	(38)
	(8 638)	(10 152)

12. Administrative expenses

	30.9.2024 BGN'000	30.9.2023 BGN'000
Expenses for materials (<i>Note 12.1</i>)	(10 791)	(9 834)
Hired services expenses (<i>Note 12.2</i>)	(47 031)	(53 157)
Employee benefits expenses (<i>Note 12.3</i>)	(100 671)	(110 210)
Other administrative expenses (<i>Note 12.4</i>)	(2 843)	(2 849)
	(161 336)	(176 050)

12.1 Expenses for materials by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(10 696)	(8 918)
Insurance business	(34)	(862)
Asset management and brokerage	(48)	(39)
Parent company	(13)	(15)
	(10 791)	(9 834)

12.2 Hired services expenses by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(39 646)	(39 014)
Insurance business	(4 204)	(10 879)
Asset management and brokerage	(612)	(456)
Parent company	(2 569)	(2 808)
	(47 031)	(53 157)

12.3 Employee benefits expenses by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(95 847)	(93 775)
Insurance business	(3 110)	(14 868)
Asset management and brokerage	(920)	(858)
Parent company	(794)	(709)
	(100 671)	(110 210)

12.4 Other administrative expenses by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(2 365)	(562)
Insurance business	(59)	(1 750)
Asset management and brokerage	(222)	(180)
Parent company	(197)	(357)
	(2 843)	(2 849)

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

	30.9.2024 BGN'000	30.9.2023 BGN'000
Accrued impairment loss on financial assets	(3 089)	(4 836)
Reversed impairment loss on financial assets	328	2 764
	(2 761)	(2 072)

13.1 Accrued impairment loss on financial assets by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(3 049)	(4 811)
Asset management and brokerage	(35)	(25)
Parent company	(5)	-
	(3 089)	(4 836)

13.2 Recovered impairment loss on financial assets by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Asset management and brokerage	47	50
Parent company	281	2 714
	328	2 764

14. Other operating expenses

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(1 874)	(21 360)
Insurance business	(10 620)	(26 472)
Parent company incl.	(28 693)	-
- <i>Book value of goods sold</i>	(28 693)	-
	(41 187)	(47 832)

15. Depreciation expenses by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business incl.	(81 928)	(78 187)
<i>Right of use assets</i>	(4 970)	(4 283)
Insurance business incl.	(3 625)	(3 419)
<i>Right of use assets</i>	(2 336)	(2 422)
Asset management and brokerage incl.	(230)	(214)
<i>Right of use assets</i>	(183)	(164)
Parent company incl.	(151)	(163)
<i>Right of use assets</i>	(132)	(132)
	(85 934)	(81 983)

16. Finance income

	30.9.2024 BGN'000	30.9.2023 BGN'000
Interest income	3 016	2 548
	3 016	2 548

16.1 Interest income by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	2 434	2 099
Asset management and brokerage	582	449
	3 016	2 548

17. Finance costs

	30.9.2024 BGN'000	30.9.2023 BGN'000
Interest expenses on loans, net of	(94 949)	(85 078)
- Interest income from cash flow hedging*	1 008	-
Interest expenses – Right of use assets	(869)	(814)
Other finance costs	(19 891)	(11 341)
	(115 709)	(97 233)

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

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

17.1 Interest expenses on loans by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business, net of	(77 439)	(62 238)
- Interest income from cash flow hedging	1 008	-
Insurance business	(4 085)	(5 518)
Asset management and brokerage	(130)	(117)
Parent company	(13 295)	(17 205)
	(94 949)	(85 078)

17.2 Interest expenses – Right of use assets by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(453)	(360)
Insurance business	(356)	(386)
Asset management and brokerage	(30)	(33)
Parent company	(30)	(35)
	(869)	(814)

17.3 Other finance costs by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(11 966)	(8 784)
Insurance business	(7 268)	(1 959)
Parent company	(657)	(598)
	(19 891)	(11 341)

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

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

	30.9.2024 BGN'000	30.9.2023 BGN'000
Profit on foreign exchange difference	7 943	5 269
Loss on foreign exchange difference	(5 442)	(4 886)
	2 501	383

18.1 Profit on foreign exchange difference by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Insurance business	4 010	455
Asset management and brokerage	3 929	4 800
Parent company	4	14
	7 943	5 269

18.2 Loss on foreign exchange difference by segments

	30.9.2024 BGN'000	30.9.2023 BGN'000
Insurance business	(1 713)	(198)
Asset management and brokerage	(3 713)	(4 670)
Parent company	(16)	(18)
	(5 442)	(4 886)

19. Income tax expenses

	30.9.2024 BGN'000	30.9.2023 BGN'000
Current tax expense	(14 232)	(19 977)
Deferred tax income	695	825
	(13 537)	(19 152)

19.1 Income tax expenses by segments, net

	30.9.2024 BGN'000	30.9.2023 BGN'000
Energy business	(13 140)	(18 915)
Insurance business	(394)	(234)
Asset management and brokerage	(3)	(3)
	(13 537)	(19 152)

20. Cash and cash equivalents

	30.9.2024 BGN'000	31.12.2023 BGN'000
Cash in hand	541	1 121
Cash at bank	183 969	223 983
Restricted cash	74	343
Cash equivalents	751	1 742
<i>Expected credit loss</i>	(427)	(410)
	184 908	226 779

20.1 Cash and cash equivalents by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	164 664	203 707
Insurance business	17 287	18 567
Asset management and brokerage	2 904	4 412
Parent company	53	93
	184 908	226 779

