

EUROHOLD BULGARIA AD

Annual Report

31 December 2015

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KEY INDICATORS

Indicators		2015	Change	2014	2013
Income Statement					
1. Profit / loss (before taxes)	BGN '000	407	76%	1 665	(767)
2. Net profit / loss (after tax)	BGN '000	407	76%	1 665	(767)
3. Revenue	BGN '000	7 678	(2)%	7 845	4 851
Statement of financial position as of December, 31					
4. Equity	BGN '000	273 975	(0,1)%	274 151	272,486
5. Liabilities (current- and non-current)	BGN '000	116 559	54,0%	75 670	63,275
6. Assets (current- and non-current)	BGN '000	390 534	11,6%	349 821	335,761
Information on the shares					
Share Capital	BGN '000	127 345	0%	127 345	127,345
Number of shares	Number '000	127 345	0%	127 345	127,345
Net profit / loss per share	BGN	0,003	(75)%	0,013	(0,006)
Financial Ratios					
Coefficient of financial autonomy	BGN '000	2.35	(35)%	3.62	4.31
Debt / Equity ratio	BGN '000	0.43	52%	0.28	0.23
Gross return on revenue	BGN '000	5.30%	(75)%	21.22%	(15.81)%
Net return on revenue	BGN '000	5.30%	(75)%	21.22%	(15.81)%
Gross return on equity	BGN '000	0.15%	(76)%	0.61%	(0.28)%
Net return on equity	BGN '000	0.15%	(76)%	0.61%	(0.28)%
Gross return on liabilities	BGN '000	0.35%	(84)%	2.20%	(1.21)%
Net return on liabilities	BGN '000	0.35%	(84)%	2.20%	(1.21)%
Gross return on assets	BGN '000	0.10%	(78)%	0.48%	(0.23)%
Net return on assets	BGN '000	0.10%	(78)%	0.48%	(0.23)%

7 678 BGN
thousand

Total revenue for 2015 | [see p. 20](#)

407 BGN
thousand

Net loss for 2015 | [see p. 21](#)

274 BGN mln.

Net assets | [see p. 19](#)

390.5 BGN mln.

Total assets | [see p. 18](#)

54%

Increase in liabilities | [see p. 20](#)

0.003 BGN

EPS for 2015 | [see p. 21](#)

Management Report of EUROHOLD BULGARIA AD for 2015

This Management Report has been prepared in compliance with the provisions of article 100n of the Public Offering of Securities Act, article 247 of the Commerce Act, article 33 of the Accountancy Act, and appendix №10 to article 32, paragraph 1, and item 2 of Ordinance №2 of 17.09. 2003 on the prospectuses to be published when securities are offered to the public or admitted for trading on a regulated market, and on the disclosure of information by public companies and other issuers of securities.

The Management Report of Eurohold Bulgaria AD presents commentary and analysis of the financial statements and other material information about the financial position and results achieved as a result of the operations of the company. The report reflects the company's position and prospects for development, as well as the main risks faced by it. Eurohold Bulgaria AD also prepares a consolidated annual report on its activities which includes the financial results of the parent-company, its subsidiaries and associated companies. In order to gain a thorough view of the Group's financial position as a whole, the users of this annual report should read it in conjunction with the consolidated annual report of Eurohold Group for 2015.

In Company management, the members of the Management Board apply the best international practices in corporate governance, seeking to be among the leaders in the implementation of transparent corporate practices in Bulgaria. The business model implemented by the Company is built on fundamental principles such as ensuring the rights and equal treatment of all shareholders.

I. COMPANY OVERVIEW

History

The name of the company is EUROHOLD BULGARIA AD. According to Art. 2, paragraph 3 of the Articles of Association, in English the trade name of the company is written as follows: EUROHOLD BULGARIA S.A.

EUROHOLD BULGARIA AD is a holding company, registered in the Republic of Bulgaria, which operates in compliance with Bulgarian legislation.

EUROHOLD BULGARIA AD is a public company as defined in the Public Offering of Securities Act.

The initial registration of the Company is with the Commercial Registry of the Sofia City Court, in company file № 14436/ 2006, under № 111639, volume 1509, page 116.

On 10.03.2008 EUROHOLD BULGARIA AD was re-registered with the Commercial Registry at the Registry Agency in compliance with the requirements of the Commercial Registry Act.

The unique identification code (UIC) of the Company is 175187337.

EUROHOLD BULGARIA AD has been founded for an indefinite term, which means that the Company is not limited by a specific term or other preclusive condition.

EUROHOLD BULGARIA AD is a public limited company formed by the merger between EuroHold AD, registered under file № 13770/ 1996 of Sofia City Court and Starcom Holding AD, registered under file № 6333/ 1995 of Sofia City Court.

By the merger, the newly established holding company EUROHOLD BULGARIA AD strengthened its position as one of the biggest Groups in Bulgaria with significant potential for development, considerable equity and financial resources.

EUROHOLD BULGARIA AD was established with a capital in amount of BGN 50 002 586, divided into 50 002 586 ordinary, registered, non-privileged, dematerialized shares with one voting right at the General Meeting of the Shareholders, with dividend rights and liquidation quota, with a nominal value of BGN 1 each one. Since the Company's establishment several capital increases by cash contributions have been performed and as of the date of this report the equity of the Company amounts to BGN 127 345 000, divided into 127 345 000 ordinary, registered, non-privileged, dematerialized voting shares, with dividend rights and liquidation quota, with a nominal value of BGN 1 each one. The share capital of the Company has not been increased by contributions in kind. The Company has not issued any shares that do not represent equity. All shares, excluding the shares owned by subsidiary companies, issued by EUROHOLD BULGARIA AD give their owners the right to vote at the General Meeting of the Shareholders.

When EUROHOLD BULGARIA AD was established, it had many subsidiaries in its structure, which operated in the fields of insurance, leasing, real estate and manufacturing. To optimize its costs and achieve higher synergies among all subsidiaries, EuroHold's management decided to split the subsidiaries functionally into separate legal entities within the Group as follows:

Insurance Sub-Holding

On 06.11.2007 EUROHOLD BULGARIA AD founded EuroIns Insurance Group EAD to consolidate its insurance activities. On 27.11.2007 a session of the General Meeting of the Shareholders of EUROHOLD BULGARIA AD was held and a decision was made for contribution in-kind of the shares, held by EUROHOLD BULGARIA AD in its subsidiaries EuroIns AD, EuroIns Romania Asigurare Reasigurare SA and the health assurance company St. Nicolay Chudotvorets EAD (currently EuroIns Health Assurance EAD). The described in-kind contribution was performed after the Bulgarian Financial Supervision Commission and the Romanian Insurance Supervisory Commission granted their approvals. Subsequently, EuroInsInsurance Group EAD acquired Macosped Osiguruvanje AD, Skopje (currently EuroIns Osiguruvanje AD, Skopje), and the acquisition was approved by the Ministry of Finance of the Republic of Macedonia on 28.01.2008.

In 2013 Euroins Insurance Group acquired from the Dutch financial group Achmea B.V. the whole business of Bulgarian companies Interamerican Non-life insurance and Interamerican Life insurance. On 2 October 2013 the insurance portfolio of Interamerican Non-life insurance was transferred into Euroins Insurance pls. This became possible at the same day the Commission for protection of competition and the Financial Supervision Commission issued their approvals. As of 3 October Euroins started with the overall servicing of all Interamerican Non-life insurance policies. By regulatory Decision No 989-Ж3 from 20 December 2013 the Financial Supervision Commission granted permission to Euroins Insurance Group for acquiring the entire share capital of Interamerican Bulgaria Life Insurance. After the respective permission for the deal from the Commission for Protection of Competition had been previously obtained, all the conditions precedent for finalizing the transaction have being met. The purchase of the shares of Interamerican Bulgaria Life Insurance at the end of December 2013. As well as, on 3 December has been signed the agreement between Euroins Insurance Group

and the international insurance specialist QBE for transferring the insurance business in Bulgaria and Romania. According to the agreement the current insurance policies of QBE on both markets will be transferred to Euroins Insurance plc after the regulatory permissions are granted. In Bulgaria and Romania QBE mainly offer insurances Property, Goods in Transit and Responsibilities, while in Bulgaria was a leader in travel insurance.

On 20 February 2015 Euroins Insurance Group (EIG) signed a contract with TALANX INTERNATIONAL (based in Hanover) for the acquisition of its Bulgarian and Ukraine business, HDI Insurance and HDI Strakhuvannya, respectively. The deal for HDI Insurance was finalized as of the end of 2015 after the regulatory approval.

Increase of capital of Euroins Insurance Group AD in 2015:

In January 2015 the management has taken a decision to increase the capital of EUROINS INSURANCE GROUP (EIG) with BGN 19 600 thousand. In September 2015 Eurohold Bulgaria contributed the entire amount and the capital of the company equaled BGN 287 863 thousand. In November 2015 a new decision for increase of capital with BGN 195 583 thousand was taken. As of end of 2015 Eurohold Bulgaria has contributed BGN 40 153 thousand in the capital of EIG. The aim of the emission was to finance the EIG expansion and to support its subsidiaries. In the first quarter of 2016 Eurohold Bulgaria initiated another contribution amounting to BGN 23 920 thousand. On April, 1st 2016 the increase with BGN 195 583 thousand was registered in the Trade Register and as of the present moment the capital of EIG equals BGN 483 445 thousand.

Automotive Sub-Holding

At the end of 2008 began the formation of the automotive sub-holding of EUROHOLD BULGARIA AD – EuroHold Automotive Group EAD. The company was founded in 2007 and its initial share capital was formed by a contribution in-kind of the shares from the capital of Cargoexpress EOOD (currently Bulvaria Varna EOOD) – a dealer of Opel and Chevrolet in Varna. Similar to the establishment of EuroIns Insurance Group EAD, the consolidation of the automotive activities of EUROHOLD BULGARIA AD was made by contribution in-kind of the company's shares in its subsidiaries – Scandinavia Motors EAD – official importer of SAAB in Bulgaria, Nissan Sofia AD –

the biggest dealer of Renault Nissan in Bulgaria and EuroLease Rent-a-Car EOOD – exclusive franchise partner of Budget Rent-a-car in Bulgaria. The General Meeting of the Shareholders of EUROHOLD BULGARIA AD approved the above described contribution in-kind at its session held on 26.05.2009, and on 02.06.2009 the automotive sub-holding was founded.

In the meantime, in April 2009 EuroHold Automotive Group EAD, renamed to Avto Union Group EAD, acquired control over Avto Union AD's group, which owns Auto Italia EAD – official importer of Fiat and Lancia for Bulgaria, Bulvaria Holding EAD – Opel and Chevrolet dealer in Sofia, Gransport Auto EOOD – official importer of Maserati for Bulgaria, Milano Motors EOOD – official importer of Alfa Romeo and the scooters Piaggio, Vespa and Guilleri, Star Motors EOOD – official representative of Mazda in Bulgaria and Bulvaria Rent-a-Car EOOD – franchise partner of Avis Europe in Bulgaria. At the end of 2010 EuroHold Automotive Group EAD (currently Avto Union Group EAD) transferred its participations in Scandinavia Motors EAD, Nissan Sofia AD and EuroLease Rent-a-Car EOOD to Avto Union AD. In 2010, Avto Union AD also acquired Espace Auto EOOD, currently owned by EUROHOLD BULGARIA AD. In the end of 2010 Avto Union Group EAD sold its shares in Avto Union AD to Eurohold Bulgaria. By this transaction the reorganization of the automotive group has been completed. The ownership right over the shares has been transferred entirely in 2010. In 2011 the transaction was finalized.

In 2011, Bulvaria-Rent-a-Car EOOD was pooled into EuroLease Rent-a-Car EOOD, which became its universal assignee. The initial objective of this transformation was to optimize the operating costs of the company and to achieve better market segmentation, which in turn would improve the levels of customer service and clients' satisfaction. This was a prerequisite to strengthen the market presence of Avis and Budget in Bulgaria and to increase their market shares. In the end of 2011, Avto Union AD signed a preliminary contract and agreement to transfer the effective control of Eurolease rent-a-car to the leasing subsidiary BG AutoLease Holding B.V. and the management of the company was transferred to the new owner. On 30.01.2012 the final contract for the transfer of the shares was signed.

On 23.01.2013 in the Commercial Register was entered restructuring of three subsidiaries of Auto Union, namely Gransport Auto EOOD as an importer of Maserati, Milano Motors EOOD – importer of Alfa Romeo, Vespa, Guilleri and Piaggio were merged into Auto Italia EAD – the importer of Fiat and Fiat Professional. The main purpose of this restructuring is to achieve more effective customer service to all Italian brands and to increase the efficiency of the structure by

optimizing costs and cash flows. With the merger transferred all the assets and liabilities of Gransport Auto EOOD and Milano Motors EOOD to Auto Italia EAD. In February, 2013, Star Motors EOOD registered a company in Macedonia – Star Motors DOOEL Skopje. On 25.11.2013, Cargoexpress Imoti EAD merged with the parent company Bulvaria Varna EOOD.

During the reporting period Avto Union AD has reduced the capital of Auto 1 OOD with the amount of unpaid part of capital, amounting to BGN 383 thousand, thereby Avto Union reduced its investment to BGN 128 thousand and 20 per cent share. At the end of 2014 Avto Union terminated its participation as a partner in Auto 1 OOD. In the beginning of May 2014, Auto Union AD sold 100% of its shares in Auto Union Properties EOOD as from the deal has not been realized financial result. On 16.07.2014 was registered a 100% subsidiary of Star Motors DOOEL Macedonia in Kosovo, which is an authorized dealer of Mazda and Maserati. The registered capital of the new company is EUR 1,000.

On 31.10.2014 was entered in the commercial register EA Properties OOD, a 100% subsidiary of the Espace Auto OOD, in which Auto Union SA has 51% control through its subsidiary Nissan Sofia EAD.

At the end of 2014 Auto Italia EAD sold Eurotruck EOOD.

Lease Sub-Holding

At the end of 2008 EUROHOLD BULGARIA AD acquired 100% of the share capital of the Dutch company BGAutoLease Holding B.V. (with former trade name Wivotech B.V.), which in turn had acquired another Dutch company – BG AutoLease Group B.V. (with previous trade name Doesign B.V.). EuroHold Bulgaria AD decided to contribute in-kind in the share capital of its subsidiary company BG AutoLease Holding B.V. and in its shares in the capital of EuroLease Auto EAD, Bulgaria, EuroLease Auto IFN SA, Romania, EuroLease Auto EAD, Macedonia. BG AutoLease Holding B.V. in turn contributed in-kind the aforementioned shares in the capital of BG AutoLease Group B.V. – a leasing subsidiary in the structure of EuroHold Bulgaria AD.

In October 2012 Eurohold Bulgaria AD established a subsidiary Eurolease Group EAD.

At the beginning of January 2013 Eurolease Group acquired Autoplaza AD from Avto Union AD. The change was entered to the Commercial Register on 28.01.2013.

By decision from 29.11.2013 the sole shareholder took a decision for merger of its subsidiary – BG

Autolease Holding B.V. in Eurolease Group EAD under universal legal succession. As a result of the transaction, the capital of the receiving company - Eurolease Group AD increased by the net value of the property of the transforming company - BG Autolease Holding BV, namely BGN 26,691,488 divided into 26,741,488 available, registered shares. The merger was entered in the Commercial Register on 03.01.2014.

At a meeting of the Management Board of Eurohold Bulgaria AD held on 09.12.2015, the sole owner of the capital of Eurolease Group had taken a decision for the increase of the capital of the company with BGN 500 000 via issuance of 500 000 of ordinary, registered, non-privileged dematerialized shares with a nominal value of BGN 1. On 14.12.2015 the increase of capital was registered in the Trade Register at the Registry Agency. As at 31.12.2015 the capital equals BGN 27 241 488.

Asset management and brokerage

EUROHOLD BULGARIA AD owns the investment intermediary Euro-Finance AD, which has been a member of the Group since 2006.

Other activities

EUROHOLD BULGARIA AD considered its manufacturing companies as non-strategic, therefore made a decision for their sale, which was realized in August 2008.

Another field in which Eurohold Bulgaria was active in the past is real estate sphere. In May 2014 has been sold Auto Union Properties Ltd. (100% owned by Avto Union AD), with operations in consulting services, service and administration of companies in the field of real estate.

In October 2014 EA Properties OOD was established, a 100% subsidiary of the Espace Auto OOD, in which Avto Union AD has 51% control through its subsidiary Nissan Sofia EAD. Company's activity is the sale of real estate development, urban development and construction, rental, consulting and management services.

Scope of Activity

The official scope of activity of EuroHold Bulgaria is acquisition, management, evaluation and sale of shares in Bulgarian and foreign companies; acquisition, management and sale of bonds; acquisition, evaluation and sale of patents, concession of licenses for patent use to companies where the Company has shares; financing of companies which the Company has shares in. The

Company can participate in Bulgarian and foreign companies and organizations, regardless of their scope of business activity, as long as it complies with the conditions specified by the Law and the Articles of Association of the Company.

The company operates in compliance with the Bulgarian legislation. The main acts, governing its activities are the Commerce Act, the Public Offering of Securities Act, the Financial Supervision Commission Act, the Measures against Money Laundering Act, the Supplementary Supervision of Financial Conglomerates Act and bylaws as Ordinance №2 from September 17, 2003 on the prospects for the public offering and admission for trade of shares on a regulated market and the disclosure of information by the public companies and other issuers of securities, Ordinance No. 39 of 21 November 2007 on the disclosure of shares held in a public company, Ordinance on the minimum contents of the letter of attorney granting rights to represent a shareholder to at a general meeting of a company, which shares are subject to a public offering etc.

Headquarters and registered address

The headquarters and the registered address of EUROHOLD BULGARIA AD is Republic of Bulgaria, Sofia, 1592, 43 Christopher Columbus blvd. The head office of the Company is located at the same address. This is the official mailing address of the Company.

Business address:	43 Christopher Columbus Blvd.
Telephone	02/ 9651 653; 02/ 9651 651
Fax	02/ 9651 652
E-mail	investors@eurohold.bg ; office@eurohold.bg
Web site	www.eurohold.bg

Since the registration of EUROHOLD BULGARIA AD as a business entity, there has been no change in the Company's name. There have been no changes in the scope of activity of the Company.

The Company is not limited by time or another termination condition.

So far the Company has not transferred or pledged the enterprise, has not acquired and has not disposed of assets of significant value outside the Company's usual course of business.

EUROHOLD BULGARIA AD is not aware of any filed claims for starting an insolvency proceeding against it or any of its subsidiaries.

Management Bodies

EUROHOLD BULGARIA AD has a two-tier management system: a Management Board which consists of five natural persons, and a Supervisory Board – consisting of four natural persons and one juridical person as follows:

Management Board

- Kiril Ivanov Boshov – Chairman;
- Assen Minchev Minchev – Executive Director;
- Dimitar Kirilov Dimitrov – Member.
- Velislav Milkov Christov – Member;
- Assen Emanuilov Assenov – Member;

Supervisory Board

- Assen Milkov Christov – Chairman;
- Dimitar Stoyanov Dimitrov – Vice-chairman;
- Dar Finance EOOD – Independent member;
- Radi Georgiev – member;
- Razvan Lefter – Independent member.

There are family ties among the members of the Management and the Supervisory bodies, specifically Asen Milkov Christov, Chairmen of the Supervisory Board and Velislav Milkov Christov, Member of the Management Board are brothers by birth.

The activity of the company does not depend on the individual professional experience or qualifications of other employees.

The company is represented by the Executive Director of the Management Board, Assen Minchev Minchev, and the Chairman of the Management Board, Kiril Ivanov Boshov.

With the entry into the Trade Register on March 1, 2016 the company is jointly represented by an Executive Board member and the procurator of the company Hristo Ljubomirov Stoev.

Share capital

As of the date of this report the share capital of the Company amounts to BGN 127 345 000, divided into 127 345 000 ordinary, registered, non-privileged, dematerialized voting shares, with dividend right and liquidation quota, with a nominal value of BGN 1 for each share.

All of the Company's shares are from the same class and are fully paid in. The entire capital of the Company has been paid in cash. All the shares issued by the Company are in circulation.

The Company's shares are registered for trade on the Premium Equities Segment of the Bulgarian Stock Exchange Sofia AD with stock index 4EH.

After the successful completion of the dual listing procedure of the shares of EUROHOLD BULGARIA AD, the shares were registered for trading on the Warsaw Stock Exchange (WSE), Main List, with stock index EHG. The first day of trading on the WSE was 15 December 2011.

The Company hasn't bought and does not possess its own shares.

As of 31.12.2015 107 949 shares of the capital of EuroHold Bulgaria are owned by subsidiary companies. The shares have a nominal value of 1 BGN each.

The Company has not issued shares which do not represent capital. All shares issued by EUROHOLD BULGARIA AD give their owners voting rights at the General Meeting of the Shareholders.

The Bulgarian legislation does not provide for the existence of authorized but unissued capital, therefore there are no acquisition rights and/ or obligations over the Company regarding authorized but unissued capital.

The share capital of the Company has not been increased by in-kind contributions.

The Company has not undertaken any actions related to the issuance of warrants, convertible and exchangeable securities or rights.

The General Meeting of the Shareholders is the competent body to take decisions in terms of increasing the Company's capital.

According to Art. 13, paragraph 5 of the Articles of Association of EUROHOLD BULGARIA AD, the Management Board of the Company can decide on an increase of the Company's capital up to BGN 400 000 000 (four hundred million) for a period of 5 (five) years after a registering with the Commercial Registry the amendment of the Company's Articles of Association, voted at the General Meeting of the Shareholders on 30.06.2011, in compliance with the provisions of Art. 194, paragraph 1 and 2, Art. 196, paragraph 1 and 2 of the Commerce Act, as well as the provisions of the Public Offering of Securities Act.

There are no parties that hold equity options on Issuer's capital. EUROHOLD BULGARIA AD and to which there is a liability conditionally or unconditionally for the issue of such options in their favor as well.

Changes in the Share Capital

EUROHOLD BULGARIA AD was established on 12.12.2006 with a capital amounting to BGN 50 002 586, divided into 50 002 586 ordinary, registered, non-privileged, dematerialized shares, with one voting right on the General Meeting of the Shareholders, with dividend rights and liquidation quota, with a nominal value of BGN 1 each. The Company's capital has been gathered by the merger without liquidation of EuroHold AD and Starcom Holding AD. The amount of the capital is defined in the Reorganization Agreement, approved by General Meeting of the Shareholders of the two merged companies.

Between May and June 2007 EUROHOLD BULGARIA AD successfully carried out a subscription for capital increase by issuing of 12 500 646 new shares with nominal value of BGN 1 per share and issue value of BGN 3.35 per share. During the subscription 50 002 586 rights were issued each granting a right to purchase 0.25 new shares. The total amount of the subscribed and paid in shares reached 12 495 050 or 99.96% of the amount offered. After this capital increase was completed, the Company's capital amounted to BGN 62 497 636, divided into ordinary, registered, non-privileged, dematerialized voting shares, with dividend right and liquidation quota, with a nominal value of BGN 1 each.

Between March and May 2011 by decision of the Management Board of EUROHOLD BULGARIA S.A, the capital of the Company was increased by issuing 46 146 076 new shares with nominal and issue value of BGN 1 each. The Company issued 62 497 626 rights at the ratio rights/new shares - 1/1. 46,146,076 shares were subscribed or 73.84% of the emission by which, the capital of the Company reached BGN 108 643 712, divided into 108 643 712 ordinary, registered, non-privileged, dematerialized voting shares, with dividend right and liquidation quota, with a nominal value of BGN 1 each.

On 27.07.2011 the Management Board of EUROHOLD BULGARIA AD took decision for a subsequent capital increase of EUROHOLD BULGARIA AD. The Company issued 36 214 570 new rights at a ratio rights/new shares - 3/1. 18 701 288 new shares were subscribed or 51.64% of the rights offered. The total capital of the Company was increased from 108 643 712 to 127 345 000 BGN. The new emission was registered with the Commercial Register on 30 November 2011 and offered for trading on the Bulgarian Stock Exchange (BSE) on 04.01.2012.

Actions have been undertaken for the registration and admission for trading of the latest issue of shares on the Warsaw Stock Exchange (WSE), where the Company's shares have been traded since 15.12.2011 as result of the double listing.

Regarding the Company, there are no applicable actions which could lead to a change in the shareholders' rights.

There are no provisions in the Articles of Association and/or in the Internal Regulations of EUROHOLD BULGARIA AD, which could lead to delaying, deferring or preventing a change in the control of the Company.

There are no provisions of the Articles of Association and/or in the Internal Regulations of the Company setting an ownership threshold above which shareholder ownership should be disclosed.

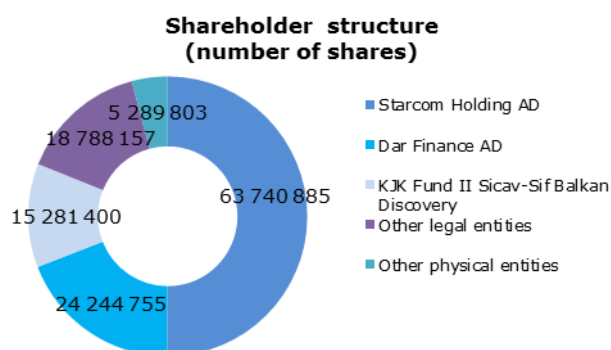
There are no provisions of the Articles of Associations of the Company, which define more strict rules, than those provided by law regarding the capital changes.

Shareholder Structure

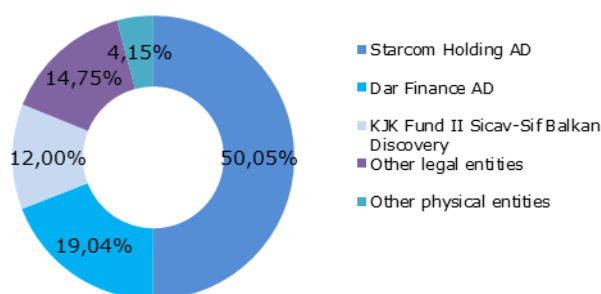
As of the date of ending of the fiscal year, there are three legal entities that hold nominally over 5 % of the voting shares.

There are no natural persons – shareholders, who hold directly more than 5 % of the voting shares.

All issued shares are of the same class and give one voting right.



The majority shareholder of EUROHOLD BULGARIA AD is Starcom Holding AD. The majority shareholder does not have different voting rights. The seat and the registered address of Starcom Holding AD is 191, Ruski blvd, Etropole, Bulgaria.

Shareholder structure (%)

As of the date of this report, Starcom Holding AD controls the voting rights of 50.05% of the issued shares. Starcom Holding AD is the only entity which directly controls EUROHOLD BULGARIA AD

The Chairman of the Supervisory Board of EUROHOLD BULGARIA AD, Assen Christov indirectly controls the Company. Assen Christov is a majority shareholder and directly owns 51 % of the shares of Starcom Holding AD. In this manner, Assen Christov controls directly the majority shareholder and indirectly EUROHOLD BULGARIA AD

Dar Finance EOOD is the second major shareholder of EUROHOLD Bulgaria. As of the date of this report Dar Finance EOOD controls the voting rights of approximately 18.25% of the issued shares.

Dar Finance EOOD does not have different voting rights.

KJK Fund II Sicav-Sif Balkan Discovery is the third major shareholder of EUROHOLD Bulgaria. As of the date of this report KJK controls the voting rights of approximately 12% of the issued shares.

KJK Fund II Sicav-Sif Balkan Discovery does not have different voting rights.

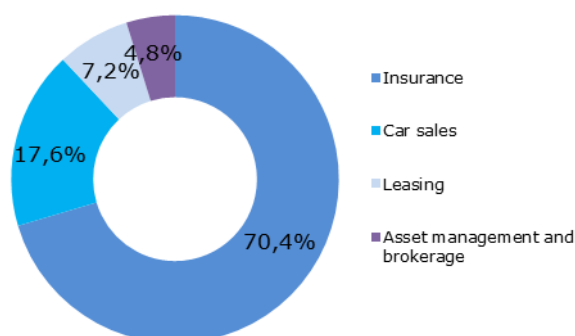
EUROHOLD BULGARIA AD does not have arrangements with other parties, nor is aware of such arrangements which may result in a future change of the control over the Company.

The main way to restrict the possible misuse on behalf of the majority shareholder with regard to the operations or the assets of the Company is the application of the provisions of article 114 of the Public Offering of Securities Act, according to which the company can not, unless being explicitly authorized by the General Meeting of the Shareholders, acquire, transfer, receive or grant for use, or as a collateral in any form whatsoever, fixed assets, as well as to become liable to

stakeholders when the transactions/ liabilities exceed 2 % of the company's assets. The Articles of Association of the Company do not stipulate any additional restrictions.

The Company's capital has not been increased by contributions in-kind.

The Company has not issued any shares that do not represent capital. All shares, issued by EUROHOLD BULGARIA AD, grant their holders rights to vote at the General Meeting of Shareholders.

Breckdown of investments 2015

The companies from EUROHOLD BULGARIA AD's portfolio operate on the following markets:

- insurance and health assurance market;
- leasing market;
- financial services market;
- automotive market;

The overall business is focused on the line of Automotive sales – Leasing– Insurance.

II. ACTIVITY OVERVIEW

Main Scope of Activity

EUROHOLD BULGARIA AD is registered in the Republic of Bulgaria. Its main activities include:

- acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies;
- financing companies, in which the Company participates;
- participation in Bulgarian and foreign companies.

EUROHOLD BULGARIA AD's revenues are formed mainly by financial activity, related to acquisition, disposal and management of participations and financing of related companies.

As of 31.12.2015 EUROHOLD BULGARIA AD participates directly in four subsidiaries.

In the period covered by the historical information, the companies within the Group offer the following services:

- Insurance services;
- Health insurance services;

- Financial and operational leasing;
- Financial intermediation;
- Sales of new automobiles;
- Sales of used automobiles;
- Automobile repair services;
- Sales of spare parts;
- Cars rental;

Capital Investments

Description	% ownership	Number of shares	Investments (BGN)	Method of financing	Investor
EUROHOLD BULGARIA AD Investments in 2008					
EuroLease Auto Skopije EAD Incorporation	100%	1 000	97 830	Own funds	EUROHOLD BULGARIA AD
EuroIns Insurance Group Capital Increase	100%	76 981 791	76 981 791	Borrowings	EUROHOLD BULGARIA AD
EuroLease Auto EAD Capital Increase		6 018 606	6 018 606	Own funds	EUROHOLD BULGARIA AD
EuroLease auto IFN Romania Share purchase	51%	55 080	1 956 000	Own funds	EUROHOLD BULGARIA AD
EuroLease auto IFN Romania Capital Increase	66,92%	201 650	1 065 927	Own funds	EUROHOLD BULGARIA AD
EuroLease auto IFN Romania Share purchase	70.54%	13 870	72 011	Own funds	EUROHOLD BULGARIA AD
Eurohotels AD Capital increase	91.21%	1 200 000	1 200 000	Own funds	EUROHOLD BULGARIA AD
Geoenergoprojekt AD Share purchase	80%	6 150	150 000	Own funds	EUROHOLD BULGARIA AD
BG AutoLease Holding, the Netherlands Share purchase	100%	180	46 647	Own funds	EUROHOLD BULGARIA AD
EuroLease Rent-a-car EOOD Capital Increase	100%	6 300	630 000	Own funds	EUROHOLD BULGARIA AD
Autoplaza EAD	50%	49 000	49 000	Own funds	EUROHOLD BULGARIA AD
Total			88 267 812		
Investments in subsidiaries in 2008					
EuroIns Macedonia Share purchase	83,25%	2102	14 994 295	Own funds	EIG AD
EuroIns Macedonia Capital increase	8,10%	475	474 998	Distribution of dividends	EIG AD
EuroIns Macedonia Capital increase	47,48%	2786	3 683 933	Own funds	EIG AD
Takovo, Serbia Share purchase	10%	41 948	7 315 321	Own funds	EIG AD
EuroIns AD Capital increase	14,92%	1 753 542	7 014 168	Own funds	EIG AD
EuroIns AD Share purchase	1,84%	215 974	1 310 175	Own funds	EIG AD
EuroIns Romania Capital increase	29,21%	10 603 144	5 922 173	Own funds	EIG AD
EuroIns Romania Share purchase	0,70%	242 000	402 314	Own funds	EIG AD
EuroIns Health Insurance EAD Capital increase	10,63%	250 000	1 000 000	Own funds	EIG AD
EuroIns Health Insurance EAD	44,68%	1 050 000	1 200 000	Own funds	EIG AD

Share purchase					
EuroIns Macedonia Share purchase	83,25%	2 102	43 317 377	Own funds	EIG AD
Total			86 634 754		

EUROHOLD BULGARIA AD investments in 2009

Euro-Finance AD Share purchase	99,99%	207 899	1 455 293	Own funds	EUROHOLD BULGARIA AD
EuroLease Auto Skopije EAD Capital increase	100%	1 000	97 825	Own funds	EUROHOLD BULGARIA AD
Autoplaza EAD	100%	51 000	51 000	Own funds	EUROHOLD BULGARIA AD
BG Autolease Holding, the Netherlands, Capital increase	100%		27 400	Own funds	EUROHOLD BULGARIA AD
Eurolease auto EAD Share purchase	22,46%	3 481 293	8 067 798	Own funds	EUROHOLD BULGARIA AD
Total			9 699 316		

Investments in subsidiaries in 2009

Avto Union Holding, BVI Share purchase	100%	17 300 000	15 646 640	Own funds	Avto Union Group AD
Kamalia Limited Share purchase	100%	999	3 911 660	Own funds	Avto Union Group AD
Inter Sigorta Share purchase	90,75%	90 750 500	1 052 007	Own funds	EIG AD
EuroIns AD Share purchase	2,61%	306 687	588 879	Own funds	EIG AD
EuroIns Romania Capital increase	36,96%	2 2658 397	10 492 167	Own funds	EIG AD
EuroIns Romania Share purchase	1,55%	949 000	1 632 922	Own funds	EIG AD
Star Motors EOOD Capital Increase	100%	20 000	1 000 000	Own funds	Avto Union AD
Total			34 324 275		

EUROHOLD BULGARIA AD investments in 2010

Geoenergoprojekt AD Share purchase	99,47%	70 000	700 000	Own funds	EUROHOLD BULGARIA AD
Total			700 000		

Investments in subsidiaries in 2010

EuroIns Romania Capital increase		9 035 868	4 293 829	Own funds	EIG AD
Milano Motors EOOD Capital increase		190	760 000	Own funds	Avto Union AD
Gransport Auto EOOD Capital increase		9 500	950 000	Own funds	Avto Union AD
Auto Italia EAD Capital increase		415 000	4 150 000	Own funds	Avto Union AD
Avto Union AD Capital increase		5 126	2 563 000	Own funds	Kamalia Trading Ltd.
Eurolease Auto Skopije EAD, Capital increase		3 000	293 375	Own funds	BG Autolease Group BV.
Total			13 010 204		

EUROHOLD BULGARIA AD investments in 2011

Avto Union AD Capital increase	100%		12 850 000	Own funds	EUROHOLD BULGARIA AD
Avto Union AD Increase in the investment share	100%		26 850 842	Own funds	EUROHOLD BULGARIA AD
BG Autolease Holding, the Netherlands, Capital increase	100%		3 344 469	Own funds	EUROHOLD BULGARIA AD
Scandinavia Motors AD Capital increase	0,38%	5	5 000	Own funds	EUROHOLD BULGARIA AD
Total			43 050 311		

Investments in subsidiaries in 2011

Scandinavia Motors EOOD Capital increase	99,62%	871	871 000	Own funds	Avto Union AD
Scandinavia Motors EOOD Capital increase	99,62%	240	240 000	Own funds	Avto Union AD
Nissan Sofia EAD Capital increase	100%	150 000	750 000	Own funds	Avto Union AD
Eurotruck EOOD Incorporation	100%	1 000	10 000	Own funds	Avto Union AD
Auto 1 OOD Share purchase	51%	5 100	510 000	Own funds	Avto Union AD
EuroIns Romania Capital increase	90.45%		3 468 000	Own funds	EIG AD
BG Autolease Group, the Netherlands, Capital increase	100%		3 344 469	Own funds	BG Autolease Holding – the Netherlands
EuroLease Auto Skopje Capital increase	100%		97 792	Own funds	BG Autolease Group – the Netherlands
Eurolease Auto Romania, Capital increase	74.93%		312 933	Own funds	BG Autolease Group – the Netherlands
Eurolease Auto EAD Capital increase	100%		3 032 808	Own funds	BG Autolease Group – the Netherlands
Nissan Sofia EAD Share purchase	100 %	43 584	136 908	Own funds	Avto Union AD
Daru Car AD Share purchase	99.84%	12 686	9 779 150	Own funds	Avto Union AD
Motobul EOOD Share purchase	100%	51%	10 439 575	Own funds	Avto Union AD
Total			32 992 635		

EUROHOLD BULGARIA AD investments in 2012

Avto Union AD Capital increase	100%	10 065	5 032 500	Own funds	EUROHOLD BULGARIA AD
BG Autolease Holding – the Netherlands, Capital increase	100%	7 728	1 511 656	Own funds	EUROHOLD BULGARIA AD
Eurolease Group EAD Establishment of the company	100%	50 000	12 500	Own funds	EUROHOLD BULGARIA AD
Total			6 556 656		

Investments in subsidiaries in 2012

Nissan Sofia EAD Capital increase	100%	890 000	890 000	Own funds	Avto Union AD
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Bulvaria Holding EAD Capital increase	100%	730 000	730 000	Own funds	Avto Union AD
Autoplaza EAD Capital increase	100%	200 000	200 000	Own funds	Avto Union AD
Espas Auto OOD Share purchase	51%	88 500	885 000	Own funds	Nissan SofiaEAD
Euroins Rumania Capital increase	92.30%	15 753 791	6 833 474	Own funds	EIG AD
United Zdravno Osiguravane EAD, Share purchase	100%	205 002	355 250	Own funds	EIG AD
Euroins Macedonia Capital increase	92,65%	1 000	999 996	Own funds	EIG AD
Euroins Bulgaria Capital increase	77.90%	80 800	106 153	Own funds	EIG AD
Eurolease Auto Macedonia Capital increase	100%		117 350	Own funds	BG Autolease Holding – the Netherlands
Eurolease Auto Romania Capital increase	74.93%		277 728	Own funds	BG Autolease Holding – the Netherlands
Total			11 394 951		

EUROHOLD BULGARIA AD investments in 2013

Eurolease Group EAD Capital increase	100%	50 000	37 500	Own funds	Eurohold Bulgaria AD
Total			37 500		