21. Fixed-term deposits at banks by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Insurance business	17 325	30 787
<i>Expected credit loss</i>	<i>(278)</i>	<i>(282)</i>
	17 047	30 505

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

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Assets for remaining coverage for reinsurance contracts held	35 814	37 456
Assets for reported claims for reinsurance contracts held	155 232	162 579
Other reinsurance contract assets held	9 676	935
Total reinsurance contract assets held	200 722	200 970
Other reinsurance contract assets issued	9 273	9 273
Insurance contract assets	228	248
	210 223	210 491

23. Trade and other receivables

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Non-current trade receivables (<i>Note 23.1</i>)	6 777	6 992
Current trade receivables (<i>Note 23.2</i>)	299 198	382 459
Other receivables (<i>Note 23.3</i>)	129 274	71 953
	435 249	461 404

23.1 Non-current trade receivables by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Insurance business	6 739	6 964
Asset management and brokerage	38	28
	6 777	6 992

23.2 Current trade receivables

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Trade receivables incl. (Note 23.2.1)	271 419	343 802
<i>Impairment (Note 23.2.1)</i>	(72 437)	(68 810)
Advances paid (Note 23.2.2)	100 216	107 467
	299 198	382 459

23.2.1 Trade receivables by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	268 548	330 930
<i>Impairment</i>	(71 923)	(68 294)
Insurance business	303	11 398
Parent company	2 568	1 474
<i>Impairment</i>	(514)	(516)
	198 982	274 992

23.2.2 Advances paid by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	99 939	98 839
Insurance business	277	8 628
	100 216	107 467

23.3 Other receivables

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	101 033	47 330
<i>Impairment</i>	(12 190)	(12 178)
Insurance business	34 504	23 415
<i>Impairment</i>	(5 059)	(4 672)
Asset management and brokerage	-	147
Parent company	1	5
<i>Impairment</i>	-	-
Prepaid expenses (Note 23.3.1.)	7 525	6 169
Court and awarded receivables (Note 23.3.2.)	41 608	41 932
<i>Impairment</i>	(38 635)	(38 156)
Tax receivables (Note 23.3.3.)	487	7 961
	129 274	71 953

23.3.1 Prepaid expenses by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	6 146	5 701
Insurance business	54	355
Parent company	1 325	113
	7 525	6 169

23.3.2 Court and awarded receivables by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	41 608	41 932
<i>Impairment</i>	<i>(38 635)</i>	<i>(38 156)</i>
	2 973	3 776

23.3.3 Tax receivables by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	85	7 929
Insurance business	402	32
	487	7 961

24. Property, plant and equipment

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Land and buildings	106 066	107 621
Land and buildings – rights of use	14 798	20 312
Machinery and equipment	694 859	695 824
Machinery and equipment – rights of use	6 319	26
Vehicles	5 717	7 563
Vehicles – rights of use	2 925	2 924
Furniture and fittings and other assets	1 918	2 111
Assets under construction	72 254	33 446
	904 856	869 827

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

24.1 Land and buildings by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	101 130	104 080
Insurance business	4 936	3 541
	106 066	107 621

24.2 Land and buildings by segments – Rights of use

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	5 687	7 677
Insurance business	7 609	10 891
Asset management and brokerage	683	793
Parent company	819	951
	14 798	20 312

24.3 Machinery and equipment by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	693 357	694 257
Insurance business	1 502	1 567
	694 859	695 824

24.4 Machinery and equipment by segments – Rights

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	5 494	26
Insurance business	825	-
	6 319	26

24.5 Vehicles by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	5 566	7 195
Insurance business	83	287
Parent company	68	81
	5 717	7 563

24.6 Vehicles by segments – rights of use

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	2 263	2 120
Insurance business	468	671
Parent company	194	133
	2 925	2 924

24.7 Furniture and fittings and other assets by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	1 794	1 837
Insurance business	92	239
Asset management and brokerage	22	19
Parent company	10	16
	1 918	2 111

24.8 Assets under construction by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	72 240	33 431
Insurance business	14	15
	72 254	33 446

25. Intangible assets

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Property rights	41 012	43 785
Software	10 765	11 162
Other	36 438	38 969
	88 215	93 916

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

25.1 Intangible assets by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	83 936	90 622
Insurance business	4 115	3 169
Asset management and brokerage	164	125
	88 215	93 916

26. Inventories by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Energy business	29 946	23 790
Insurance business	131	185
Parent company*	12 395	-
	42 472	23 975

* Goods in transit

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

27. Financial assets by segments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Government bonds measured at FVTPL, incl.:	8 289	26 002
<i>Insurance business</i>	7 316	25 046
<i>Asset management and brokerage</i>	973	956
Total government bonds:	8 289	26 002
Corporate bonds measured at FVTPL, incl.:	93 026	108 207
<i>Energy business</i>	35 647	36 464
<i>Insurance business</i>	39 263	70 389
<i>Asset management and brokerage</i>	1 890	1 347
<i>Parent company</i>	16 226	7
Total corporate bonds:	93 026	108 207
Capital investments measured at FVTPL, incl.:	302 101	230 584
<i>Energy business</i>	18 720	8 114
<i>Insurance business</i>	268 330	215 271
<i>Asset management and brokerage</i>	9 640	7 199
<i>Parent company</i>	5 420	9
<i>Impairment</i>	(9)	(9)
Total capital investments:	302 101	230 584
Other financial assets measured at amortised cost, incl.:	116 336	54 883
<i>Energy business</i>	76 438	44 671
<i>Insurance business</i>	31 876	1 639
<i>Impairment</i>	(119)	(115)
<i>Asset management and brokerage</i>	8 205	8 798
<i>Impairment</i>	(64)	(110)
Total other financial assets:	116 336	54 883
	519 752	419 676

28. Deferred tax assets and liabilities

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	8 056	8 078
Insurance business	826	824
Asset management and brokerage	7	6
Deferred tax assets	8 889	8 908
Energy business	(17 290)	(18 081)
Deferred tax liabilities	(17 290)	(18 081)

29. Investments accounted for using the equity method

	30.9.2024 BGN'000	31.12.2023 BGN'000
Insurance business – IC Phoenix Re AD	13 364	12 657
	13 364	12 657

29.1 Loss of control over 59.94% of IC Phoenix Re AD (previous name "IC EIG Re" AD) in 2023 and its reclassification as an associate company.

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

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

The financial effect from the deal is presented below:

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

Summary of the statement of financial position

	30.9.2024 BGN'000	31.12.2023 BGN'000
Total assets	282 826	307 541
Total liabilities	242 968	275 946
Net assets	33 359	31 595

Equition of book value

Net assets at January 01

	30.9.2024 BGN'000	31.12.2023 BGN'000
Movement during the period	707	31 595
Net assets	33 359	31 595
Share %	40.06%	40.06%
Share BGN thousands acc.to Equity method	13 364	12 657

30. Goodwill

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Euroins Insurance Group AD	111 763	111 763
Euro-Finance AD	2 620	2 620
Electrohold Trade EAD	2 500	2 500
	116 883	116 883

The Group's management conducts an impairment test for the goodwill related to the aforementioned subsidiaries, employing external appraisers for this purpose. The valuations are in accordance with generally accepted international valuation standards. The test assumes that each individual company is considered a 'cash-generating unit' (CGU). Financial budgets, as well as other medium-term and long-term plans and intentions for the development and restructuring of activities within the Group, are used as the basis for cash flow forecasts (before taxes). The recoverable amount of each cash-generating unit is determined based on 'value in use.' Key assumptions used in the calculations are specifically defined for each company holding goodwill, treated as a separate cash-generating unit, and are tailored to its business environment and risks.

The result of the most recent test as of 31 December 2023, shows that the recoverable amount exceeds the carrying amount of the goodwill and there are no indications of impairment.

31. Subordinated debt instruments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Subordinated debt instruments – loan received	75 281	55 265
<i>Insurance business</i>	74 879	54 879
<i>Parent company</i>	402	386
	75 281	55 265

31.1 Insurance business

Subordinated debts of the insurance business as of 30 September 2024 include:

- Subordinated debt to Starcom Holding AD, concluded on 25 March 2024, in the amount of BGN 10 million, with an annual interest rate of 5% and a repayment term of no less than 5 years from the disbursement of the loan under the agreement. The loan is unsecured.
- Subordinated debt to Starcom Holding AD, concluded on 26 March 2024, in the amount of BGN 10 million, with an annual interest rate of 5% and a repayment term of no less than 5 years from the disbursement of the loan under the agreement. The loan is unsecured.
- Subordinated debt to Starcom Holding AD in the amount of BGN 14 879 thousand (31.12.2023 - BGN 14 879 thousand). The debt to Starcom Holding AD has a limit of EUR 12.6 million, an interest rate of 6% and a repayment term no earlier than 5 years from the date of crediting of the last tranche under the granted loan.
- Subordinated debt to Starcom Holding AD, concluded on 18 February 18 2023 in the amount of BGN 15 million, annual interest rate 5% and repayment term no earlier than 5 years from the granting of the loan under the contract. The loan is unsecured. (31.12.2023 – EUR 15 mln)
- Subordinated debt to Starcom Finance EAD in the amount of BGN 25 000 thousand. In June 2022, an agreement was signed to receive a cash loan in the form of a subordinated term debt in the amount of BGN 25 million from Starcom Finance AD, a wholly owned subsidiary a company of Starcom Holding AD, with an annual interest rate of 6%, maturity date 28 June 2032.

31.2 Parent company

The subordinated debt of the parent company with a balance sheet value of BGN 402 thousand. (31.12.2023 - BGN 386 thousand) has no fixed maturity and the lender Starcom Holding AD cannot demand its repayment, regardless of whether there is a case of default under the agreement. Eurohold Bulgaria AD has the right (but is not obliged) to pay amounts from the loan principal corresponding to each consecutively received tranche after the expiration of 5 (five) years from the date of receipt of the respective tranche. Early repayment of the principal of the subordinated debt is not allowed, except in cases of liquidation or bankruptcy, after payment

of the amounts due to all privileged creditors, as well as to all other unsecured creditors. The interest due is in the amount of 5% (five percent) on an annual basis on the attracted sums of money for the period of their actual use.