Investments in subsidiaries in 2013

Nissan Sofia EAD Capital increase	100%	667 500	667 500	Own funds	Avto Union AD
Bulvaria Varna EOOD Capital increase	100%	37 370	373 700	Own funds	Avto Union AD
Star Motors DOOEL Establishment of the company	100%		195 583	Own funds	Star Motors EOOD
Espas Auto OOD Capital increase	51%	26 200	262 000	Own funds	Nissan Sofia EAD
Euroins Romania Capital increase	93.27%	19 809 966	8 693 815	Own funds	EIG AD
Interamerican Bulgaria Life Share purchase	100%	1 012 507	3 575 971	Own funds	EIG AD
Euroins Macedonia Capital increase	93,36%	732	731 790	Own funds	EIG AD
Euroins Bulgaria Share purchase	78.13%	26 439	23 468	Own funds	EIG AD
EuroIns Health Insurance EAD Capital increase	100%	1 500 000	1 500 000	Own funds	EIG AD
Eurolease Auto Macedonia Capital increase	100%		48 896	Own funds	Eurolease Group EAD
Autoplaza EAD Capital increase	100%		200 000	Own funds	Eurolease Group EAD
Total			6 078 908		

Investments in subsidiaries in 2014

Nissan Sofia EAD Capital increase	100%	1 200 000	1 200 000	Own funds	Avto Union AD
EA Properties EOOD Share purchase	100%	50 000	50 000	Own funds	Espas Auto OOD

Star Motors Sh.P.K Share purchase	100%		1 956	Own funds	Star Motors DOOEL
Euroins Romania Capital increase	96.64%	100 000 000	36 329 592	Own funds	EIG AD
Eurolease Auto Macedonia Capital increase	100%		68 454	Own funds	Eurolease Group EAD
Total			37 650 002		

EUROHOLD BULGARIA AD investments in 2015

Euroins Insurance Group AD Capital increase	82.12%	59 753 189	59 753 189	Own funds	Eurohold Bulgaria AD
Eurolease Group EAD Capital increase	100%	500 000	500 000	Own funds	Eurohold Bulgaria AD
Total			60 253 189		

Investments in subsidiaries in 2015

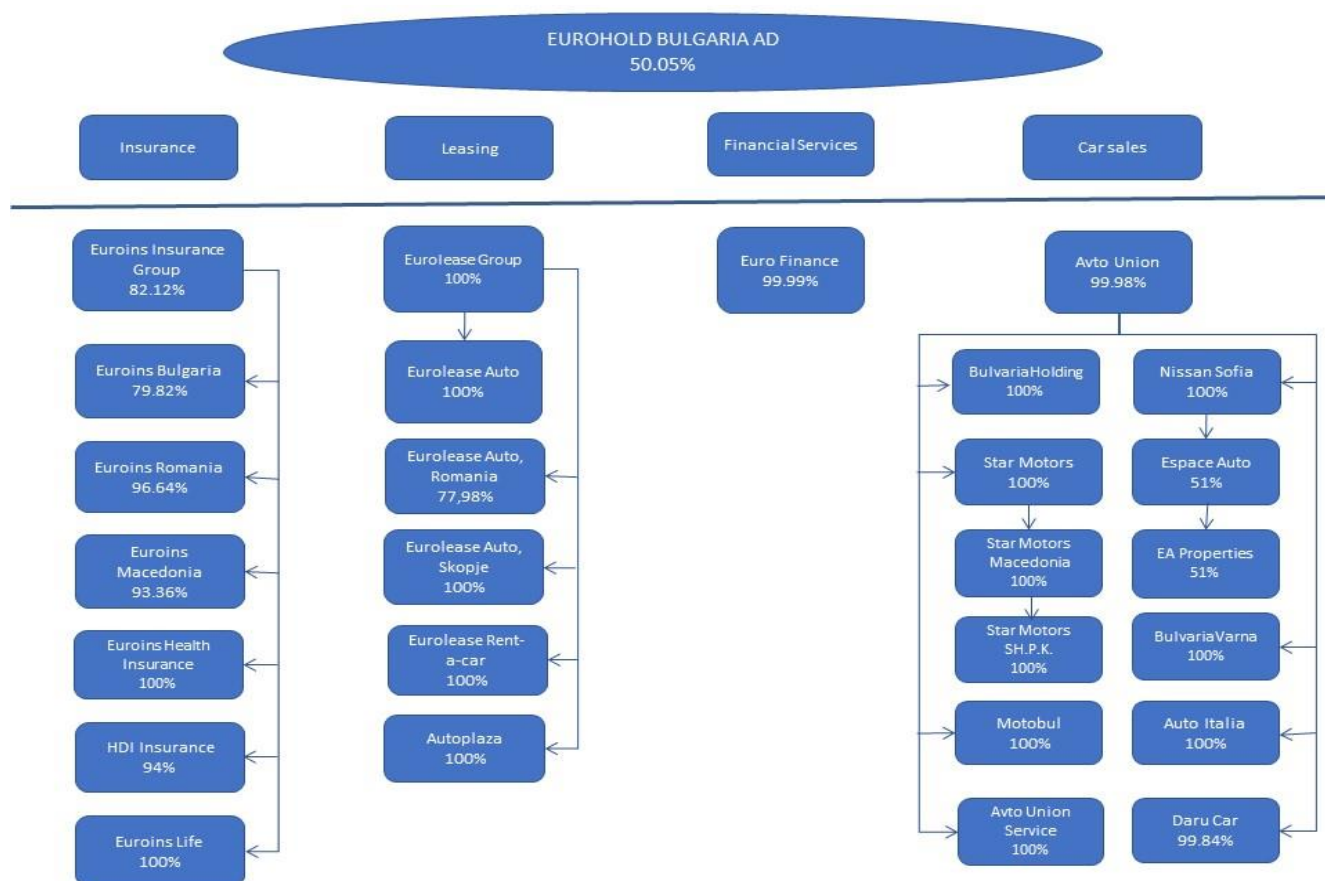
Bulvaria Holding EAD Capital increase	100%	750 328	750 328	Own funds	Avto Union AD
Autoplaza EAD Capital increase	100%		250 000	Own funds	Eurolease Group EAD
Eurolease Auto Macedonia Capital increase	100%		146 687	Own funds	Eurolease Group EAD
Euroins Bulgaria AD Share purchase	79.82%	4 592 486	5 510 983	Own funds	EIG AD
Euroins Romania Capital increase	96.64%		34 858 347	Own funds	EIG AD
HDI Insurance AD Share purchase	94%	171 832	8 397 615	Own funds	EIG AD
Total			49 913 960		

Business Lines

The current business structure of EUROHOLD BULGARIA AD includes three main sub-holdings: EuroIns Insurance Group AD, Avto Union AD and EuroLease Group, which specialize respectively in insurance, car sales and leasing and the investment intermediary Euro-Finance AD. In

October 2014 was established EA Properties OOD with operations in real estate sale and development, urban development and construction, rental, consulting and management services. EA Properties OOD is a part of automotive sub-holding Avto Union AD.

As of 31 December 2015, EUROHOLD BULGARIA AD controls the following companies:



EuroIns Insurance Group AD – www.eig.bg

EuroIns Insurance Group AD (EIG) was founded at the end of 2007 as a 100% owned subsidiary of EuroHoldBulgaria AD, which concentrates the entire insurance and health assurance business of the holding. As of the date of this report EUROHOLD BULGARIA AD owns 82.12% of EIG's capital.

EIG develops its activity through its subsidiary insurance companies in Bulgaria, Romania, Macedonia and Turkey. The insurance companies in the Group have more than 300 regional offices and more than 1 million clients in the region.

The efforts and investments made in the past few years ensured the stabilization of the market positions of the companies in Bulgaria, Romania and Macedonia. As of the end of 2015, EIG owns the majority share in the companies in Bulgaria, Macedonia and Romania. EIG's share in the capital of the companies is respectively: 79.82 % in EuroIns AD, 93.36% in EuroIns Insurance Skopje AD, 96.64% in EuroIns Romania Insurance and

Reinsurance AD, 100% in EuroIns - Health Assurance AD, 100 % in Euroins Life Insurance and 94 % in Insurance company EIG Re AD(HDI insurance AD).

The main goal of EuroIns Insurance Group AD is to achieve 10% market share of the general insurance sector in the Balkans region in the mid-term, as well as expanding the insurance business through offering a full range of insurance products - non-life insurance, life insurance and health insurance.

EIG's subsidiaries business activity is in the field of general insurance, life insurance and health assurance. The products offered include Motor Third Party Liability (MTPL), Auto Casco, Property Insurance, Cargo Insurance, General Third Party Liability Insurance, Crops and Livestock Insurance, Vessels Insurance, Aircraft Insurance, Financial Risks Insurance, Travel Assistance Insurance, Accident and Sickness Insurance, Life Insurance and health insurances.

EuroLease Group – www.euroleasegroup.com

The leasing sub-holding EuroLease Grup EAD (ELG) is a company, consolidating EuroHold's investments in the leasing sector in the Balkans.

The structure of ELG includes Eurolease Auto Bulgaria (100%), Eurolease Auto Romania (77.98%), Eurolease Auto Macedonia (100%), Eurolease rent-a-car – exclusive franchise partner of Rent-a-Car and Avis Rent-a-Car in Bulgaria (100%) and Auptoplaza (100%).

The companies from the ELG group offer financial leasing of new and used vehicles, of new passenger and light commercial vehicles, trucks and buses.

EuroLease Group has a key role in the overall strategy of EUROHOLD BULGARIA AD – it unites car dealers and insurers to create a finished product with a common added value.

Avto-Union AD – www.avto-union.com

Avto Union AD is a holding company which consolidates EuroHold Bulgaria's investments in the automobile sector. Avto Union is an automotive subsidiary which offers 9 car brands in Bulgaria. Avto Union manages the largest portfolio of car brands in Bulgaria. The strategy of maintaining a variety of brands is complemented by continuous quality improvement of supplementary products and the after sales service, as well as by offering new product packages, combining leasing and insurance consistent with the client's needs.

The main business lines of Avto Union are:

- Sale of new cars, motorcycles and scooters;
- Sale of original spare parts and accessories;
- Car rentals (long and short-term);
- Car buy-backs.

Through its subsidiaries, Avto Union is:

- An exclusive importer for Bulgaria of the following brands: Fiat, Lancia, Alfa Romeo, Mazda, Maserati and the following brands of scooters: Piaggio, Vespa and Gilera;
- An authorized dealer of Opel, Nissan, Renault and Dacia;
- For each model from the Avto Union's portfolio a test-drive, is offered as well as registration of directly purchased vehicles. Additionally the following services are provided:
 - Up to 5 years of 'Extended warranty' – extended manufacturer's warranty by 1 or 2 years (according the client's preference);

- covers a range of up to 150 000 km;
- Substitute vehicle in case of a car accident or damage;
- Car cosmetics;
- Warranty and post warranty service;
- Vehicle buyback.

Euro-Finance AD - www.eurofinance.bg

Euro-Finance AD has been a member of EuroHold Bulgaria since 2006. Euro-Finance is one of the first licensed investment intermediaries in Bulgaria with an almost 20-year history.

The company is the only investment intermediary in Bulgaria, member of the Deutsche Borse Group and through its network and longstanding relations with international broker-dealers offers a wide range of investment products –FX deals, contracts for differences (CFDs), equity trading, fixed income, derivatives trading, REPO transactions, domestic and international SWIFT payments.

Euro-Finance is a leading non-banking financial institution in Bulgaria which aims to provide quality investment products and services, tailored to each customer. Euro-Finance provides investment and financial services to individuals, corporate and institutional clients.

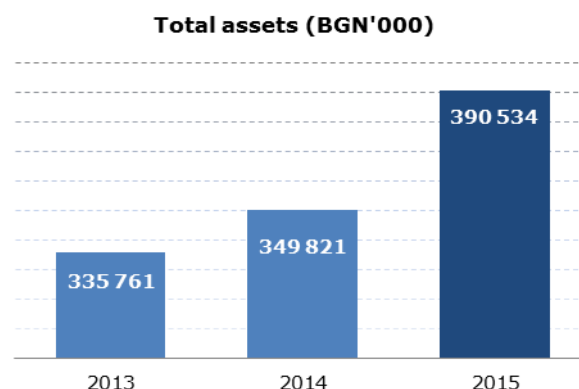
Real Estates

The real estate business of EuroHold Group is represented by Eurohold Imoti EOOD and Avto Union Properties EOOD, 100% owned by Avto Union AD until May 2014 when was sold.

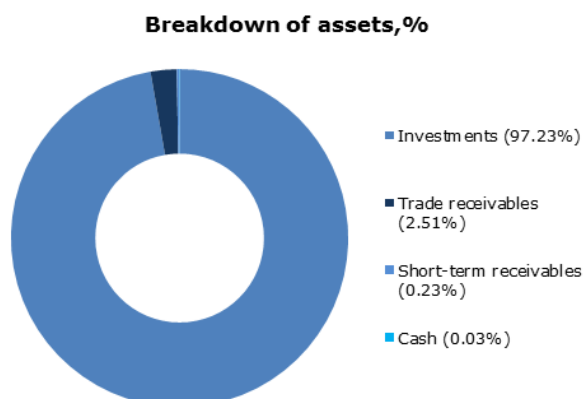
The established in October 2014 EA Properties EOOD in 2015 began work on building a showroom in the city of Sofia for car brands Renault, Dacia and Nissan.

III. OPERATING RESULTS

Assets



The amount of the Company's assets grew with 11.6% at the end of 2015, compared to 2014. This is due mainly to the increase of the investment in subsidiaries of the Company.



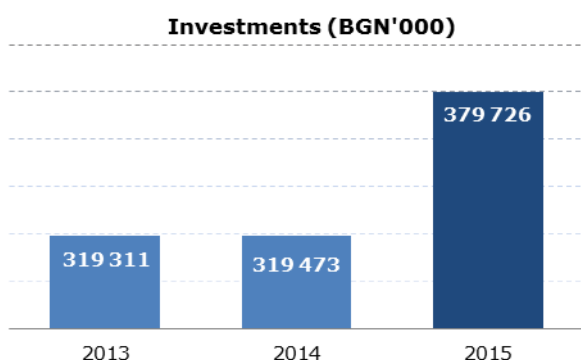
The investments in subsidiaries, associated and other companies have a major share of the assets - 97.23% of total assets.

The second largest share of the Company's assets is the receivables. They are divided into non-current and current receivables and are formed as a result of the policy of active management of the free funds within the Group.

The fixed assets of EuroHold Bulgaria include cars and office equipment and amount to BGN 6 thousand.

The cash at the end of the period amounts to BGN 112 thousand.

Investments in subsidiaries increased by 18.86% as of 31.12.2015 compared to 31.12.2014 in relation to the capital increases of Euroins Insurance Group AD (BGN 59 753 thousand) and Eurolease Group EAD (BGN 500 thousand).



The investments at the end of 2015 are detailed specified in chapter II. ACTIVITY OVERVIEW - Capital Investments.

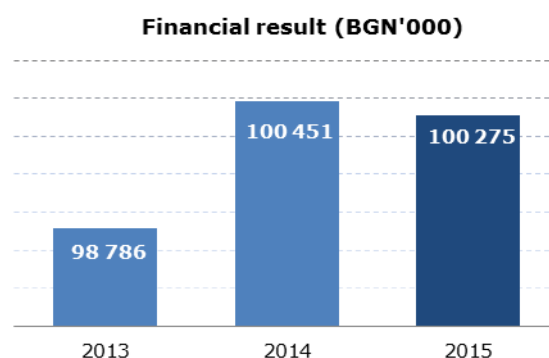
Share Capital and Liabilities

As of 31.12.2015 the total equity of the Company represents 70% of the assets.

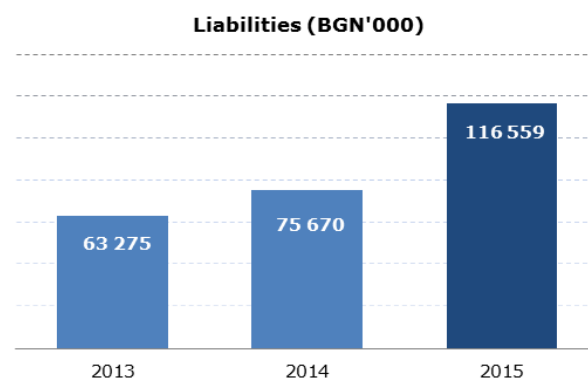
During the reporting period EUROHOLD Bulgaria have not issued new shares and no decision for capital increase has been made.

The total equity is amounted to BGN 273 975 thousand at the end of 2015 versus BGN 274 151 thousand at the end of 2014. The increase for the period is due to the amount of the profit for the period.

The decrease in the current period is due to the distributed dividend amounting to BGN 583 thousand, which exceeds the profit for 2015, which amounted to BGN 407 thousand.



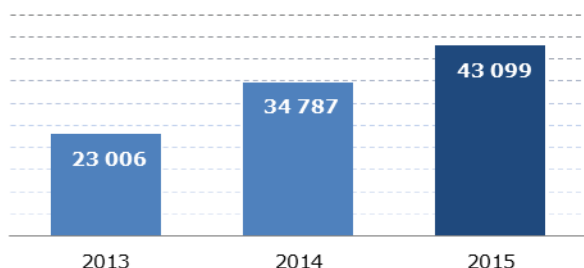
As of the end of 2015 Eurohold Bulgaria reported retained earnings amounted to BGN 100 275 thousand.



The Company's liabilities (current and non-current) increased by 54.04% compared to 2014.

The non-current liabilities amounted to BGN 84 531 thousand, increasing by BGN 28 352 thousand vs. 2014. The long term liabilities to banks and non-bank financial institutions increased by BGN 8 312 thousand and the non-current liabilities to related parties and others increased by BGN 5 186 thousand and BGN 14 854 thousand.

**Liabilities to financial institutions
(BGN'000)**



For 2015 the current liabilities was increased by BGN 12 537 thousand due to the increase in the liabilities to banks and non-bank financial institutions by BGN 14 558 thousand, accompanied by liabilities decrease to the related and other companies by BGN 2 021 thousand.

In 2015 Eurohold Bulgaria has increased its credit exposure by 49.44 per cent. The total amount of liabilities to financial institutions (non-current and current) are BGN 69 125 thousand, while for 2014 its amount was BGN 46 255 thousand. The increase originates from the utilisation of the second disbursement from the International Investment Bank financing amounting to EUR 5 000 000 on 29.01.2015 and from the financings from Bluebeard Investments Limited (EUR 10 000 000) and KJK Fund II Sicav-Sif Balkan Discovery (EUR 2 000 000) received in December. The funds received are transferred to Euroins Insurance Group EAD (EIG) to support the regional expansion of EIG.

As of 31.12.2015 non-matured non-current and current liabilities was respectively amounted to BGN 43 099 thousand and BGN 26 026 thousand.

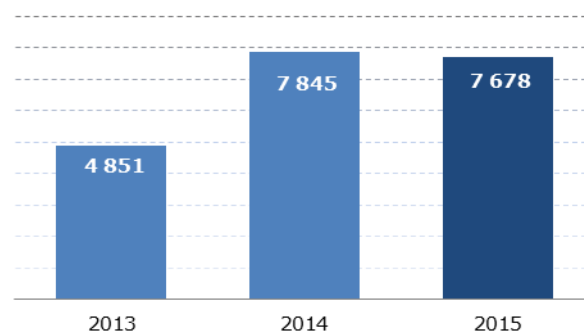
With the largest growth in current liabilities was an obligation to financial institutions.