32. Bank and non-bank loans by segments

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business	1 067 211	982 054
Insurance business	205	252
Parent company	22 443	51 737
	1 089 859	1 034 043

32.1 Bank and non-bank loans by segments – noncurrent

	30.9.2023 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business, incl.	1 015 630	780 886
<i>Bank loans</i>	1 015 630	546 181
<i>Loans from non-bank financial institutions</i>	-	234 705
Parent company, incl.:	6 845	21 271
<i>Bank loans</i>	6 845	21 271
	1 022 475	802 157

32.2 Bank and non-bank loans by segments – current

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Energy business, incl.	51 581	201 168
<i>Bank loans</i>	51 581	201 168
<i>Loans from non-bank financial institutions</i>	-	-
Insurance business, incl.	205	252
<i>Bank loans</i>	205	252
Parent company, incl.:	15 598	30 466
<i>Bank loans</i>	15 598	30 466
	67 384	231 886

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

BGN'000	Limit	Original currency	Interest rate	Maturity	30.9.2024 Book value BGN'000	30.9.2024 Principal In thousand In original currency	31.12.2023 Book value BGN'000	31.12.2023 Principal In thousand In original currency
Insurance business								
Bank creditor 1	400	GEL	13%	01.2025	205	205	252	382
Energy business								
Syndicated loan 1	360 000	EUR	6m EURIBOR+ 3.00 %	21.06.2026	-	-	703 326	360 000
Syndicated loan 2	460 000	EUR	6m EURIBOR + 3% min. (Notes 17, 35)	11.6.2029	906 383	460 000	-	-
Creditor 1	113 990	EUR	13%	26.01.2027	-	-	234 671	117 043
Bank creditor 5	65 000	EUR	11% with the option to capitalize interest	11.9.2029	129 504	65 000	-	-
Bank creditor 2	116 000	EUR	6m EURIBOR + 1.80%	30.04.2027	31 324	15 640	33 403	16 909
Bank creditor 3	4 380	BGN	2.20% + Average Deposit Index	31.10.2024	-	-	10 627	10 620
Bank creditor 3	43 031	BGN	2.20% + Average Deposit Index	31.10.2024	-	-	27	-
Parent-company								
Bank creditor 4	10 000	EUR	6.0%+ 3m EURIBOR	18.03.2025	8 621	3 850	8 058	3 850
Bank creditor 4	7 000	EUR	5.0 %+ 3m EURIBOR	28.01.2029	13 822	6 192	13 011	6 192
Bank creditor 5	40 000	EUR	8.75+ 3m EURIBOR	11.06.2025	-	-	30 668	15 085
TOTAL:					1 089 859	-	1 034 043	1 089 859

33. Obligations on bond issues

	30.9.2024 <i>BGN'000</i>	31.12.2023 <i>BGN'000</i>
Parent company, incl.:	223 076	217 588
<i>Non-current</i>	212 556	216 264
<i>Current</i>	10 520	1 324
	223 076	217 588

33.1 Information on bond issues

	Coupon	Original currency	Maturity	30.9.2024 Book value* <i>BGN'000</i>	30.9.2024 Nominal in'000 <i>original curr.</i>	31.12.2023 Book value* <i>BGN'000</i>	31.12.2023 Nominal in'000 <i>original curr.</i>
Parent company							
EMTN Programme with ISIN XS1731768302	6.50%	EUR	6.2026	88 855	70 000	85 902	70 000
EMTN Programme with ISIN: XS1542984288	8.00%	EUR	12.2026	20 738	10 000	19 567	10 000
Corporate bonds with ISIN:BG2100013205	3.25%	EUR	11.2027	57 381	30 000	56 895	30 000
Corporate bonds with ISIN:BG2100002224	3.25%	EUR	3.2029	56 102	40 000	55 224	40 000
			TOTAL:	223 076	150 000	217 588	150 000

* Presented net of own bonds held in the Group.

Parent company

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

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

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

The bond with ISIN: BG2100013205 in the amount of EUR 30 000,000 was registered by Central Depository AD on 26 November 2020. The issue is the second in a row of ordinary, registered, dematerialized, interest-bearing, secured, non-convertible, freely transferable bonds under the terms of primary private placement within the meaning of Art. 205, para. 2 of the CA. The nominal and issue value of each bond is EUR 1 000 (thousand). The maturity date of the issue is 26 November 2027, and the principal is repaid once at maturity. The interest payments are every six months, starting from the date of registration of the issue (26 November 2020), at a fixed nominal interest rate - 3.25% on an annual basis. The debenture loan is secured by an insurance contract "Debenture loan" concluded between the issuer Eurohold Bulgaria AD, as an insurer and ZD Euroins AD as an insurer. The trustee of the bondholders in the issue is Ever Financial House AD.

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

34. Trade and other liabilities

	30.9.2024 BGN'000	31.12.2023 BGN'000
Non-current trade and other liabilities (<i>Note 34.1</i>)	74 327	132 928
Current trade liabilities (<i>Note 34.2</i>)	146 675	192 461
Current other liabilities (<i>Note 34.3</i>)	277 452	221 010
Lease liabilities (<i>Note 34.4</i>)	28 197	25 034
	526 651	571 433

34.1 Non-current trade and other liabilities

	30.9.2024 BGN'000	31.12.2023 BGN'000
Non-current trade and other liabilities (<i>Note 34.1.1</i>)	28 466	92 722
Employee retirement benefit obligations (<i>Note 34.1.2</i>)	20 802	20 802
Deferred income (<i>Note 34.1.3</i>)	25 059	19 404
	74 327	132 928

34.1.1 Non-current trade and other liabilities by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	336	89
Insurance business	28 097	33 925
Parent company	33	58 708
	28 466	92 722

34.1.2 Employee retirement benefit obligations by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	20 805	20 802
	20 802	20 802

34.1.3 Deferred income by segments – non-current

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	25 059	19 404
	25 059	19 404

34.2 Current trade liabilities by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	118 021	180 981
Insurance business	-	63
Asset management and brokerage	1	50
Parent company	28 653	11 367
	146 675	192 461

34.3 Current other liabilities

	30.9.2024 BGN'000	31.12.2023 BGN'000
Provisions (<i>Note 34.3.1</i>)	34 780	43 637
Tax liabilities (<i>Note 34.3.2</i>)	19 653	16 555
Payables to employees (<i>Note 34.3.3</i>)	17 623	41 343
Deffered income (<i>Note 34.3.4</i>)	7 347	7 875
Social-security liabilities (<i>Note 34.2.5</i>)	5 076	7 639
Other current liabilities (<i>Note 34.3.6</i>)	192 973	103 961
	277 452	221 010

34.3.1 Provisions by segment

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	33 896	41 744
Insurance business	884	1 893
	34 780	43 637

34.3.2 Tax liabilities by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	16 028	5 289
Insurance business	874	9 533
Asset management and brokerage	10	58
Parent company	2 741	1 675
	19 653	16 555

34.3.3 Payables to employees by segment

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	16 651	36 277
Insurance business	845	4 926
Asset management and brokerage	2	9
Parent company	125	131
	17 623	41 343

34.3.4 Deferred current income by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	7 347	7 875
	7 347	7 875

34.3.5 Social-security liabilities by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	4 816	6 270
Insurance business	225	1 330
Parent company	35	39
	5 076	7 639

34.3.6 Other current liabilities by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business	31 601	14 081
Insurance business	74 477	45 096
Asset management and brokerage	576	244
Parent company	86 319	44 540
	192 973	103 961

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

34.4 Lease liabilities – Rights of use by segments

	30.9.2024 BGN'000	31.12.2023 BGN'000
Energy business incl.	14 533	10 843
<i>Non-current</i>	12 295	5 722
<i>Current</i>	2 238	5 121
Insurance business incl.	11 682	11 994
<i>Non-current</i>	11 377	8 675
<i>Current</i>	305	3 319
Asset management and brokerage incl.	981	1 011
<i>Non-current</i>	787	836
<i>Current</i>	194	175
Parent company incl.	1 001	1 186
<i>Non-current</i>	760	917
<i>Current</i>	241	269
	28 197	25 034

35. Derivative financial instruments

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Interest rate swaps	17 618	-
	17 618	-

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

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

36. Insurance contracts liabilities

	30.9.2024	31.12.2023
	<i>BGN'000</i>	<i>BGN'000</i>
Insurance contracts liabilities, incl:	439 158	436 976
<i>Liability for claims made</i>	369 193	346 637
<i>Liability for remaining coverage</i>	69 965	90 339
Other insurance contracts liabilities issued	721	1 137
Total insurance contracts liabilities issued	439 879	438 113
Reinsurance contracts liabilities held	7 515	6 148
Other reinsurance contracts liabilities	7 062	9 260
Total reinsurance contracts liabilities held	14 577	15 408
Total insurance contracts liabilities	454 456	453 521

37. Share capital

	30.9.2024	31.12.2023
	<i>Numbers of shares</i>	<i>Numbers of shares</i>
Issued shares	260 500 000	260 500 000
Treasury shares	(77 277)	(77 277)
Number of shares with voting rights	260 422 723	260 422 723

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

As of 30.9.2024, 77 227 numbers of voting shares of Eurohold Bulgaria AD are held by companies in the (as of 31.12.2023 – 77 227 voting shares).

The shareholder structure as of September 30, 2024, is as follows:

Shareholders	%	Voting rights	Par value BGN
Starcom Holding AD	50.10%	130 502 057	130 502 057
KJK Fund II SICAV-SIF - Balkan Discovery	10.49%	27 335 623	27 335 623
Boston Management and Research, through the following funds managed by it, namely: Global Opportunities Portfolio, Global Macro Portfolio, Global Macro Absolute Return Advantage Portfolio, Global Macro Capital Opportunities Portfolio.	8.50%	22 144 922	22 144 922
SLS Holding AD	7.77%	20 237 375	20 237 375
PENSION ASSURANCE COMPANY-FUTURE through the following funds managed by him: UPF-Future PPF-Future DPF-Future	5.30%	13 794 398	13 794 398
Other legal entities	16.12%	41 987 439	41 987 439
Other individuals	1.73%	4 498 186	4 498 186
Total:	100.00%	260 500 000	260 500 000

38. Acquisitions

38.1 Acquisitions in 2024

No acquired companies or business combinations in the nine months of 2024.

38.2 Acquisitions in 2023 - Insurance business

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

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

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

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

39. Disposals and discontinued operations

39.1 Disposals and discontinued operations in 2024

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

	хил. лв.
1. Fair value of consideration received	1 936
2. Net Assets on date of sale	(97)
3. Group result (1-2)	2 034
4. Loss for the period 01.01.2024 - 09.12.2024	(169)
5. <i>Insurance business level eliminations, net</i>	<i>(1 319)</i>
3. Profit for the year from discontinued operations	545

39.2 Disposals and discontinued operations in 2023 – Insurance business

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

The effect of the sale is presented below:

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

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

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

39.3 Cash flows from discontinued operations

	01.01.2024- 30.9.2024 <i>BGN'000</i>	2023 <i>BGN'000</i>
Operating activity	(27)	77 723
Investment activity	-	(77 980)
Financial activity	-	(114)
TOTAL CASH FLOWS FROM DISCONTINUED OPERATIONS	(27)	(371)

40. Contingent liabilities and commitments, provisions for court cases

40.1 Litigation

As of 30.9.2024 no significant lawsuits have been filed against Eurohold Bulgaria AD.