The increase in short-term liabilities amounted to 14 558 thousand is due to the intended repayment in 2016 of principal at the Accession Mezzanine EUR 1 000 thousand, in 2014 Eurohold Bulgaria AD repaid the principal amount of EUR 5 000 thousand. The utilized financing from Bluebeard Investments Limited and KJK Fund II Sicav-Sif Balkan Discovery also have short-term nature.

Analysis of Revenues and Expenses

The revenue of EUROHOLD BULGARIA AD comes from its main activity related to the acquisition, disposal and management of participations and the funding of subsidiaries.

Total revenues (BGN'000)



In the current period the revenue of Eurohold Bulgaria AD amounted to BGN 7 678 thousand. The main part of revenues are the other revenues in amount of BGN 4 918 thousand.

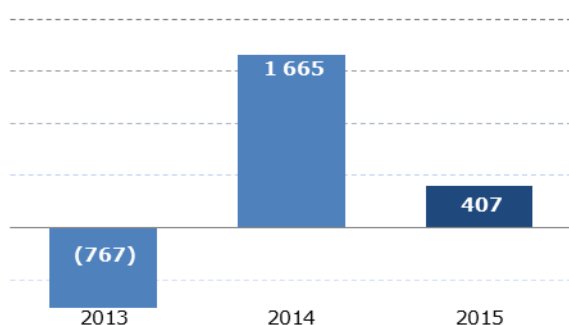
The amount of interest income is BGN 2 189 thousand, while in 2014 it was BGN 1 599 thousand.

Dividend income for 2015 is in amount to BGN 571 thousand, while in 2014 it was BGN 223 thousand.

The operating expenses of Eurohold Bulgaria AD is in amount of BGN 7 271 thousand or increase by 17.65 per cent vs. 2014.

The interest expenses amounted to BGN 5 962 thousand (2014 – BGN 4 946 thousand). In the current fiscal year Eurohold was increased the interest expenses to banks and non-banks financial institutions by 32.42 per cent amounted to BGN 3 717 thousand for 2014 and BGN 2 807 thousand in 2014. The part of interest expenses to subsidiaries and other companies increased reaching BGN 2 245 thousand as for comparison in 2014 it amounted to BGN 2 139 thousand.

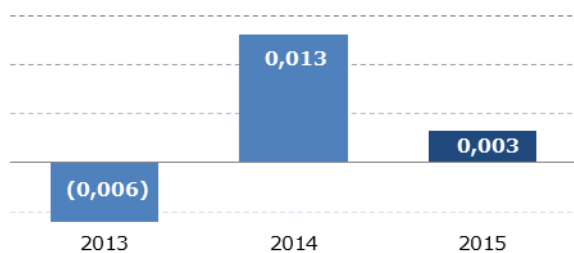
Net result (BGN'000)



Eurohold Bulgaria AD registered a positive financial result for 2015 in amount of BGN 407 thousand vs. BGN 1 665 thousand in 2014.

Earning per share for 2015 amounted to BGN 0.003 - compared to BGN 0.013 in 2014.

Earning per share (BGN)



Cash flows

On an stand-alone basis, EuroHold Bulgaria generates cash flows from the following activities:

- Income from investments operations
- Income from dividends
- Income from interest from loans granted to subsidiaries
- Income from performed services

In the reviewed period, the cash flows from operating activities have negative values due to excess of the payments made to suppliers and clients over the total cash receipts from them. The main reason for this are the negative cash flows related to the nature of the business, as well as the

consistent policy of increasing the market shares of different holding's sectors conducted, as well as the necessity of flexible repayment schemes.

The cash flows in 2015 were formed mainly by the financing and investment activities of the Company in accumulating free cash flow from the subsidiaries and employing it in financing the current activities and investments of other subsidiaries.

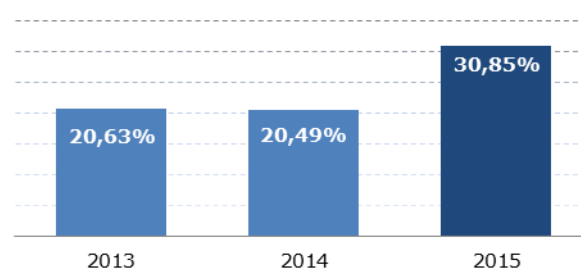
Cash Flow

BGN thousand.	2013	2014	2015
Cash flow from operating activities	(626)	(1 146)	(1 437)
Cash flow from investing activities	4 092	6 618	(59 682)
Cash flow from financing activities	(3 429)	(5 453)	61 125
Changes in cash flow	37	19	6
Beginning cash flow	50	87	106
Ending cash flow	87	106	112

Capital Resources

The ratio between debt and equity shows how the Company is funded. As of 31.12.2015, the share of equity in EUROHOLD BULGARIA AD's assets reached 70.15%. In 2015, the non-current liabilities/ equity ratio increased to 0.31% (2014 – 0,20%). This is due to the increase of other non-current indebtedness amounting to BGN 14 854 thousand.

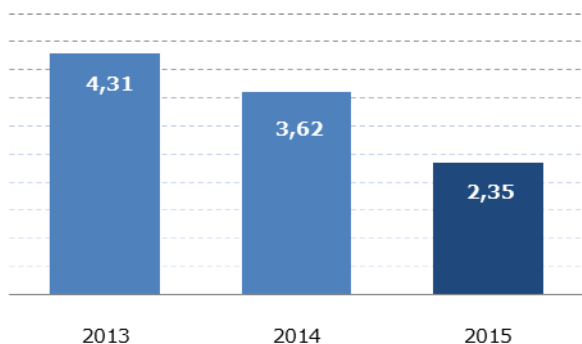
Non-current liabilities/ Share capital



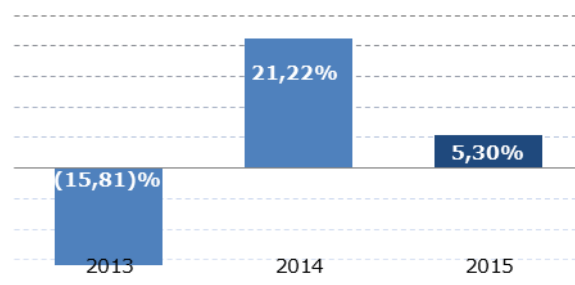
The debt ratio and financial autonomy ratio reflect the coverage of funds attracted by the share capital and vice versa.

The financial autonomy ratio is over one, which is evident of very good coverage of the attracted funds by equity capital.

Financial autonomy



Return on revenues

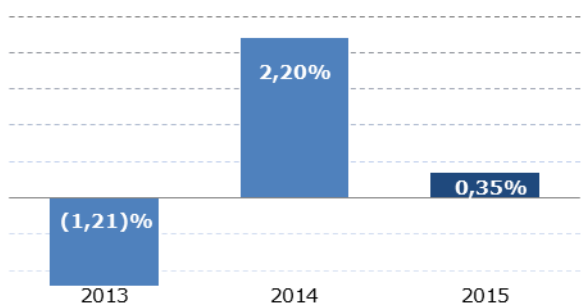


The debt ratio has increased compared to 2014 as a result of the increased liabilities to financial institutions during the reporting period.

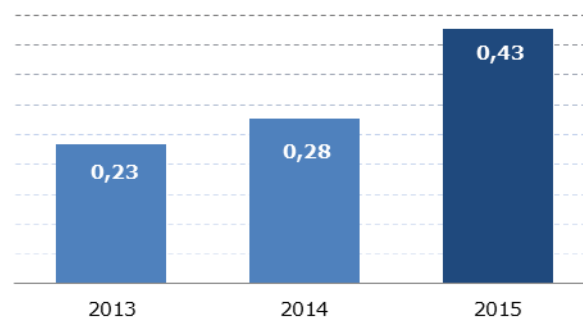
Financial Indicators

The financial indicators for 2015 show a slight deterioration due to the lower financial result for the reporting period.

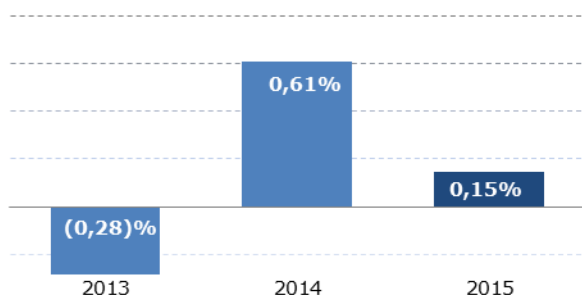
Return on liabilities



Debt ratio



Return on equity



IV. OVERVIEW OF THE MAIN RISKS FACING THE COMPANY

1. Systematic risks

Influence of the Global Economic Crisis

The global financial crisis, which started in 2007, led to a slowdown in economic growth and an increase of unemployment in many countries (including US, EU countries, Russia, and Japan), limited access to financing resources and a significant devaluation of financial assets worldwide. The financial crisis also caused significant disturbances on the global financial market which led to reduced confidence in financial markets and fewer investments in financial instruments. As a result, companies in the financial sector started to experience difficulties in maintaining liquidity and raising capital.

A further deterioration of the business climate may lead to an even higher unemployment rate and reduced income in the Balkan countries (Bulgaria, Romania, Macedonia and Serbia), which in turn may lead to a decreased level of consumption. The low levels of consumption will affect the sales of the Issuer's subsidiaries.

A future deterioration of the business climate and the lack of certainty regarding the trends on the global financial market, particularly on the Balkan financial markets, may also have an adverse effect on the development prospects of the emitent, its results and financial status.

Risks resulting from the general macroeconomic, political and social climate, and government policies

The macroeconomic situation and the economic growth of the Balkans (Bulgaria, Romania, Macedonia and Serbia) are of key importance for the development of the Group, this includes government policies of the respective countries, particularly the regulatory policy and the decisions made by the respective National Banks which affect the monetary policy, interests and exchange rates, taxes, GDP, inflation rate, budget deficit, foreign debt, unemployment rate and income structure.

The changes in the demographic structure, the mortality or morbidity rate are also important factors, affecting the Group's development. The above mentioned external factors, as well as other unfavorable political, military or diplomatic developments, leading to social instability, may shrink the consumers expenditures as well as restrict the funds for insurance policies and car leasing.

As a result, the gross underwritten premiums (GWP) in the insurance business may decrease and clients may discontinue their insurance policies, as well as postpone new car purchases and, correspondingly, new car leases. Any deterioration of the region's macroeconomic indicators may also adversely affect insurance products, car sales and signing of new lease contracts. Consequently, there is a risk, if the business environment broadly deteriorated, the Group's sales would be lower than originally planned. Furthermore, the general changes in the government policy and regulatory systems may lead to an increase of the Group's operating expenses and capital requirements. If the

above mentioned factors occur, fully or partially, they could have a significant adverse impact on the Group's results and financial status.

Political Risk

This is the risk resulting from the political process in the country - risk of political instability, changes in the governing principles, legislation and economic policy. The political risk is directly related to the likelihood of unfavorable changes in the direction of the government's long-term policies. Consequently, there exists the possibility of negative changes in the business climate.

The long-term political environment in the Balkans is stable and does not imply greater risks for the future economic policy of the countries. The EU integration of the countries in the region, combined with their consistent domestic and foreign policies, ensure the absence of shocks and significant changes in the currently conducted policies in the near future.

Credit Risk of the State

The credit risk relates to the possibility for worsening of the international credit ratings of Bulgaria, Romania, Macedonia and Serbia. The low credit ratings may lead to higher interest rates and more restrictive financing conditions for business enterprises, including for the Company.

At the end of year 2015 the credit agency STANDART&POOR'S confirmed the long term and short term debt rating of Bulgaria in foreign and local currency as „BB+/B" with a stable perspective. The assigned value is supported by the low government debt as well as by the moderate foreign liabilities. The considerably low per capita income and the weak institutional environment are specified as limiting factors. Standard&Poor's judge, that the financial sector continues being faced with important challenges, but they also point out, that the efforts made have been directed towards the elimination of risks, considering the upcoming quality appraisal of the assets of the banking system in year 2016.

In December 2015 the international rating agency "Fitch" confirmed the long term debt rating of Bulgaria in foreign currency as „BBB-" and the long term rating in local currency as "BBB".

The expectations about both indicators are "stable". The country's top rating is approved as being „BBB+", as well as the short term credit rating in foreign currency as „F3". The Fitch appraisal indicates that the current economic development of the country in 2015 is better than expected by the agency, which determines the increase in the forecast for economic growth, mostly associated with the high foreign demand. After the growth during the first three quarters of 2015 averaged 2,7%, the international agency revised its current year expectations in upward direction from 1,2% to 2,5%, which was the same estimate as made in June. According to the Bulgarian Ministry of finance, the Fitch expectations are also higher for the next two years, when the growth will be more balanced. The company expects for years 2016 and 2017 the average growth of the Bulgarian Real GDP to reach 2,6%.

Inflation Risk

The inflation risk is associated with the possible inflation adverse impact to real returns on investments. Inflation may affect the expenses of the Company, because large part of the Company's liabilities are related to interest. Their servicing depends on the prevailing current interest rates, which reflect the levels of inflation in the country. Therefore, maintaining low inflation rates in the countries the Company operates, is considered a significant factor.

Currency risk

This risk is related to the possibility of a devaluation of the local currency.

For Bulgaria this is the risk of premature collapse of the Monetary Board in the conditions of fixed exchange rate of the national currency.

Considering the adopted policy by the government and the Central Bank, it is expected the currency board to be maintained until the country's admission into the Euro zone.

In Romania, Serbia and Macedonia the currency exchange rates are determined by the market conditions and the central banks intervene and balance the short-term fluctuations of currency exchange rates in occurrence of stress situations caused by singular external factors.

Any significant devaluation of the national currencies in the region (Bulgaria, Romania, Macedonia and Serbia) could have a significant adverse effect on the business in the country, including the Company. Risks exist when the revenues and expenses of a firm are denominated in different currencies.

Interest Rate Risk

The interest rate risk is related to the possibility of changes in the prevailing interest rates in the country. Its impact is reflected in the possibility that the net income of the companies will decrease as a result of increase of interest rates at which the Company funds its activity. Interest rate risk is classified as a general macro-economic risk, because the major precondition for interest rates change is the instability of the financial system as a whole. This risk can be managed by a balanced use of multiple sources of funding.

A typical example of this risk is the global economic crisis, caused by the liquidity problems of the large mortgage institutions in the U.S.A. and Europe. As a result of the crisis, the required interest rate premiums were reconsidered and re-evaluated and increased globally. The effect of this crisis is noticeable in Eastern Europe and the Balkans and restricts the free access to borrowed funding.

The increase of interest rates, *ceteris paribus*, will impact the cost of funding used by the Company in executing different business projects. At the same time, it can adversely affect the amount of the Company expenses, because large portion of the Company's liabilities are related to interests and their maintenance depends on the current interest rates.

2. Unsystematic risks

Risks, related to the business operations and the structure of the company

EUROHOLD BULGARIA AD is a holding company, and any deterioration in the operating results, financial status and development prospects of its subsidiaries may adversely affect the results financial condition of the Company.

As far as the Company's business is related to management of assets of other companies, the Company cannot be assigned to one particular segment of the national economy and is exposed to the industry risks of its subsidiaries. Generally, the companies from the group of EUROHOLD BULGARIA AD operate in two main sectors: financial (insurance, leasing, financial intermediary) and car sales.

The main risk for the EUROHOLD BULGARIA AD's activity is the possibility of decreasing the revenues from sales of the companies it holds shares in. This affects the received dividends. Respectively, this may have a negative effect on the Company's revenue growth as well as profitability.

The activity of the Company's subsidiaries are adversely affected by the continued increase of the market prices of fuels and electricity which are subject to international supply and demand and are determined by factors beyond their control.

The biggest risk is concentrated in the insurance segment of the Company which generates the biggest portion of the group's revenue. The companies with the biggest share in revenues, respectively in the financial result of the insurance segment are the operating on the Bulgarian and Romanian market companies from the group of EuroIns.

The major risk of the leasing business line is in the ability to provide acceptable price of sufficient funds to expand the leasing portfolio. The leading company of the leasing subholding, EuroLease Auto AD has issued bonds, registered for trade on BSE-Sofia AD. The investor may obtain detailed information concerning the business risks from the company's prospectus.

The financial business line of the group is represented by investment intermediary Euro-Finance AD. The risk associated with the financial intermediation, brokerage and asset management is related to the high volatility of the debt and equity markets, the changes in the people's financial disposition and investing culture.

The automotive subholding Avto Union AD which operates in Bulgaria and Macedonia is engaged in the field of new car sales, rent-a-car services and after-sales services. The business activity depends directly on the permissions and authorizations granted to the companies from the group of Avto Union by the respective car manufacturers. The termination or revocation of such rights can drastically decrease the sales of the group. This is relevant, especially in the context of global restructuring of the car industry. Business environment of the car industry is influenced by domestic factors related to the ability of the population to buy, funding availability, business attitudes, inventories, etc.

The worse results of one or several subsidiaries can lead to worse results on a consolidated basis. Respectively, this relates to the shares' price of the company, because the market price of the shares reflects the business potential and the assets of the economic group as a whole.

Risks, related to the strategy and development of the Issuer

The future earnings and market value of the Company depend on the strategy, chosen by the senior management of the Company and its subsidiaries. Choosing the wrong strategy may lead to significant losses.

EuroHold seeks to manage the risk of strategic mistakes by continuously monitoring various stages in the implementation of its marketing strategy and the results from it. This is crucial for the ability to respond on time if change in the strategic development plan is needed. Untimely or inappropriate strategy changes may also have a significant negative impact on the Company's operating results and financial status.

Risks, Related to the Management of the Company

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

- Poor decisions regarding investments and liquidity management by either top management or other senior employees;
- Inability to launch and execute new projects under development, or lack of a competent management team for those projects;
- Possible information system errors;
- Possible failures in the internal control system;
- Resignation of key employees and inability to keep and hire qualified personnel;
- Excess increase of SG&A expenses, leading to a decrease in the Company's profitability.

Financial Risk

The financial risk represents an additional uncertainty when the Company uses borrowed funds. This additional financial uncertainty increases the business risk. When part of the funds used by the company for financing its activities are

borrowed or raised by issuing bonds, the repayment of these funds represent a fixed liability.

The larger the share of long-term debt to equity, the greater the possibility for default in payments of fixed liabilities will be. The increase in this indicator represents an increase of overall financial risk.

Another group of indicators is related to the flow of revenues which enable the payment of the company's liabilities. An indicator, which can be used is the one reflecting the coverage of the fixed liabilities (interests). This indicator refers to the amount of the fixed interest payments divided by the income before payment of interests and taxation. This is a good indicator of a firm's ability to service its long term liabilities.

The acceptable or "normal" level of financial risk depends on the business risk. If there is a low business risk for the company, it can be expected for the investors to take bigger financial risk and vice versa.

Currency Risk

EuroHold operates in several Balkan countries (Bulgaria, Romania, Macedonia and Serbia), where the national currency of each of the countries, except in Bulgaria, is freely convertible, which relative value to other currencies is determined by the free financial markets. In Bulgaria, since 1997 the local currency has been pegged to the Euro. Abrupt changes in the macro-framework of any of the countries, where the Company actively operates, may have a negative effect on its consolidated results. However, EuroHold reports its consolidated financial results in Bulgaria in Bulgarian lev, which in turn is pegged to the Euro, which also changes its value according other global currencies, but is significantly less exposed to any dramatic fluctuations.