In May 2024, Eurohold Bulgaria AD and Euroins Insurance Group AD officially filed an international arbitration case against the Government of Romania at the International Center for Settlement of Investment Disputes (ICSID) in Washington. The claim is worth more than EUR 500 million.

The companies in the Energy segment are involved in a number of legal disputes and proceedings. They are not material for the Group, but the more significant of them as of 30.06.2024 are described below:

Electrodistribution Grid West EAD

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

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

In 2020, the claims of renewable energy producers against EGD West EAD, amounting to BGN 2 106 thousand, based on the court's annulment of any point of Decision Л-33, were written off after the expiry of the five-year limitation period.

As at 30 September 2024, the amount of this provision amounts to BGN 115 thousand (31 December 2023: BGN 115 thousand).

Other provisions for court claims

The remainder of the provisions recognised in respect of legal actions and proceedings includes various cases in which EDG West is a plaintiff or defendant, totalling BGN 4 806 thousand (2023: BGN 5 860 thousand), each of which is immaterial individually. No additional information is disclosed based on paragraph 92 of IAS 37.

Provisions for sanctions

As of 30.09.2024, EDG West EAD has provisions for sanctions from state administration bodies in the amount of BGN 1 496 thousand (31.12.2023: BGN 1 566 thousand). The company has taken into account the risk of an unfavorable outcome in connection with the imposed sanctions. No additional information is disclosed based on paragraph 92 of IAS 37. Provisions are as follows:

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

In 2022, EWRC issued 3 penalty decrees, which were appealed. Two of the penalty decrees are for non-implementation of the EWRC decision and the sanctions are BGN 20 thousand each, and the third is for providing false information and the sanction is BGN 5 thousand. The last and one of the first two decrees are set aside, and one is affirmed and paid.

In 2023, 10 new decrees with a total value of BGN 600 thousand were issued, of which 3 were confirmed and paid, and the rest were appealed.

Provisions for sanctions from EWRC as of 30.06.2024 are BGN 470 thousand.

- *Provision for tax payables related to NRA inspection*

In December 2019, an audit covering the periods 2014 and 2015 was commissioned, which ended with the issuance of a revision act, in which based on established court decisions and penalty decrees, unpaid insurance and tax on social expenses under CITA for all months of the two years in which there are accrued social costs for which reliefs and discounts were used under CITA are determined. The amount of the revision act has been paid in full. The revision act was appealed before the Administrative Court of Sofia-city and case No. 5874/2021 was formed, on which technical expertise was assigned. In 2023, the competent court ordered additional technical expertise.

In order to comply with the principle of consistency in assessing the incurrence of liabilities related to inspections by state regulatory authorities, the Company has assessed that there remains a risk for 2016, pending the outcome of the 2014 and 2015 tax audit cases, that the tax audit will again raise the issue of a breach of the condition that there are no enforceable public liabilities at the time of enjoyment of reliefs and discounts under the Corporate Income Tax Act, namely at the time of the provision of food vouchers.

Electrohold Sales EAD

As of 30.09.2024, Electrohold Sales EAD has a provision for legal claims in the amount of BGN 697 thousand (31.12.2023: BGN 7 421 thousand) based on the probable outcome of several legal disputes, which are at different stage, but are currently unresolved.

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

A claim filed by Receiver CHB EOOD

Electrohold Sales EAD and of Future Energy OOD were parties to the Framework Agreement on the supply of electricity, which was terminated on 02.12.2017, causing financial losses. Electrohold Sales set off a penalty of BGN 3.35 million against liabilities of BGN 6.7 million. In 2019, the creditor Receiver CHB filed a lawsuit against Electrohold Sales, disputing the set-off. The court partially rejected the claim, but Electrohold Sales was sentenced to a total amount of BGN 3.85 mln. After appeals, the Supreme Court overturned the decisions and rejected the claim of Receiver CHB, rendering a final decision in favor of Electrohold Sales.

Claim filed by Pirin BMK EOOD

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

Electrohold Bulgaria EOOD

In 2024, there are no legal claims filed against the company. The company is a defendant in eight civil cases with a total amount of claims of BGN 287 thousand. The lawyers' prediction for the outcome of the cases is that the claims will be rejected in full, due to groundless and illegal claims. The company does not expect cash outflows from the outcome of the cases.

40.2 Guarantees and guarantees provided

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

Business	Maturity (EUR'000) (EUR'000)							
	Amount in EUR'000 as of 30.9.2024	Amount in BGN'000 as of 30.9.2024	2024	2025	2026	2027	2028	After 2028
Ultimate parent company								
Bank loans for investment purposes	5 000	9 779	-	5 000	-	-	-	-
Leasing business								
Working capital facilities - related parties 30.6.2022	16 919	33 091	3 217	6 425	4 173	2 007	915	182
Automotive business								
Working capital facilities - related parties 30.6.2022	3 958	7 741	1 627	557	557	557	557	103
TOTAL:	25 877	50 611	4 844	11 982	4 730	2 564	1 472	285

- (2) The Group is a guarantor under issued bank guarantees, as follows:

Business	Amount in EUR'000 as of 30.9.2024	Amount in BGN'000 as of 30.9.2024	Maturity (EUR'000)
Energy business - bank guarantees	18 839	36 846	05.2027
Energy business - corporate guarantee	3 500	6 845	05.2025
Automotive business (related parties 30.9.2022)	2 028	3 966	02.2026
Automotive business (related parties 30.9.2022)	1 662	3 251	05.2025
TOTAL:	26 029	50 908	

- (3) In connection with the participation of IC Euroins AD through its branch in the Hellenic Republic in the so-called friendly settlement agreement between the insurers that offer compulsory motor third party liability insurance on the territory of the Hellenic Republic, a bank guarantee has been established in favor of the Greek Association of Insurers. As at 30.9.2024 the bank guarantee is amounting to EUR 243 thousand (31.12.2023 - EUR 243 thousand) and the funds are blocked on a deposit account of the Branch.
- (4) Insurers that offer compulsory motor third party liability insurance present a bank guarantee in accordance with the Statute of the National Bureau of Bulgarian Motor Insurers (NBBAZ). As of 30 September 2024, and 31 December 2023, Euroins Insurance AD, a subsidiary, provides a bank guarantee amounting to EUR 600 thousand in favor of the National Bank of Bulgaria. The funds securing the bank guarantee are blocked in the company's current account.
- (5) The subsidiary ERM Zapad EAD established a bank guarantee in favor of the Sofia Municipality in the amount of BGN 99 thousand for the restoration of the sidewalks during investment activities as of 30.9.2024 (31.12.2023 - BGN 68 thousand).
- (6) As of 30.9.2023, by order of Electrohold Bulgaria EOOD, two bank guarantees were issued with a total amount of BGN 87 thousand (as of 31.12.2023 - BGN 87 thousand). The Group acts as a guarantor, with funds restricted in favor of a commercial bank in the amount of BGN 19 558 thousand.

- (7) In 2023, the Group undertakes joint liability under a loan agreement with a third-party unrelated entity dated 27 September 2017, amounting to EUR 6 200 thousand. According to the agreement, both the borrower and lender can terminate the contract with a three-month notice period, effective from the end of the month of notification.

40.3 Guarantees and guarantees received

- (1) Guarantees in favor of the Group (in particular Eurohold Bulgaria AD) by Milena Milchova Gencheva, procurator of Eurohold Bulgaria AD - BGN 3 300, maturity date 03.2025. Automatic renewal until the procurator is released from liability.
- (2) The Group's suppliers (in particular ERM Zapad EAD) have provided bank deposits as collateral in its favor for the performance of the contracts concluded with them for the supply of materials and services. The amount of valid guarantees as of 30.9.2024 is BGN 13 546 thousand (2023: BGN 14 822 thousand).
- (3) In accordance with the Rules for the Terms and Conditions for Granting Access to the Electricity Transmission and Distribution Networks, where it is stated that guarantee securities are to be provided by customers who meet the conditions for concluding transactions at freely negotiated prices, the amount of valid guarantees established in favour of the Company as at 30.9.2024 is BGN 3 045 thousand (31.12.2023: BGN 3 323 thousand).
- (4) According to the amendments in 2023 to the Renewable Energy Sources Act, producers from renewable energy sources are required to provide a guarantee during the connection procedure. The amount of valid guarantees established as of 30.9.2024 is BGN 4 835 thousand (31.12.2023 – BGN 375 thousand).
- (5) As at 30.9.2024 in favour of the Electrohold ICT EAD are established guarantees for performance of concluded contracts for the total amount of BGN 830 thousand (2023: BGN 929 thousand).
- (6) Customers of the Electrohold Trade EAD have established bank guarantees in favour of the Group in the amount of BGN 676 thousand (31.12.2023: BGN 1 305 thousand). The issued bank guarantees secure the payments under contracts for sale of electricity and balancing.
- (7) As of 30.9.2024, performance guarantees under contracts in the amount of BGN 2 368 thousand have been established in favor of the Group (in particular, Electrohold EPC EOOD) (31.12.2023 – BGN 2 320 thousand).

40.4 Pledge of shares

In connection with a loan to a company from Automotive Subholding, which as of 31.3.2024 is not a related party, Eurohold Bulgaria AD has an established pledge of shares in a subsidiary.

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

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

41. Related parties

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

Related parties within the Group are as follows:

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

Subsidiaries of Starcom Holding AD:

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

Other investments:

- Solars Energy AD, Bulgaria – associate of Starcom Holding AD since October, 2022

- Euroins Romania Asigurare-Reasigurare S.A., Romania – subsidiary of Euroins Insurance Group EAD with 98.57%. *Loss of control as at 31.12.2023. Note 2.6. Material management judgements and accounting estimates*
- IC Phoenix Re AD (*previous name IC EIG Re AD*) - associate of Euroins Insurance Group EAD as at 31.12.2023 – 29. *Investments accounted for using the equity method and 39.2. Disposals and discontinued operations during 2023.*