Liquidity Risk

The liquidity risk is related to the possibility for the Company to fail to repay its maturing financial liabilities fully and on time when they are due for payment. The good financial indicators of profitability and capitalization of a company do not guarantee the smooth covering of the current payables. Liquidity risk may occur due to delayed payments from clients.

EUROHOLD BULGARIA AD aims to minimize this risk by optimal management of the cash flows within the group. The Group implements an approach which ensures the necessary liquidity resource for covering the incurred liabilities in normal or extraordinary conditions without unacceptable loss or compromising the reputation of the separate companies in the group.

The subsidiaries exercise financial planning to cover the payment of their current expenses and liabilities for a period of ninety days, including servicing of the financial liabilities. This financial planning minimizes and excludes the potential effect of unexpected circumstances.

The Company's management supports the efforts of the subsidiaries in the group for raising bank resources for investments and using this kind of financing for providing of working capital. The amount of these borrowed funds is kept at defined level and is approved upon proving the economic effectiveness for each company. The policy of the management is aimed at raising financing resources from the market in the form of shares and bonds then invested in the subsidiaries as loans for funding their projects. The management participates in the increase of their capital as well.

Risk related to the possible transactions between companies within the Group under terms different from those on the market, as well as related to the dependence on the Group activity

The relationships with related parties arise as a result of contracts for temporary financial aid to the subsidiary companies and transactions, related to the normal business activity of the subsidiary companies.

The risk of possible transactions between the companies within the Group under terms that are different from those on the market refers to taking a risk to achieve low profitability from provided intercompany financing. Another risk that can be assumed refers to intercompany transactions failing to realize enough revenues and thus poor profit for the respective company. On a consolidated level, this can affect negatively the profitability of the entire group.

There are constant transactions between the parent Company and its subsidiaries, as well as among the subsidiaries themselves, which arise in the normal course of activity of the companies. All transactions with related parties are conducted under terms that are no different from the normal market prices and are in compliance with IAS24.

EUROHOLD BULGARIA AD operates through its subsidiary companies which means that its financial results directly depends on the financial results, the developments and the perspectives of the subsidiaries. One of the main objectives of EUROHOLD BULGARIA AD is to realize significant synergy between its subsidiary companies as a result of the integration of the three business lines – insurance, leasing and car sales. Bad results of one or several subsidiary companies can lead to a deterioration of the consolidated financial results. This, in turn, affects the Company's share price which can change as a result of the expectations of the investors about the perspectives of the company.

3. Risk Management

The elements of risk management consist of specific procedures for timely prevention and resolution of possible problems in the operations of EUROHOLD BULGARIA AD. They include current analysis in the following directions:

- market share, pricing policy and marketing research on the development of the market and market share;
- active management of investments in different industry sectors;
- a comprehensive policy regarding the management of the Company's assets and liabilities, which aims to optimize the structure, quality and return on assets;
- optimization of the structure of raised funds aiming to ensure liquidity and a decrease in the financial expenses of the Group;
- effective management of cash flows;
- optimization of administrative expenses, as well as those for management and external services;
- human resources management.

In the case of unexpected events, incorrect assessment of current market trends, as well as many other micro- and macroeconomic factors, could impact the judgment of management. The only way to overcome this risk is to work with

experienced professionals, as well as to maintain and update a comprehensive database on recent developments and trends in all markets of operation.

The Group has implemented an integrated risk management system based on the Enterprise Risk Management model. The risk management process covers all the Group's business segments and is aimed at identifying, analyzing and limiting risks in all areas of the Group's operations. In particular, the Group minimizes insurance risk by properly selecting and actively monitoring the insurance portfolio, matching the duration of assets and liabilities, as well as minimizing FX exposure. An effective risk management system allows the Group to maintain stability and a strong financial position, despite the ongoing crisis on the global financial markets.

The risk management procedures aim to:

- identify possible events which can affect the Group's operations and achieving specific goals;
- control the risk assertion at an acceptable level adopted in the Group;
- achieving the Group's financial goals at the lowest possible risk;

V. INFORMATION ABOUT THE MANAGEMENT BODIES

The Supervisory Board and the Management Board of EuroHold Bulgaria AD are elected for five-year term of office, while the members of the first Supervisory Board are elected for a three-year term of office. In case that the contracts of the members of the Management Board and the Supervisory Board are not expressly terminated before the term of office has ended, they shall be deemed automatically renewed for a new five-year term.

The members of the Management Board and the Supervisory Board are appointed under management or supervisory contracts. Current contracts of the members of the Management Board and the Supervisory Board are in effect until the fulfillment of the position's duties.

None of the contracts for management, signed by EUROHOLD BULGARIA AD or its subsidiary stipulates that compensations or benefits are to be received by the persons in case of early termination.

	Date of contract for management /supervision	Valid until
Supervisory Board		
Assen Christov	27.11.2006	Until termination
Dimitar Stoyanov Dimitrov	27.11.2006	Until termination
Krasimir Katev	01.07.2012	17.04.2015
Radi Georgiev	17.04.2015	Until termination
Razvan Lefter	17.04.2015	Until termination
Dar Finance EOOD	13.07.2015	Until termination
Management Board		
Kiril Boshov	27.11.2006	Until termination
Assen Minchev	27.11.2006	Until termination
Assen Assenov	31.08.2009	Until termination
Velislav Christov	22.10.2012	Until termination
Dimitar Kirilov Dimitrov	01.07.2012	Until termination

On 10.2.2016 was entered procurator of the company -Hristo Ljubomirov Stoev. From 03.01.2016 the Company is jointly represented by an executive board member and Procurator of the company.

As of the date of drafting of this report, the Company has established an Audit Committee.

The Audit Committee of EUROHOLD BULGARIA AD was elected by the General Meeting of the Shareholders of the Company on 26. 05. 2009. Its members - Dimitar Stoyanov Dimitrov, Ivan Georgiev Munkov and Milena Vassilieva Avramova are appointed for 3- year term of office. If new members are not elected after the end of the Audit Committee's term of office, the contracts of the members of the existing Audit Committee shall be deemed automatically renewed for another three-year term.

VI. CURRENT TRENDS AND POSSIBLE FUTURE DEVELOPMENTS OF THE COMPANY

Trends in the company's activity

After completing the sale of non-strategic assets in 2011 and 2013, EUROHOLD BULGARIA AD is entirely focused on its main business lines.

In the last two years, EuroHold Bulgaria has focused its efforts on concentrating its activities in the following five business lines:

- Sales of cars
- Leasing
- Insurance
- Financial intermediary

Insurance

According to preliminary data about the non-life insurance market, the gross premium income for 2015, divided by countries is as follows: in Bulgaria – EUR 803.1 million; in Romania – EUR 1,560.6 million; in Macedonia – EUR 116.5 million. In this respect, on the three markets where Euroins Insurance Group AD operates, there is a significant increase compared to 2014- 9.5 per cent for Bulgaria, 7.6 per cent in Romania and 6.3 per cent in Macedonia respectively.

The market share of non-insurance companies in the Group is also growing. Euroins Bulgaria reported 7.5 per cent market share against 5.8 per cent for 2014 and Euroins Romania reached 10.4 per cent against 5.8 per cent the previous year. Euroins Macedonia kept its market share from the previous year equal to 7.5%. The main reason for the growth of Euroins Bulgaria was the successful integration of HDI Insurance, acquired in 2015. Euroins Romania reported an impressive growth of 50%, which was the result of work done at the end of 2014 on market re-segmentation of MTPL (Motor third party liability) insurance.

In 2013 the health assurance companies in Bulgaria were re-licensed as insurers. Part of them merged in the life insurance companies and others joined to non-life insurance companies. Euroins Health Assurance is in a process of merging its operations into Euroins Bulgaria to achieve a greater synergy. The market share of the company as at 31.12.2015 was 0.11 per cent.

According to preliminary data, the life insurance market in Bulgaria is EUR 200.7 million. The market share of Euroins Life as at 31.12.2015 is 0.6 per cent.

The expectation for 2016 for the group companies from Euroins Insurance Group is to increase the market share in the non-life insurance sector. As a result of the acquisition of two insurance companies in the early 2015, the Group plans expansion of the insurance business in 2016 via increased presence in Bulgaria.

Car Sales

The growth in the new car sales that we witnessed in 2014 continued with higher rates in 2015. According to the Manufacturers Association the Bulgarian automobile market reported an increase in sales in 2015 over the previous year amounting to 15 per cent. This is mainly due to the renovation of old car fleets.

A slow growth in corporate transactions and a slight increase in retail transactions are expected in 2016, supported by the comparably stable economy.

Avto Union expects a slight increase in its total sales in 2016.

No disturbances in economic terms are expected on the market of new cars in Bulgaria, which is expected to grow with the growth of the economy of the country.

Leasing and rent-a-car

In 2015 the Bulgarian Market of finance leases reported an increase in receivables on financial lease contracts, as they increased by 8,67% to BGN 1,81 bln. The allocations by newly concluded leases showed growth compared to the previous period and the increase amounted to 30.88% for 2015.

The positive trend in the newly generated business of leasing companies, the steady increase in sales volumes of new cars and the more affordable financing conditions of leasing assets, leads the leasing business to expected growth of the leasing market in 2016.

The past 2015 was characterized with declining interest rates. In this situation Eurolease Auto managed to negotiate new financings with adequate interest rates (as at the present moment the negotiations with potential creditors continue), enabling the company to offer more attractive lease terms to their customers.

The financings available and the products developed jointly with Euroins and the dealers of Auto Union are good reasons for growth expectation in the leasing portfolio.

The companies from the Group, specialized in car rental services and operating leases, maintain their leadership position.

Financial brokerage

According to preliminary data, Bulgaria's economy grew by 3% in 2015, which significantly exceeded the pessimistic forecasts of the European Commission (EC) for growth of only 0.8%. The main components of GDP growth are exports and government spending stimulated by EU funds. Excessive dependence of Bulgarian economy on exports, in which the share of raw materials is about 40%, together with the slowing growth in major export markets of the country, pose a number of risks. The attempts for restructuring the economy and

transition to production with higher added value occur relatively slowly. The European Commission forecasts growth in GDP of 1.3 percent, the IMF - 1.9% and WB - 2% for the next year.

During the year Euro-Finance AD continued its efforts to develop the segment of services aimed at transactions with foreign financial instruments. The main index of the Frankfurt Stock Exchange - DAX, grew by nearly 9% compared to levels from the beginning of the year, supported by ongoing ECB policy of monetary stimulus. For comparison, the leading index of the local capital market SOFIX decreased by about 12%.

The Bulgarian Stock Exchange – Sofia awarded Euro-finance AD first place for financial intermediary that realized the highest turnover in 2015.

The expectations for 2016 are that the perspectives for the Bulgarian capital market will again be directly dependent on the Bulgarian economy and the quality of the companies listed on the stock exchange.

The new 2016 will be another challenge for financial market participants. The activities of the Euro-Finance AD will be focused on finding the optimal balance between the reasonable risk and liquidity of investments.

Main Objectives

The main activity of EUROHOLD BULGARIA AD is dictated by its main goals, and namely:

- To satisfy the needs of its customers by means of offering innovative and competitive products and services;
- To increase the amount of sales in combination with high profitability;
- To ensure the required conditions for a continuous improvement in the synergy between its subsidiaries;
- To expand the markets of operation and to increase the market shares of each of its subsidiaries;
- To recruit highly qualified management and employees;
- To provide better opportunities for professional development and growth for each employee within the Group.

Mid-Term Goals and Strategies

The objectives, which Eurohold Bulgaria AD has set mid-term are focused on the three sub-holdings- insurance leasing and automobile, as well as in managing the Group cash funds through the investment intermediary Euro-Finance. After the differentiation of the three sub-holdings, the efforts

have been focused on strengthening the companies market positions and development of the existing business.

The main strategic goals are:

- Stable increase of market shares in all sectors and markets the Group operates in;
- To continue expansion strategy in the region;
- To achieve a loyal and diverse client base.

To achieve these strategic goals, the Company has developed current objectives and development policies. They are focused primarily on the improvement of the Group's integration, profitability and financial status:

- Real consolidation of the companies on sub-holding structure level under a common management.
- Establishment of common positions on sub-holding level with regard to negotiating better delivery conditions, advertising and participation in public procurements, which significantly affects the reduction of costs for these activities;
- Realization of synergies from the centralization and optimization of operations, marketing and all other business processes in the structure of the Group;
- Cost optimization in maintaining goods in stock;
- Fixed costs optimization;
- Optimization of inventory level, etc.;
- Consolidation of all sources of funding to minimize the administration costs;
- Opening of new locations – showrooms and car repairs stations;
- Optimization of the staff and equipment engaged in the car repairs activity;
- Implementation of better warranty conditions for sold cars;
- Ensuring funding for the leasing sub-holding;
- Implementation of a system for additional incentives for the insurance agents of Insurance Company Euro Ins AD to refer customers to the auto mobile dealers and leasing companies;
- Changing the insurance portfolio towards reduction of the car insurance share and decrease of acquisition costs;
- Achievement of a stable market share by the insurance companies on all markets;

- Continuing the conservative policy of the insurance companies in maintaining the investment portfolio;
- Development and realization of new competitive products under the main business lines – insurance, cars and leasing.
-

VII. RESEARCH AND DEVELOPMENT

As a holding structure, EUROHOLD BULGARIA AD does not carry out independent research and development activities.

VIII. ENVIRONMENTAL PROTECTION

As a holding company, Euro Hold Bulgaria AD does not carry out independent sales and manufacturing activities. In this respect, the efforts are focused on the subsidiaries' impact on the environment in performing their routine activity.

IX. INFORMATION REQUIRED BY THE COMMERCE ACT

1. Number and nominal value of the acquired and transferred during the year own shares, the part of the share capital they represent, and their acquisition or transfer price

In 2015 the Company has not bought back or transferred any of its own shares, therefore at the end of the period the Company does not possess own shares.

2. Number and nominal value of the own shares in possession of the company and the share capital they represent

The Company does not possess own shares.

3. Information about the amount of remunerations of the members of Management and supervisory bodies received from EUROHOLD BULGARIA AD and its subsidiaries during the fiscal year

In 2015 the members of the Management and Supervisory Board have received the following remunerations by EUROHOLD BULGARIA AD and its subsidiaries:

	From EUROHOLD BULGARIA AD	From subsidiary companies	TOTAL
Supervisory Board	21 840	166 956	188 796
Assen Christov	14 640	32 293	46 933
Dimitar Dimitrov	7 200	78 263	85 463
Krasimir Katev	-	-	-
Radi Georgiev	-	56 400	56 400
Razvan Lefter	-	-	-
Dar Finance EOOD	-	-	-
Management Board	72 000	434 320	506 320
Kiril Boshov	24 000	99 493	123 493
Assen Minchev	24 000	53 600	77 600
Dimitar K. Dimitrov *	12 000	36 000	48 000
Velislav Hristov *	-	85 500	85 500
Assen Assenov	12 000	159 727	171 727

The members of the Supervisory and Management Boards have not received any remunerations and/or compensations in kind during the specified period.

EUROHOLD BULGARIA AD and its subsidiaries do not make provisions for pension payments, retirement compensations or other similar compensations to the members of the Management Board and the Supervisory Board. The members of the Boards have been appointed under contracts for management/control. Current contracts of the members of the Management and Supervisory Boards are effective until the termination of service.

4. Company shares owned by members of the Management Board and the Supervisory Board

As of 31.12.2015 the members of the Management Board and the Supervisory Board own shares from the registered capital of EuroHold Bulgaria, as follows:

Name	Number of shares
Supervisory Board	
Asen Christov	-
Dimitar Dimitrov	200
Krasimir Katev	-
Radi Georgiev	19 100
Razvan Lefter	-
Dar Finance EOOD	24 244 755
Management Board	
Kiril Boshov	-
Assen Minchev	-
Dimitar K. Dimitrov	-
Velislav Christov	200
Asen Assenov	78 000
	24 342 255

No stock options on shares of the Company have been issued to the benefit of management body's members, employees or third parties.

5. Rights of the Board members to acquire shares and bonds of the Company

As of the date of drafting of this document, there are no agreements or other arrangements with the employees of EUROHOLD BULGARIA AD, regarding their participation in the Company capital.

The members of the MB and the SB of the company may freely acquire shares of the capital, as well as Company bonds on a regulated securities market by observing the provisions of the Measures Against Market Abuse with Financial Instruments Act and the Public Offering of Securities Act.

No options for acquisition of Company's shares have been issued in favor of the Management and Supervisory Boards members, employees or third parties.

6. Information about the participation of the Boards' members in companies as general partners, ownership of more than 25 per cent of another company's capital, as well as their participation in other companies or cooperatives as procurators, managers or board members.

EUROHOLD BULGARIA AD has a two-tier management system -Supervisory Board and a Management Board each consisting respectively of four and five natural persons.

The Supervisory Board consists four natural persons and one juridical person: Assen Milkov Christov, Dimitar Stoyanov Dimitrov, Radi Georgiev Georgiev, Razvan Stefan Lefter and Dar Finance EOOD.

The members of the Management Board consist of five natural persons: Kiril Ivanov Boshov, Assen Minchev Minchev, Velislav Milkov Christov, Asen Emanuilov Asenov and Dimitar Kirilov Dimitrov.

The operational management of EUROHOLD BULGARIA AD is carried out by the Executive member of the MB, Assen Minchev and the MB chairman Kiril Boshov jointly and separately.

On 10.2.2016 was entered procurator of the company -Hristo Ljubomirov Stoev. From 03.01.2016 the Company is jointly represented by an executive board member and Procurator of the company.

There are family ties established among the members of the Management and the Supervisory bodies, namely: Asen Milkov Christov, Chairmen of

the Supervisory Board and Velislav Milkov Christov, member of the Management Board of the company, are brothers by birth.