Balances with related parties

	30.9.2024 BGN'000	31.12.2023 BGN'000
Balances with owner company		
Receivables from repo transactions from Starcom Holding AD	17 402	4 538
Loans received from Starcom Holding AD	33 824	41 068
Subordinated debt – Starcom Holding AD	50 281	30 265
Other liabilities to Starcom Holding AD incl.	6 236	2 673
- <i>interest</i>	6 236	2 673
Dividend liabilities to Starcom Holding AD	101	101
Trade receivables from Starcom Holding AD	78	-
Balances with other related parties		
Subordinated debt – Starcom Finance EAD	25 000	25 000
Loans received(short-term) – Starcom Finance EAD	8 000	-
Other liabilities to Starcom Finance EAD - interest on subordinated debt	339	420
- <i>interest on subordinated debts</i>	250	420
- <i>interest on short-term loans received</i>	89	-
Right-of-use asset - office from Hanson Asset Management Ltd, UK	737	757
Lease liabilities - Hanson Asset Management Ltd UK	532	775
Other receivables from Euroins Romania Insurance - Reinsurance S.A.,Romania	509	509
<i>Impairment</i>	(509)	(509)
Liabilities under contract with Euroins Romania Insurance - Reinsurance S.A.,Romania for a loan of financial instruments with an annual interest rate of 7.0% and maturity on 05.12.2023, including:	3 841	3 671
- <i>interest</i>	614	444
Balances with associated companies		
Contract assets under reinsurance contracts held – IC Phoenix Re AD	9 273	11 688
Other receivables – IC Phoenix Re AD	1	117
Insurance and reinsurance contracts liabilities – IC Phoenix Re AD	7 062	6 148

Transactions with related parties

	30.9.2024 <i>BGN'000</i>	30.9.2023 <i>BGN'000</i>
Transactions with owner company		
Commission fee income from Starcom Holding AD	311	236
Revenue from services rendered to Starcom Holding AD	520	550
Interest income from Starcom Holding AD	384	703
Interest expenses on loans received from Starcom Holding AD	(3 635)	(4 577)
Transactions with other related companies		
Revenue from services rendered to Vedernik EAD	13	-
Commission income from IC Phoenix Re AD (associated)	183	-
Commission income from Euroins Romania Insurance - Reinsurance S.A., Romania	-	80
Other income from Euroins Romania Insurance - Reinsurance S.A., Romania	-	34
Other income from Hanson Asset Management Ltd UK	4	4
Other income from Swiss Global Asset Management AG, Switzerland	2	2
Interest expense on leases (rights of use) from Hanson Asset Management Ltd UK	(6)	(4)
Depreciation expense on right-of-use assets from Hanson Asset Management Ltd UK	(225)	(148)
Interest expenses on loans received from Starcom Finance EAD	(1 214)	(1 125)
Interest expenses from Euroins Romania Insurance - Reinsurance S.A., Romania	(170)	(166)

42. Events after the reporting period

The Group's associate IC EIG Re AD changed its name to IC Phoenix Re AD, effective October 30, 2024.

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

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Internal information
30 September 2024

INTERNAL INFORMATION

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

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

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

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

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

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Additional information
as at 30 September 2024

ADDITIONAL INFORMATION

to the interim condensed individual activity report
for the period 1 January - 30 September 2024

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

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

For the reporting period 1 January - 30 September 2024, there have been no changes in the accounting policies of the Eurohold Bulgaria Group.

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

For the reporting period January 1 - September 30, 2024, the following changes occurred in the group of companies of Eurohold Bulgaria AD:

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

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

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

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

There are no published projections for 2024.

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

Information according to the book of shareholders of Eurohold Bulgaria AD as of 30.09.2024.

	Name	Shares	% of equity
1.	Starcom Holding AD	135 970 807	52.20%
2.	KJK Fund II Sicav-Sif Balkan Discovery	21 866 873	8.39%
3.	Boston Management and Research, through the following funds managed by it:	22 144 922	8.50%

	<ul style="list-style-type: none"> - Global Opportunities Portfolio, - Global Macro Portfolio, - Global Macro Absolute Return Advantage Portfolio, - Global Macro Capital Opportunities Portfolio. 		
4.	SLS Holding AD	19 209 375	7.37%
5.	PIC Future, through the following funds managed by it: <ul style="list-style-type: none"> - UPF Future - PPF Future - DPF Future 	13 794 398	5.30%

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

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

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

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

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

Related party transactions for the period are disclosed in the Notes to the interim condensed standalone and interim condensed consolidated financial statements as at 30.09.2024. The terms on which the transactions were carried out do not deviate from market terms for this type of transaction.

25.11.2024

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Appendix 4
30 September 2024

APPENDIX 4

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

for the period 1 January – 30 September 2024.

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

No insolvency proceedings were commenced for the Issuer or any of its subsidiaries during the reporting period 1 January – 30 September 2024.

3. **Conclusion or execution of material transactions**

All concluded transactions, including material ones, are disclosed in the following documents:

- > Interim condensed individual financial statements as at 30.09.2024.
- > Interim condensed individual report on the activities of Eurohold Bulgaria AD as at 30.09.2024.
- > Interim condensed consolidated financial statements of Eurohold Group as at 30.09.2024.
- > Eurohold Group's interim condensed consolidated management report as at 30.09.2024.

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

↳ There are none for the reporting period

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

There are no other material circumstances that have not been disclosed in the public disclosure documents listed in item 3 above.

25.11.2024

Assen Minchev,
Executive Director of Eurohold Bulgaria AD

Milena Guencheva,
Prosecutor of Eurohold Bulgaria AD

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Declaration of responsible persons

DECLARATION

Article 100n, paragraph 4, item 4 of POSA

The undersigned,

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

WE DECLARE that to the best of our knowledge:

1. The set of interim condensed consolidated financial statements for the nine months of 2024 and Notes to them, prepared in accordance with applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit or loss of Eurohold Bulgaria AD.;
2. The interim condensed consolidated management report as at 30.06.2024 contains a reliable overview of the development and performance of Eurohold Bulgaria AD, as well as a description of the main risks and uncertainties facing the company.

Declarators:

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