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

SUPERVISORY BOARD

Name	Asen Milkov Christov
Position	Chairman of the Supervisory Board
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed external activity, significant to the company	<ul style="list-style-type: none"> ◆ Avto Union AD – Chairman of the Board of directors; ◆ Euroins Insurance AD Macedonia – Chairman of the Board of directors; ◆ Euroins Romania Asigurare Reasigurare S.A. – Member of the Board of directors; ◆ Euro-Finance AD – Chairman of the Board of directors; ◆ Starcom Holding AD – Executive member of the Board of directors.
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p><u>Current:</u></p> <ul style="list-style-type: none"> ◆ Alfa Euroactive EOOD – Sole shareholder and Manager; ◆ Balkan International Basketball League OOD – Manager; ◆ Starcom Hold AD – Executive member of the Board of directors; ◆ Formoplast 98 AD – Chairman of the Board of directors. <p><u>Terminated:</u></p> <ul style="list-style-type: none"> ◆ Avto Union Group AD (currently Asterion Bulgaria AD) – Chairman of the Board of directors – 12. 10. 2011, and As of 31. 12. 2015 the person is not a Chairman of the Board of directors; ◆ Autoplaza EAD – – Chairman of the Board of directors – 28. 1. 2013, and As of 31. 12. 2015 the person is not a Chairman of the Board of directors; ◆ Eurohold Imoti EAD - Chairman of the Board of directors – 16. 12. 2013, and As of 31. 12. 2015 the person is not a Chairman of the Board of directors; ◆ Bulstar Investment AD - Chairman of the Board of directors – 17. 8. 2015, and As of 31. 12. 2015 the person is not a Chairman of the Board of directors; ◆ Euro Power AD (currently Power Logistics EAD) – Chairman of the Board of directors – until 16.02.2011, and As of 31. 12. 2015 he is not a Chairman of the Board of directors; ◆ Corporate Advisors EOOD – Sole shareholder and Manager until 08.02.2013, and As of 31. 12. 2015 he is not Sole shareholder and Manager; ◆ Scandinavia Motors AD – Chairman of the board of directors until 27.09.2012 and as of 31. 12. 2015 he is not a Chairman of the board of directors; ◆ Smart Net EAD – Chairman of the board of directors until 03.11.2015 and as of 31. 12. 2015 he is not a Chairman of the board of directors; ◆ Formoplast AD – Executive member of the Board of directors – until 12. 02. 2011, and As of 31. 12. 2015 he is not Executive member of the Board of directors.
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	<ul style="list-style-type: none"> ◆ Vitosha Investment Company EOOD (in liquidation procedure based on Sofia City Court resolution, Commercial Section, Companies Department, civil case 52/ 2009 based on claim on grounds of Art. 29 of the Trade Register Act) – registered as sole shareholder. <p>As of 31. 12. 2015 there are no additional details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.</p>

Relevant professional experience	<p>Assen Christov has a Master degree in Physics from Sofia University St. Kliment Ohridski, and specialized in Nuclear Researches Institute in Dubno, Russia. He has specialized Management at Open University – London. He speaks English and Russian.</p> <p>Assen Christov has occupied the above mentioned position during different periods in the past 5 years. He has been Chairman of the Board of directors of Eurobank AD from 1997 to 2000 and has performed different representative functions, he has been chairman of the Supervisory board of IC Euroins AD from 2000 to 2007, Chairman of the Board of directors of Scandinavia Motors – an authorized dealer of SAAB for Bulgaria from 2005 to the present moment, as well as chairman of the Board of directors of investment intermediary Euro-finance AD.</p>
Administrative compulsory measures and sanctions	<p>In the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.</p>

Name	Dimitar Stoyanov Dimitrov
Position	Vice – chairman of the Supervisory Board
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed external activity, significant to the company	<ul style="list-style-type: none"> ◆ IC EUROINS AD – procurator
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p><u>Current:</u></p> <ul style="list-style-type: none"> ◆ Alcomerce EOOD - Manager ◆ Eurologistic Technologies EOOD – Manager; ◆ Zeleni EOOD – Sole shareholder and Manager; ◆ Cable Network AD – Executive director; ◆ Creative Software Solutions EOOD – Sole shareholder and Manager; ◆ Stardom Hold AD – Member of the Board of directors. <p><u>Terminated:</u></p> <ul style="list-style-type: none"> ◆ Bolkan Telecommunication Company EOOD – manager until 28. 08. 2012 and as of the 31. 12. 2015 he is not a manager ◆ Euro Power AD (currently Power Logistics EAD) – Executive director – until 16.02.2011, and As of 31. 12. 2015 he is not Executive director; ◆ Educational and sports complex Lozenets EOOD (formerly Eurohold Imoti EOOD) – Manager until 04.03.2014 and as of 31. 12. 2015 he is not a manager; ◆ Pofonika EOOD – Manager until 05.03.2014 and as of 31. 12. 2015 he is not a manager; ◆ Smartnet EAD – Executive member of the Board of directors until 03.11.2015 and as of 31. 12. 2015 he is not a member of the Board of directors.
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	<ul style="list-style-type: none"> ◆ Far Consult OOD (in liquidation procedure) – Manager, the term of the liquidation procedure expires on 30. 03. 2010. The term is determined to one year after registration of termination of the company according Resolution from 29.12.2008 on civil case № 03/2008 of Sofia City Court. There are no unsatisfied creditors. <p>As of 31.12.2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.</p>
Relevant professional experience	<p>Dimitar Dimitrov has a Masters Degree in Electronics and Automatics from Technical University – Sofia. From 1998 to 2006 he was executive director of the holding company Starcom Holding AD. Since 2005 he has been a procurator of IC Euroins AD and from 1998 to 2005 he was Director Information servicing, statistics and analysis in the same company.</p>
Administrative compulsory measures and sanctions	<p>In the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.</p>

Name	Razvan Lefter
Position	Independent member of the Supervisory Board
Business address	Romania. Alexandru Serbanescu 30 St., Sofia, București
Details of performed external activity, significant to the company	As of 31.12.2015 there is no data for any external activity which is significant to the company
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	Current: <ul style="list-style-type: none"> ◆ R S L Capital Advisors, Romania – managing partner Green Line Properties OOD – Manager ◆ Teraplast Bistritsa, Romania – Member of the Board of directors ◆ Kondmag Brashov, Romania – Member of the Board of directors ◆ SIF Muntenia, Romania – Member of the Supervisory Board
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.
Relevant professional experience	Academy of Economic Studies, Bucharest, specializing in banking and stock exchanges (2003), Chartered Financial Analyst (2008), specializing as an analyst at ING Bank (September 2004 - May 2005), manager relations with international clients in ING Bank - Romania (May 2005 - December 2006), securities trading and analysis in EFG securities - Romania (January 2007 - November 2011), securities trading at Swiss Capital - Romania (November 2011 - June 2014), from June 2014 to today - managing partner R S I Capital Advisors, Romania
Administrative compulsory measures and sanctions	In the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.

Name	Radi Georgiev
Position	Member of the Supervisory Board
Business address	84 Alexander Stamboliyski Blvd., Sofia
Details of performed external activity, significant to the company	As of 31.12.2015 there is no data for any external activity which is significant to the company
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	Current: <ul style="list-style-type: none"> ◆ Euroins Insurance AD – Member of the Supervisory Board ◆ HDI Insurance AD – Member of the Supervisory Board ◆ Laudspeakes CA EOOD - sole owner ◆ VH Property Management OOD - partner
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.
Relevant professional experience	Lawyer in Sofia Bar Association (1996 - present), a partner at law firm "Kalaidjiev and Georgiev"

Administrative compulsory measures and sanctions	In the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.
Name	Dar Finance EOOD
Position	Independent member of the Supervisory Board
Business address	39 Shipka Str., Sofia
Details of performed external activity, significant to the company	As of 31.12.2015 there is no data for any external activity which is significant to the company
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Dar Finance EOOD has participated as a partner / shareholder in the following companies: Daru Nova EOOD, Bentom Investments EOOD, Daru cozy home EOOD, Mecom AD, Expat Capital AD, Villa Shank OOD, Daru Agro EOOD, Extracta AD, Prohorovo Mining OOD, Solar geniponika AD. ◆ Dar Finance Ltd. is not a member of a management / supervisory body in other companies.
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.
Relevant professional experience	Dar Finance EOOD has experience in managing financial and other business projects.
Administrative compulsory measures and sanctions	In the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.

MANAGEMENT BOARD

Name	Kiril Ivanov Boshov
Position	Chairman of the Management Board and legal representative
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed external activity, significant to the company	<ul style="list-style-type: none"> ◆ Avto Union AD – Vice- chairman of the Board of directors; ◆ Euroins Insurance Group AD – Chairman of the Board of directors; ◆ Euroins Health Assurance EAD – Chairman of the Board of directors; ◆ Euroins Romania Asigurare Reasigurare S.A. – Chairman of the Board of directors; ◆ Euroins Insurance SA, Macedonia – member of the Board of directors; ◆ Eurolease Auto IFN S.A. Romania – member of the Board of directors; ◆ Euro-Finance AD – Vice- chairman of the Board of directors; ◆ Nissan Sofia EAD - member of the Board of directors; ◆ Starcom Holding AD – Chairman of the Board of directors.
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Capital – 3000 AD – Chairman of the Board of directors; ◆ Starcom Hold AD – Chairman of the Board of directors. <p>Terminated:</p> <ul style="list-style-type: none"> ◆ Alcommerce EOOD – Sole shareholder and Manager until 27.11.2015 and as As of 31. 12.

	<p>2015 he is not a manager;</p> <ul style="list-style-type: none"> ◆ Autoplaza EAD – Vice- chairman of the Board of directors until 15.03.2013 and as As of 31. 12. 2015 he is not a Vice – chairman of the Board of directors; ◆ Euroauto OOD – Manager until 18.08.2015 and as As of 31. 12. 2015 he is not a manager; ◆ Eurolease Auto EAD – member of the Board of directors – until 04. 07. 2011 andAs of 31. 12. 2015 he is not a member of the Board of directors; ◆ Euromobile Leasing AD – Deputy chairman of the Board of directors – until 12.08.2010 and as of 31.12.2014 he is not a member of the Board of Directors; ◆ Scandinavia Motors AD – Deputy chairman of the Board of directors until 27.09.2012 and as of 31.12.2014 he is not a Deputy chairman of the Board of directors
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	<ul style="list-style-type: none"> ◆ Coral Consult EOOD – is in liquidation procedure, but currently continues its business activity pursuant to Art. 274 of the CA under the trade name of Coral Music EOOD. <p>As of 31. 12. 2015 there are no additional details of any insolvency, bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.</p>
Relevant professional experience	<p>Kiril Boshov has a Masters degree in Accountancy and Control from the University of National and World Economy. He is fluent in English and Russian language.</p> <p>From 1995 to 1997 Kiril Boshov was chief accountant of Mobicom – first mobile operator in Bulgaria, joint venture between Bulgarian Telecommunication Company and Cable and Wireless, United Kingdom. In his capacity of Vice – chairman and procurator he took an active participation in restructuring the assets of Eurobank AD, he represented the company before third parties and directly managed its active operations – crediting and capital markets.</p> <p>Kiril Boshov was Chairman of the Management Board of IC Euroins AD from 2000 to 2008 and in 2006 the Investors Association in Bulgaria awarded IC Euroins AD the price “Company with best corporate management”. In his capacity of Chairman of the board of director of Eurolease Auto AD he manages the financing of Eurolease Auto AD, as well as the whole process of concluding the International capital markets financing agreement between Eurolease Auto AD and the London branch of Deutsche Bank AG –amounting to 200 MM euro.</p>
Administrative compulsory measures and sanctions	<p>In the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.</p>

Name	Assen Minchev Minchev
Position	Executive member of the Management Board
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed external activity, significant to the company	<ul style="list-style-type: none"> ◆ Bulvaria Holding EAD, member of the Board of directors; ◆ Auto Italia EAD, member of the Board of directors; ◆ Star Motors EOOD- procurator
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p>Current:</p> <ul style="list-style-type: none"> ◆ Capital 3000 AD – Executive member of the Board of directors; ◆ Cable Network AD – Chairman of the Board of directors. <p>Terminated:</p> <ul style="list-style-type: none"> ◆ Bulstar Investment AD – Vice – chairman of the Board of directors until 18.08.2015 and As of 31. 12. 2015 he is not an a member of the Management board; ◆ Scandinavia Motors AD – Executive member of the Board of directors until 27.09.2012 and as of 31.12.2014 he is not an executive member of the Board of directors.
Details for bankruptcy, receivership or liquidation the person has been associated	<p>As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.</p>

with as member of management or supervisory bodies in the past five years

Relevant professional experience	<p>Assen Minchev has a Masters Degree in Accountancy and Control from the University of National and World Economy.</p> <p>Assen Minchev was an Executive director of the holding company EuroHold AD in the period from 1998 to 2006 until its merger with Starcom Holding AD. From 1996 until 2000 he was a member of the Management Board of IC Euroins AD, he was as well a representative of the vice – chairman of the Board of directors of Euroins Health Assurance AD. Assen Minchev was a chairman of the Board of directors of Nissan Sofia Consult AD, authorized dealer of Renault and Nissan, and currently he is a member of the Board of directors of Scandinavia motors EAD, authorized dealer of SAAB in Bulgaria.</p>
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Administrative compulsory measures and sanctions	<p>For the past 5 years he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or by related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.</p> <p>For the past 5 years he has been a subject to an administrative sanction pursuant to Act № P-10-43/06.04.2009 for breaching Art. 114, paragraph 1 in relation to Art. 114, par. 1, item 1, letter b, in connection to Art. 114, paragraph 5 of POSA.</p>
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Name	Velislav Milkov Christov
Position	Member of the Management Board
Business address	43 Christopher Columbus Blvd., Sofia
Details for performed external activity, significant to the company	<ul style="list-style-type: none"> ◆ IC Euroins AD – Member of the management Board. ◆ IC EIG Re AD – Member of the supervisory Board. ◆ Starcom Holding AD - Member of the Board of directors.
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p>Current:</p> <p>As of 31. 12. 2015 there are no other participations as a member of a management / supervisory authority and / or partner in the past 5 years.</p> <p>Terminated:</p> <ul style="list-style-type: none"> ◆ Bolkan Telecommunication Company EOOD – Sole holder of the capital until 11.06.2012 and as of 31. 12. 2015 he is not a sole holder of the capital. ◆ Basketball club Chernomorec EAD (currently Eurohold Imoti EOOD) - Member of the Board of Directors till 16.12.2013, as at 31. 12. 2015 the person is not Chairman of the Board of Directors; ◆ VH Property Management EOOD - the sole shareholder - to 16. 05. 2013, as at 31. 12. 2015 the person is not the sole shareholder. ◆ Euroins Insurance Group AD – Member of the Board of directors till 10.09.2015, as at 31. 12. 2015 the person is not a member of the Board of directors
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	<p>VM24.BG" EOOD- in liquidation, partner and sole owner. As of 31.12.2015, the company is into liquidation;</p> <p>As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.</p>
Relevant professional experience	<p>Velislav Christov has a 20 year experience as lawyer and consultant in the field of civil, commerce, banking and insurance law, as well as over 15 years of experience as business manager. He has been in numerous senior positions through his career as member of management and supervisory boards of banks, insurance companies, public and private companies and head of legal department. At the same time, Velislav Christov is a freelance lawyer and has a Masters degree in law from the Law Faculty of Sofia University.</p>
Administrative compulsory measures and sanctions	<p>For the past 5 years, he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.</p>

Name	Assen Emanouilov Assenov
Position	Member of the Management Board
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed activity besides the company, which is substantial to the company	<ul style="list-style-type: none"> ◆ Avto Union AD – Executive director; ◆ Auto Italia EAD – Executive member of the Board of directors; ◆ Autoplaza EAD – Deputy chairman of the Board of directors; ◆ Avto Union Service EOOD – Manager; ◆ Bulvaria Varna EOOD – Manager; ◆ Bulvaria Holding EAD – Chairman of the Board of directors; ◆ Daru Car AD - Member of the Board of directors ◆ Eurolease Auto EAD – Chairman of the Board of directors; ◆ Eurolease Auto EAD Rumania – Chairman of the Board of directors; ◆ Eurolease Group EAD - Chairman of the Board of directors; ◆ Eurotruck EOOD – Manager; ◆ Espace Auto OOD – Manager; ◆ Izgrev 5 EOOD-Manager and sole owner; ◆ Ita Leasing EOOD – Manager; ◆ Motobul EOOD – Manager; ◆ Nissan Sofia EAD – Chairman of the Board of directors; ◆ Sofia Motors EOOD – Manager; ◆ Star Motors EOOD – Manager.
Details of any and all other participations as member of a management/ supervisory body and/ or partner during last 5 years	<p><u>Current:</u></p> <ul style="list-style-type: none"> ◆ Motobul Express EOOD – Manager <p><u>Terminated:</u></p> <ul style="list-style-type: none"> ◆ Avto Union Group AD (currently Asterion Bulgaria AD) – Executive member of the Board of directors – until 12. 10. 2011 and as of 31. 12. 2015 he is not an Executive member of the Board of directors; ◆ Avto Union Properties EOOD – Manager until 26. 05. 2013 and as of 31.12.2015 he is not an a manager; ◆ Auto 1 OOD – Manager until 08. 01. 2013 and as of 31.12.2015 he is not an a manager; ◆ BG Autolease Group B.V. - Manager – until 27.12.2012 and as of 31.12.2014 he is not a manager; ◆ BG Autolease Holding B.V. - Manager - until 31.12.2012 and as of 31.12.2014 he is not a manager; ◆ Bulvaria Rent a Car EOOD – Manager – until 09. 03.2011 and As of 31. 12. 2015 he is not a manager; ◆ Gransport Auto EOOD – Manager – until 23. 01.2013 and As of 31. 12. 2015 he is not a manager; ◆ Eurolease Asset EAD, Skopje – Chairman of the Board of directors until 23.09.2014, and As of 31. 12. 2015 he is not a Chairman of the Board of directors; ◆ Euromobil Leasing AD – Executive member of the Board of directors – until 06.12.2012 and As of 31. 12. 2015 he is not an Executive member of the Board of directors; ◆ Cargoexpress Imoti EAD – Chairman of the Board of directors - – until 25. 11.2013 and As of 31. 12. 2015 he is not a Chairman of the Board of directors; ◆ Milano Motors EOOD – Manager – until 23. 01.2013 and As of 31. 12. 2015 he is not a manager;
Details for bankruptcy, receivership or liquidation the person has been associated with as member of	As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.

management or supervisory bodies in the past five years

Relevant professional experience	<p>Assen Assenov has a Masters degree in Accountancy and Control and Bachelor degree in International Trade Relations from the University of National and World Economy, Sofia. Mr. Assenov has MBA diploma, in the specialty of International accounting standards and international business from the University of Economics – Vienna.</p> <p>The professional career of Assen Assenov in EuroHold AD started 11 years ago when he was hired as accountant. In the period 2002 – 2004 he was chief accountant of EuroHold AD. At the end of 2001 Mr. Assenov was elected as Executive director of Eurolease Auto AD – the leasing company in the structure of EuroHold at the time.</p> <p>Currently Mr. Assenov manages the leasing and automotive business of the economic group of EUROHOLD BULGARIA AD. Mr. Assenov is executive director of Avto Union and is a head of the leasing companies of the group in Romania and Macedonia he also manages the dealers of Nissan, Renault, Dacia, Saab, Opel, Chevrolet, Fiat, Lancia, Alfa Romeo, Mazda, Maserati and lubricant products Castrol and BP (Motobul), all part of the holding structure as well.</p>
Administrative compulsory measures and sanctions	<p>For the past 5 years, he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies.</p>

Name	Dimitar Kirilov Dimitrov
Position	Member of the Management Board
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed external activity, significant to the company	As of 31.12.2014 there is no data for any external activity which is significant for the company
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p><u>Current:</u></p> <ul style="list-style-type: none"> ◆ Bulgarian Development Bank Member of the Supervisory Board ◆ Andema AD – Member of the Board of directors; ◆ PGD OOD - partner <p><u>Terminated:</u></p> <ul style="list-style-type: none"> ◆ Rodopa Home OOD – Partner and manager until 09.11.2009 and as of 31. 12. 2015 he is not a partner and manager.
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	<p>As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.</p> <ul style="list-style-type: none"> ◆ Balance AD – Executive director until 20. 07. 2009 and As of 31. 12. 2015 he is not an Executive director, the company is liquidated; ◆ BalanceCommerceOOD – manager and partner until 14. 08. 2012 and as of 31.12.2014 he is not a manager and partner, the company is liquidated.
Relevant professional experience	<p>Dimitar Dimitrov graduated the University of National and World Economy, Sofia in 1979. After graduation to 1982 he worked in National Statistical Institute. In the period 1982-1987 he was a head of department and general expert in Bulgarian National Bank and from 1987 to 1993 works for Construction Bank AD in the position of manager of department, vice president and president. From 1993 to 1995 Dimitar Dimitrov was an Executive director of United Bulgarian Bank AD. In 1995 he was a Deputy minister of economic development and in 1996 became a Deputy director of Bulgarian National Bank. From 1995 to 1996 he was Chairman of the Board of directors of Bank Consolidation Company and in 1997 became an Executive director of Bank Consolidation Company. Dimitar Dimitrov has been a member of the Management board of Doverie Holding AD and some of its subsidiaries. From November 2001 to May 2011 he served as Executive director and chairmen of the Board of directors of Encouragement Bank AD currently known as Bulgarian Development Bank.</p>
Administrative compulsory measures and sanctions	<p>For the past 5 years, he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies</p>

Name	Hristo Ljubomirov Stoev
Position	Procurator
Business address	43 Christopher Columbus Blvd., Sofia
Details of performed external activity, significant to the company	As of 31.12.2014 there is no data for any external activity which is significant for the company
Details for any other participation as member of a management/ supervisory body and/ or partner in the past 5 years	<p><u>Current:</u></p> <ul style="list-style-type: none"> ◆ DB projekt OOD – Manager; ◆ So ar Geniponika AD– Member of the Board of directors; <p><u>Terminated:</u></p> <ul style="list-style-type: none"> ◆ Kremple OOD– partner and manager until 04.11.2011 and as of 31.12.2015 he is not a partner and manager; ◆ Logo company EOOD – sole owner until 15.03.2013 and manager until 05.12.2011 and as of 31.12.2015 he is not a sole owner and manager
Details for bankruptcy, receivership or liquidation the person has been associated with as member of management or supervisory bodies in the past five years	As of 31. 12. 2015 there are no details for any bankruptcy, receivership or liquidation related to the person as member of management or supervisory bodies in the past five years.
Relevant professional experience	2008 - Lecturer of Mining and Geology "St. Ivan Rilski " 2011 - Associate Professor of Mining and Geology "St. Ivan Rilski "
Administrative compulsory measures and sanctions	For the past 5 years, he has not been subject to any administrative compulsory measures and sanctions regarding his activity; he has no convictions in relation to fraudulent offences; in his capacity of liable person, he has not been involved directly or through related parties in bankruptcy procedures; he has not been deprived by court of rights to participate in management or supervisory bodies of other companies

7. Contracts, signed in 2015 with the members of the MB and the SB or related parties, not typical for the usual activity of the company or significantly deviating from the market conditions

There have been no contracts signed with members of the MB and the SB or related parties not typical for the usual activity of the company or significantly deviating from the market conditions.

8. Conflicts of Interest

There are no conflicts of interest resulting from the fulfillment of obligations of the aforementioned persons to the Company and their private interests.

There are no agreements between shareholders, clients, suppliers and/or other people, according to which the members of the Company's management and supervisory bodies have been

elected/ appointed. Members of the management and supervisory bodies have provided guarantees in the amount of three salaries.

There are no restrictions imposed on the owned by the members of the management and supervisory bodies Company's shares, as well as their disposal.

9. Planned economic policy for the next year, including expected investments and human resources development, estimated income from investments, as well as upcoming transactions substantial for the Company's activity

EUROHOLD BULGARIA AD plans to support the ongoing activity of the three sub-holdings – insurance, automotive and leasing.

Through the insurance sub-holding (Euroins Insurance Group AD) in 2016 the Company will support the insurance companies in Bulgaria and

Romania to increase their total capital base and risk sustainability by providing capital investments in the two companies. By ensuring high coverage of insurance reserves, the companies will be able to attain a greater part of the net insurance risks, respectively to expand their market presence.

EUROHOLD BULGARIA AD considers the leasing business as a main source of growth within the Group. The Positioning of the leasing sub-holding as a company with sufficient capital resources and high market share is substantial at the beginning of the economic recovery. The leasing business is funded mainly by bank loans and bond issues. The leasing funding support will positively affect the sales of both of the automobile and insurance divisions.

The working capital financing of the automotive subsidiary is essential for the delivery of cars under fleet contracts with large corporate clients. The automobile dealers will be supported in completing and equipping showrooms and car repair centers. Special emphasis is put on the car repair centers as a main source of revenue due to the low margins on sales of new cars in the current market situation.

10. Number of employees

For the reporting period EUROHOLD BULGARIA AD has not recruited new employees or hired employees under temporary working contracts.

As of 31.12.2015 EUROHOLD BULGARIA AD has 6 employees under employment contracts. Since its incorporation until the present moment, there have not been union organizations of employees in EUROHOLD BULGARIA AD.

X. COMPANY BRANCHES

EUROHOLD BULGARIA AD does not have any registered branches in the country and abroad.

XI. INFORMATION REGARDING THE GOOD CORPORATE GOVERNANCE PROGRAM OF EUROHOLD BULGARIA AD AND ITS IMPLEMENTATION

EUROHOLD BULGARIA AD adheres to the recommendations of the Bulgarian National Code for Corporate Governance (2007), which essentially follows the framework of the internationally accepted corporate governance rules provided by the Organization for Economic Cooperation and Development (OECD) in 2004.

The Company follows the best practices in the field of corporate governance. Good corporate governance is a set of relationships between the governing body of the company, its shareholders and all stakeholders- employees, business partners, creditors of the company, potential and future investors and society as a whole. If the corporate governance principles are not applied or there is a chance of violation, the company is required to disclose such information in due time. In addition, the company is obliged to publish a "comply or explain" report as part of the annual report for the respective financial year.

As a result of the consistent policy of the Management Board of EUROHOLD BULGARIA AD in terms of implementation, improvement and perfecting of the corporate management, the Company has adopted and follows procedures ensuring compliance with all principles of the National Code for Corporate Governance. Therefore, after analyzing the results achieved in this respect, in 2011 the Management Board decided that the company joins the Bulgarian National Code for Corporate Governance. By doing so EUROHOLD BULGARIA AD declares its willingness to maintain and develop in the future the corporate governance procedures and practices adopted in the past four years.

The established management system guarantees the survival and prosperity of the Company by setting a framework for the management bodies to operate in the best interest of the company and to comply with the reasonable expectations of its shareholders and all interested parties.

Detailed information regarding the corporate policy of EuroHold Bulgaria and the procedures concerning its implementation is contained in the Corporate Governance Program, Articles of association and other constitutive acts of the company.

XII. REPORT ON THE COMPLIANCE WITH THE REQUIREMENTS OF THE BULGARIAN NATIONAL CODE FOR CORPORATE GOVERNANCE

The Management Board of EUROHOLD BULGARIA AD makes every effort to maximise the benefits for the shareholders and ensure their equal treatment, including the minority and foreign shareholders, by:

- Providing more secure methods for property registration

The shares of EUROHOLD BULGARIA AD are registered for trade on the Bulgarian Stock Exchange - Sofia and since 15.12.2011 the shares have been traded on the Warsaw Stock Exchange. All current shareholders and potential investors can freely purchase or sell the Company's shares. The Company has signed a contract with the Central Depository to keep a shareholders ledger which reflects the current legal standing and changes in ownership.

Providing an opportunity for all shareholders to participate in the General Meeting

The shareholders are provided with comprehensive and timely information about the agenda, date and place of every ordinary or extraordinary session of the General Meeting of EUROHOLD BULGARIA AD's shareholders. The invitation and materials related to the agenda are published on the web page of the specialized financial medium of BSE - Sofia – X3 News (www.x3news.com), in the Newsletter section of Investor (www.investor.bg), as well as on the corporate site of the Company - www.eurohold.bg;

Company policy for transactions with stakeholders and related parties

The company has developed and applies rules for transactions with stakeholders and related parties which have been approved by the Supervisory Board of EUROHOLD BULGARIA AD. In defining entities as related parties or stakeholders, the definitions from the Public Offering of Securities Act are used.

EUROHOLD BULGARIA AD complies with the requirements and restrictions set forth in art. 114 and 114a of the Public Offering of Securities Act. The Management Board monitors the transactions carried out by the company or its subsidiaries, which could significantly affect the company or combined, could lead to a change exceeding these levels.

The Supervisory Board carefully monitors and controls the transactions which one or more of the directors are personally interested in or this interest is related to third parties. In this regard, the MB of EUROHOLD BULGARIA AD with the prior approval of the SB has prepared, approved and implemented a Code of Ethics regarding the internal rules of ethics for the standards of business behaviour of the managers from the

holding structure of EUROHOLD BULGARIA AD in order to prevent misuse of inside information. (The full text of the document is available on the web page of the company www.eurohold.bg).

Management bodies

The two-tier management system of the Company separates the management functions from the control functions. The decision-making process is divided between the two bodies and this is a prerequisite for more thorough decision-making and as a result the reduction of the errors and omissions in making management decisions. The efficient cooperation between the two boards ensures the high quality of the Company's governance.

The Supervisory Board determines the type, amount and frequency of the information provided by the Management Board. The Management Board, on its turn, informs in details and on time the Supervisory Board of all issues related to the development of EUROHOLD BULGARIA AD, including the risk exposure of the company, respectively the risk management policy, and the specific measures and procedures in this respect.

The members of the SB and the MB of EUROHOLD BULGARIA AD, according to the requirements of the Public Offering of Securities Act, should inform the Financial Supervision Commission (FSC), BSE-Sofia and the public company itself of: the companies they hold directly or indirectly 25 per cent of the votes at the General Meeting or those controlled by them; of the legal entities they participate as members of management or supervisory boards or as procurators; of current or future transactions regarding which they can be considered as stakeholders.

The members of MB and SB should declare these circumstances in seven days after their occurrence.

Remuneration of the members of the Management Board and the Supervisory Board

To comply with the statutory requirements and the good corporate governance practices, the amount and structure of the remunerations of the members of the Management Board reflect the responsibilities and contribution of each member of the Management Board in the activity and the results of the Company; the ability to keep qualified and loyal managers; the necessity to comply with the interests of the members of the Management Board and the long-term interests of the Company. The remunerations of the members of the Management Board consists of two parts: fixed and additional incentives. The manner of

providing and use of additional incentives is specified in the Rules of Procedure of the Management Board.

The remunerations of the members of the Supervisory Board corresponds to their responsibilities and does not depend on the results from the Company's activity. The remunerations of the independent members of the Supervisory Board are fixed and reflect their participation in meetings and the execution of their tasks to control the actions of the executive management and they do not receive additional incentives.

Information disclosure policy

The Management Board of EUROHOLD BULGARIA AD treats all shareholders equally regarding information disclosure. The Company publishes at least periodical reports and notifications of inside information pursuant to art. 4 of the Financial Instruments Market Abuse Act, with deadlines and content according to the requirements of the Public Offering of Securities Act. EUROHOLD BULGARIA AD has signed contracts with Service Financial Markets OOD (the specialized financial media X3News of BSE-Sofia) and with the financial media Investor BG for disclosure of information regulated by the Public Offering of Securities Act to the general public, the regulated market and FSC. The information is available on the respective web addresses of the media - www.x3news.com and www.investor.bg, as well as on the corporate site of EUROHOLD BULGARIA AD - www.eurohold.bg.

XIII. ADDITIONAL INFORMATION UNDER APPENDIX №10 OF REGULATION №2 OF FSC

1. Information about revenues from sales in the reported fiscal year

As a Holding company, the main activities of EUROHOLD BULGARIA AD are acquisition, management, assessment and sale of shares in Bulgarian and foreign companies, and the financing of subsidiaries.

The Company does not perform independent commercial and manufacturing activities. The revenues of EuroHold Bulgaria are formed by financing activities.

There have not been substantial transactions made and such with significant effect on the business activity of the Holding for the reported period.

EUROHOLD BULGARIA AD has not published estimates for the fiscal year 2015.

2. Related Party Transactions

As of the date of Annual Report there are no transactions or proposals for transactions with related parties, which are significant for EUROHOLD BULGARIA AD or its subsidiaries or unusual in type and conditions.

Within the holding, there are constantly conducted transactions between the parent company and its subsidiaries as a result of the nature of their major business activity. All transactions are performed based on the "at arm's length" principle. The typical transactions between the Holding and the subsidiaries include intergroup loans by which the liquidity of the separate companies is managed and the investment policy is carried out. The company grants loans to its subsidiaries for the purposes of working capital funding.

In 2015, EUROHOLD BULGARIA AD signed loan agreements with the following related parties:

Loans granted by the subsidiaries to EuroHold Bulgaria

Subsidiary	Interest %	In BGN '000 as at 31.12.2015
Starcom Holding AD	3.60%	17 628
Euro Lease Auto AD	7.00%	5 371
Auto Union AD	6.00%	564
Auto Union Service EOOD	5.50%	2 056
Eurolease Group EAD	6.00%	16
Bulvaria Varna EOOD	5.00%	10
EuroIns Insurance Group AD	6.00%	2 303
Total:		27 948

In the reported period there were no events of unusual for the Company nature with significant effect on its business and realized revenues and incurred costs. The Company did not perform any off-balance sheet transactions.

3. Concluded Loan Agreements

Liabilities related to bank loans

Creditor	Maturity	In euro as of 31.12.2015
International Investment Bank	12.2021	15,000,000

The loan is provided to finance insurance business.

Liabilities related to non-bank loans

Creditor	Maturity	In euro as of 31.12.2015
Accession Mezzanine	12.2017	8,036,615
Bluebeard Investments Limited	5.2016	10,000,000
KJK Fund II Sicav-Sif		
Balkan Discovery	5.2016	2,000,000

The loans are disclosed in note 22 of the financial statements for 2015.

Other loans liabilities

Creditor	Maturity	In BGN'000 as of 31.12.2015
Euro Auto Service	08.2017	8,979
Asterion Bulgaria	01.2018	1,368
Laud Speakers Bulgaria C A	01.2017	5,440

The loans are disclosed in note 21 of the financial statements for 2015.

4. Financial Recourses Management

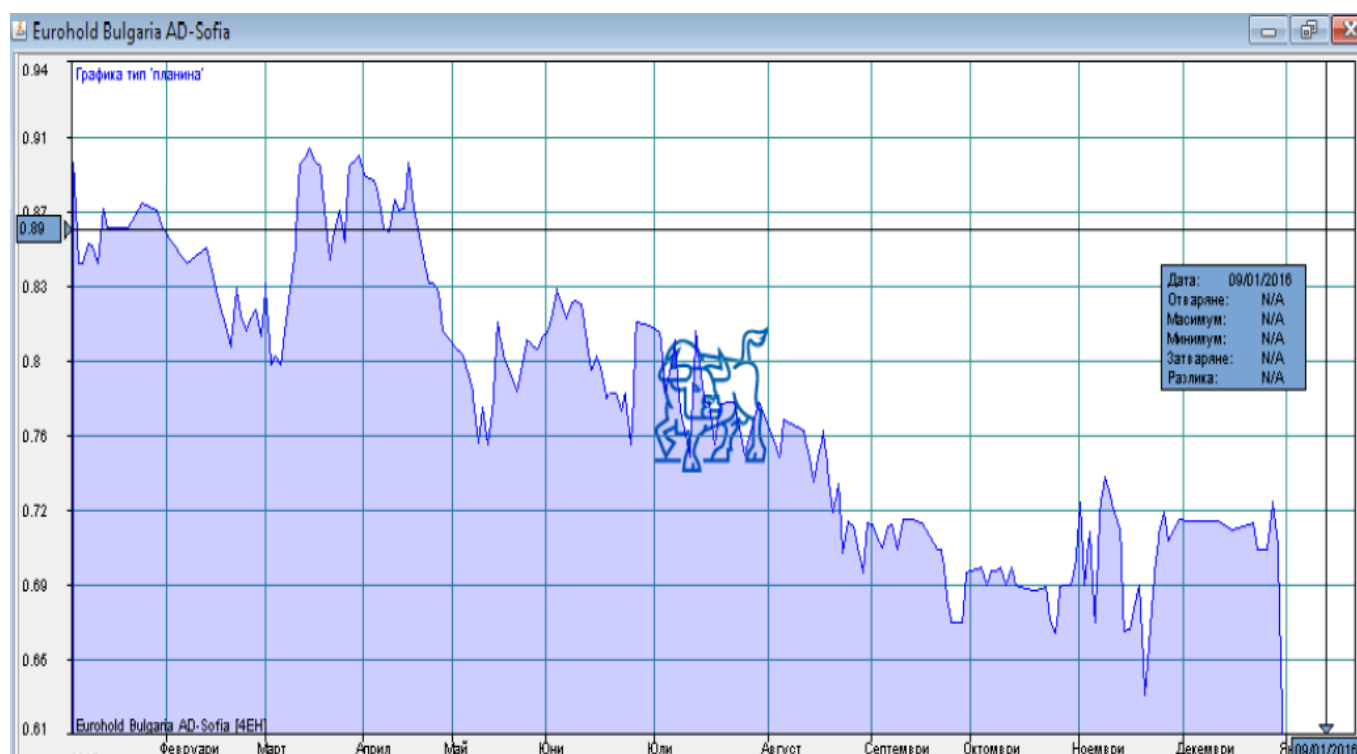
The main activity of EuroHold Bulgaria AD as a holding company is to effectively manage the cash resources, accumulated in the entire structure and to distribute them according to the specific needs of the separate subsidiaries. The Company policy in this field is to carry out the funding in the direction – "subsidiaries – parent company" instead of "subsidiary- subsidiary". The management of the free financial resources of the subsidiary companies is carried out in compliance with regulatory requirements and so as to achieve a substantial profitability at reasonable risk.

The investment program of EuroHold Bulgaria in 2015 was implemented by use of its own resources.

5. Information concerning changes occurring in the reported period

No change occurred in the membership of the management and supervisory bodies of the company.

Company's shares price



Source-BSE-Sofia

No change occurred in the major management principles of the company.

EUROHOLD BULGARIA AD has a working system for internal control which secures the effective function of information disclosure and accounting systems as well as the risk management systems. Leading international audit companies carry out the external audit, accounting procedures, policies and financial reports within the Holding and its subsidiaries.

As of the date of the reporting period and after closing of the fiscal year, the Company is not aware of any arrangements that might cause changes in the relative part of shares held by the current shareholders.

The company is not a side in pending court, administrative or arbitration procedures, which have or might have significant impact on its financial state or profitability. There are no resolutions or claims for termination or liquidation of the Company.

6. Changes in the Company's shares price

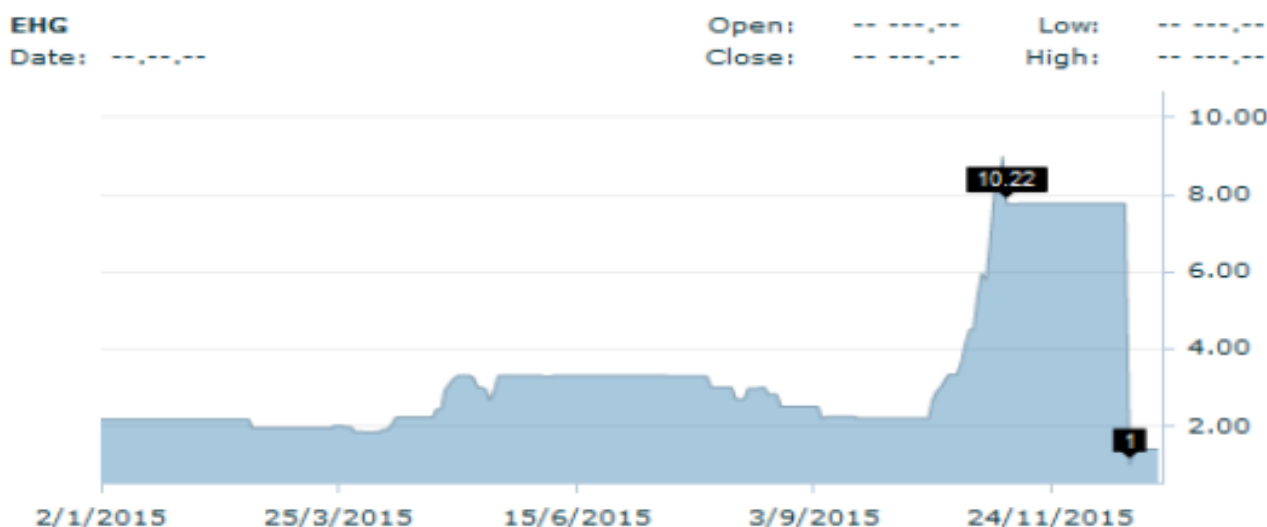
The Company's shares are listed on the Main market of the Bulgarian Stock Exchange Sofia AD in Premium Equities Segment with stock index - 4EH.

The graph shows the price dynamics of EuroHold's shares on BSE-Sofia for the period 06.01.2015 – 30.12.2015 (respectively the first and last stock exchange session for the fiscal 2014).

- Initial price: BGN 0.97 (06.01.2015)
- Last price: BGN 0.72 (30.12.2015)
- Maximum: BGN 0.94 (17.03.2015)

- Minimum: BGN 0.64 (19.11.2015)
- Value change: + BGN 0.25
- Relative change: -25.8%
- Average: BGN 0.79

After the dual listing of EuroHold's shares in 2011, they have been traded on the Warsaw Stock Exchange, Main market with stock index – **EHG**.



Source: WSE

The graph shows the price dynamics of EuroHold's shares on Warsaw Stock Exchange for the period 05.01.2015 – 30.12.2015.

- Initial price: BGN 0.99/2.17 PLN (05.01.2015)
- Last price: BGN 0.64 /1.40 PLN (30.12.2015)
- Maximum: BGN 4.12 /9.00 PLN (06.11.2015)
- Minimum: BGN 0.46 /1.00 PLN (21.12.2015)
- Value change: - BGN 0.35 /-0.77 PLN
- Relative change: -35.5%
- Average: BGN 0.82/1.78 PLN

XIV. IMPORTANT EVENTS AFTER THE DATE OF THE ANNUAL FINANCIAL STATEMENTS

The Management Board of EUROHOLD BULGARIA AD is not aware of any other important or significant events that have occurred after the date of the reporting period.

EuroHold Bulgaria AD, Sofia
3 May 2016

XV. ANALYSIS AND EXPLANATION OF THE INFORMATION UNDER APPENDIX № 11 OF REGULATION №2

EUROHOLD BULGARIA AD has drafted a report according to Appendix №11 of Regulation №2 in a separate document which will be presented together with the Annual Report and the Financial Statements as of 31.12.2015.

DETAILS OF INVESTOR RELATIONS DIRECTOR

Milena Stoyanova Stoyanova

Sofia 1592, 43 Christopher Columbus Blvd.
Tel.: (+359 2) 965 16 53; +359 89 999 2753.
e-mail: milena_stoyanova@EuroHold.bg
investors@EuroHold.bg

Assen Minchev
Executive member of the MB



Hristo Stoev
Procurator



To
THE SHAREHOLDERS
OF EUROHOLD BULGARIA AD
SOFIA

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of EUROHOLD BULGARIA AD, which comprise the statement of financial position as of 31 December 2015, statement of profit and loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, adopted by EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of EUROHOLD BULGARIA AD as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards adopted by EU.

Emphasis of matter

We draw our attention to the fact that as at the date of this audit report, the consolidated financial statements of Eurohold Bulgaria AD are not yet prepared and we were not in a position to assess whether additional impairment of investments in subsidiaries are necessary.

For completeness of equity presentation, these financial statement should be read together with the consolidated financial statements.

Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

We conducted verification of the annual management report of EUROHOLD BULGARIA AD as of 31 December 2015 with regard to the correspondence between the annual management report and the annual financial statements for the same reporting period in accordance with the requirements of the Accountancy Act.

In our opinion, as a result of this verification the annual management report corresponds to the annual financial statements as of 31 December 2015 with regard to the financial information.

Sofia, 5.05.2016



Bogdanka Sokolova

CPA, Certified auditor



Stoyanka Apostolova

Manager



Nedyalko Apostolov

Manager

Eurohold Bulgaria AD
Statement of profit or lost and other comprehensive income
For the year ended December 31, 2015

	Notes	2015 BGN '000	2014 BGN '000
Revenue from operating activities			
Dividend income	3	571	223
Gains from financial activities	4	-	6 017
Interest income	5	2 189	1 599
		2 760	7 839
Expenses on operating activities			
Interest expenses	6	(5 962)	(4 946)
Losses on financial activities	7	(138)	(154)
Salaries and related expenses		(282)	(306)
Depreciation		(12)	(11)
Hired services and other expenses	8	(877)	(763)
		(7 271)	(6 180)
Profit from operating activities		(4 511)	1 659
Other revenue	9	4 918	6
Profit before tax		407	1 665
Tax expenses		-	-
Profit after tax		407	1 665
Other comprehensive income		-	-
Total comprehensive income for the period		407	1 665

Prepared by:


 /I. Hristov/

3.5.2016


Signed on behalf of BoD:


 /A. Minchev/

Procurator:

/H. Stoev/

 Read through and verified for identity:
 BDO Bulgaria OOD


 Bogdanka Sokolova, Manager
 CPA, Registered Auditor
 5.5.2016

 Stoyanka Apostolova,
 Manager


 Nedyalko Apostolov,
 Manager

Eurohold Bulgaria AD
Statement of financial position
As at December 31, 2015

		31.12.2015	31.12.2014
	<i>Notes</i>	BGN '000	BGN '000
ASSETS			
Non-current assets			
Machinery and equipment	10	6	17
Receivables from related parties	11	-	19 558
Trade and other receivables	12	9 782	9 784
		9 788	29 359
Investments			
Investments in subsidiaries, associated and other companies	13	379 726	319 473
Current assets			
Trade receivables	14	76	38
Receivables from related parties	15	489	447
Other current receivables	16	343	398
Cash and cash equivalents	17	112	106
		1 020	989
TOTAL ASSETS		390 534	349 821

These financial statements have been approved from the Board of Directors of Eurohold Bulgaria AD. The notes from page 53 to page 70 are an integral part of the annual financial statements (separate).

Eurohold Bulgaria AD
Statement of financial position (continued)
As at December 31, 2015

	Notes	31.12.2015 BGN '000	31.12.2014 BGN '000
EQUITY AND LIABILITIES			
Equity			
Share capital	18	127 345	127 345
Share premium		38 714	38 714
General reserves		7 641	7 641
Retained earnings		99 868	98 786
Profit for the period		407	1 665
Total equity		273 975	274 151
Non-current liabilities			
Borrowings	19	43 099	34 787
Related parties liabilities	20	25 645	20 459
Other non-current liabilities	21	15 787	933
		84 531	56 179
Current liabilities			
Borrowings	22	26 026	11 468
Trade payables	23	259	1 026
Related parties liabilities	24	3 438	4 429
Other current liabilities	25	2 305	2 568
		32 028	19 491
Total liabilities		116 559	75 670
TOTAL EQUITY AND LIABILITIES		390 534	349 821

Prepared by:



/I. Hristov/

3.5.2016

Signed on behalf of BoD:



/A. Minchev/

Procurement:

/H.Stoev/

Read through and verified for identity:
 BDO Bulgaria OOD



Bogdanka Sokolova, Manager
 CPA, Registered Auditor
 5.5.2016



Stoyanka Apostolova,
 Manager



Nedyalko Apostolov,
 Manager

Eurohold Bulgaria AD
Statement of cash flows
For the year ended December 31, 2015

		31.12.2015	31.12.2014
	Notes	BGN '000	BGN '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		407	1 665
Adjusted for:			
Depreciation		12	11
Interest income	5	(2 189)	(1 599)
Interest expenses	6	5 962	4 946
Dividend income	3	(571)	(223)
Gains from sale of investments		-	(6 016)
Adjustments in working capital:			
Change in trade and other receivables		(25)	(5 668)
Change in trade and other payables, other adjustments		(5 033)	5 738
Net cash flows from operating activities		(1 437)	(1 146)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(60 253)	(3 154)
Receipts from the sale of investments		-	9 549
Dividends received		571	223
Net cash used by investing activities		(59 682)	6 618
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		132 695	74 983
Repayments of loans		(66 131)	(77 157)
Interest and commissions paid, net		(4 895)	(3 269)
Dividends paid		(544)	-
Other cash receipts/ payments from financing activities		-	(10)
Net cash generated/(used) by financing activities		61 125	(5 453)
Net increase/(decrease) in cash and cash equivalents		6	19
Cash and cash equivalents at the beginning of the period	17	106	87
Cash and cash equivalents at the end of the period	17	112	106

Prepared by:



/I. Hristov/

3.5.2016

Read through and verified for identity:
 BDO Bulgaria OOD

Bogdanka Sokolova, Manager
 CPA, Registered Auditor
 5.5.2016

Signed on behalf of BoD:



Stoyanka-Apostolova,
 Manager

Procurator:



/A. Minchev/

/H. Stoev/

Nedyalko Apostolov,
 Manager

Eurohold Bulgaria AD
Statement of changes in equity
For the year ended December 31, 2015

	Share capital	General reserves	Share premium	Retained earnings	Total Equity BGN '000
	BGN '000	BGN '000	BGN '000	BGN '000	
Balance as at 1 January 2014	127 345	7 641	38 714	98 786	272 486
Profit for the period	-	-	-	1 665	1 665
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 December 2014	127 345	7 641	38 714	100 451	274 151
Balance as at 1 January 2015	127 345	7 641	38 714	100 451	274 151
Profit for the period	-	-	-	407	407
Dividends	-	-	-	(583)	(583)
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 December 2015	127 345	7 641	38 714	100 275	273 975

Prepared by:


 /I. Hristov/

3.5.2016

Signed on behalf of BoD:


 /A. Minchew/

Procurement

/H.Stoev/

 Read through and verified for identity:
 BDO Bulgaria OOD


 Bogdanka Sokolova, Manager
 CPA, Registered Auditor
 5.5.2016


 Стоянка Апостолова,
 Manager


 Nedyalko Apostolov,
 Manager

Notes to the Financial Statements for the year ended December 31, 2015(separate)

Founded in 1996, Eurohold Bulgaria AD operates in Bulgaria, Romania and Macedonia. The company is owner of a large number of subsidiaries within the sectors of insurance, financial services and car sales.

1. INFORMATION ABOUT THE GROUP

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

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

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

The governing bodies of the company are: the general meeting of shareholders, the supervisory board /two-tier system/ and the management board.

1.1 Scope of Activities

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

2. SUMMARY OF THE GROUP'S ACCOUNTING POLICY

2.1 Basis for Preparation of the Financial Statement

The separate financial statements of Eurohold Bulgaria AD are prepared in compliance with the Accounting Act and all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations of the Standing Interpretation Committee (SIC), interpretations of the IFRS interpretation committee (IFRIC), which are effectively in force since 01 January 2009 and are adopted by the Commission of the European Union.

The company has considered all standards and interpretations applicable to its activity as at the date of preparation of the present financial statement.

The separate financial statements are drafted in compliance with the historic cost principle, excluding those financial instruments and financial liabilities, which are measured at fair value. The report are drafted in accordance with the principle of going concern, which assumes that the company will continue to operate in the near future.

New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2015:

Annual Improvements 2011 - 2013 of (issued on 12 December 2013), effective 1 July 2014, endorsed by the EU on 18 December 2014, published in the Official Journal on 19 December 2014; EU effective date 1 January 2015

The amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards

clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application. An entity is required to apply the same version of the IFRS throughout the periods covered by those first IFRS financial statements.

The amendment to IFRS 3 Business

Combinations clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

The amendment of IFRS 13 Fair Value

Measurement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

The amendment of IAS 40 Investment

Property clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

IFRIC 21 Levies (issued on 20 May 2013) effective 1 January 2014, endorsed by the EU on 13 June 2014, published in the Official Journal on 14 June 2014; EU effective date 17 June 2014 IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and

Contingent Assets and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 Income Taxes), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The Interpretation clarifies that "economic compulsion" and the going concern principle do not create or imply that an obligating event has occurred.

The adoption of these amendments to the existing standards has not led to any changes in the Company's accounting policies.

Standards, interpretations and amendments in standards that are issued by IASB and endorsed by EU but not yet effective

Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions

(issued on 21 November 2013), effective 1 July 2014, endorsed by the EU on 17 December 2014, published in the Official Journal on 9 January 2015, EU effective date 1 February 2015

The amendment clarifies paragraph 93 of IAS 19 Employee Benefits which refers to the accounting for employee contributions set out in the formal terms of a defined benefit plan by providing guidance on the accounting of employee contributions in respect of service.

Annual Improvements 2010 - 2012 of (issued on 12 December 2013), effective 1 July 2014, endorsed by the EU on 17 December 2014, published in the Official Journal on 9 January 2015; EU effective date 1 February 2015

The amendment to IFRS 2 Share-based

Payment amends the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition" (which were previously part of the definition of "vesting condition").

The amendments to IFRS 3 Business combinations are with regard to: Accounting for contingent consideration in a business combination - clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date; Aggregation of operating segments - requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments.

The amendment to IFRS 8 Operating segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

The amendment to IFRS 13 Fair Value Measurement clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

The amendment to IAS 16 Property, Plant and Equipment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

The amendment to IAS 24 Related Party Disclosures clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

The amendment to IAS 38 Intangible Assets clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014), effective 1 January 2016, endorsed by the EU on 23 November 2015, published in the Official Journal on 24 November 2015

The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014), effective 1 January 2016, endorsed by the EU on 24 November 2015, published in the Official Journal on 25 November 2015. The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)), effective 1 January 2016, endorsed by the EU on 2 December 2015, published in the Official Journal on 3 December 2015. The amendments clarify that a revenue-based method is not considered to be an appropriate manifestation of consumption.

Annual improvements to IFRSs 2012-2014 (issued on 25 September 2014), effective 1 January 2016, endorsed by the EU on 15 December 2015, published in the Official Journal on 16 December 2015

The amendment of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations adds specific guidance cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

The amendment of IFRS 7 Financial Instruments: Disclosures adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The consequential amendment to IFRS 1 clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.

The amendment of IAS 19 Employee benefits clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

The amendment of IAS 34 Interim Financial Reporting clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014), effective 1 January 2016, endorsed by the EU on 18 December 2015, published in the Official Journal on 19 December 2015. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on 12 August 2014), effective 1 January 2016, endorsed by the EU on 18 December 2015, published in the Official Journal on 23 December 2015. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Documents issued by the IASB / IFRIC not yet endorsed by the EU

These new or revised standards, new interpretations and amendments to existing standards that at the reporting date are already issued by the International Accounting Standards Board have not yet been endorsed by the EU and therefore are not taken into account by the Company in preparing these financial statements.

IFRS 9 Financial Instruments (issued on 24 July 2014), effective 1 January 2018. The final version of IFRS 9 'Financial Instruments' brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. This final version of IFRS 9 adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVTOCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test. This final version also adds limited amendments to classification and measurement for financial assets.

The Standard supersedes all previous versions of IFRS 9.

IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014), effective 1 January 2016. IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014) including amendments to IFRS 15: Effective date of IFRS 15 (issued on 11 September 2015), effective 1 January 2018.

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014), IASB Effective Date has been deferred indefinitely.

The amendments address a conflict between the requirements of IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities: Applying the Consolidation Exception (issued on 18 December 2014), effective 1 January 2016. The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

2.2 Comparative Data

Eurohold Bulgaria AD presents comparative information for a single previous period.

2.3 Functional and Reporting Currency

The Bulgarian Lev (BGN) is the functional and reporting currency of the group. Data presented in the statement and the attachments thereto are in thousand BGN (000'BGN). Since 1 January 1999, the Bulgarian Lev is pegged to the EURO at the exchange rate: BGN 1, 95583 for EUR 1.

Cash, receivables and payables denominated in foreign currency are reported in the BGN equivalent on the basis of the exchange rate as at the date of the operation and are revaluated on annual basis using the official exchange rate of the Bulgarian National Bank on the last working day of the year.

2.4 Accounting Assumptions and Accounting Estimates

Upon preparing the financial statement in compliance with IAS, the management is required to apply approximate estimates and assumptions, which affect the reported assets and liabilities, and the disclosure of the contingent assets and liabilities as at the date of the balance sheet. Despite the estimates are based on the management's knowledge of current developments, the actual results may vary from the estimates used.

2.5 Income

The Company's income is recognized on the accrual basis and to the extent economic benefits are obtained by the Company and as far as the incomes may be reliably measured.

Upon sales of goods incomes are recognized when all material risks and benefits from the title of goods are transferred to the buyer.

Upon provision of services, incomes are recognized considering the stage of completion of the transaction as at the date of the balance sheet, if such stage may be reliably measured, as well as the costs incurred for the transaction.

Dividend incomes are recognized upon certifying the right to obtain them.

Eurohold Bulgaria AD generates financial income mainly from the following activities:

- Income from operations with investments
- Income from dividends
- Income from loan interest granted to subsidiaries
- Income from Services

2.6 Expenses

Expenses are recognized at the time of occurrence thereof and on the accrual and comparability basis.

Administrative expenses are recognized as expenses incurred during the year, and are relevant to the management and administration of the company, including expenses that relate to the administrative staff, officers, office expenses, and other outsourcing.

Financial expenses include: expenses incurred in relation to investment operations, negative differences from financial instruments operations and currency operations, expenses on interest under granted bank loans and obligatory issues, as well as commissions.

Deferred expenses (prepaid expenses) are carried forward for recognition as current expenses for the period in which the contracts they pertain to are performed.

Other operating income and expenses include items of secondary character in relation to the main activity of the Company.

2.7 Interest

Interest income and expenses are recognized in the Statement of profit or lost and other comprehensive income using the effective interest rate method. The effective interest rate is the rate for discounting the expected cash payments and proceeds during the term of the financial asset or liability up to the net book value of the respective asset or liability. The effective interest rate is calculated upon the initial recognition of the financial asset or liability and is not adjusted subsequently.

The calculation of the effective interest rate includes all received or paid commissions, transaction costs, as well s discounts or premiums, which are an integral part of the effective interest rate. Transaction costs are the inherent costs directly attributable to the financial asset or liability acquisition, issue or derecognition.

The interest income and expenses stated in the Statement of profit or loss and other comprehensive income include interest recognized on the basis of effective interest rate under financial assets and liabilities carried at amortized value.

2.8 Fees and Commissions

Fees and commissions costs, which are an integral part of the effective interest rate for a financial asset or liability, are included in the calculation of the effective interest rate.

Other fees and commissions incomes, including logistic services fees, insurance and other intermediation fees, are recognized upon providing the respective services.

The other fees and commissions costs relevant mainly to banking services are recognized upon receipt of the respective services.

2.9 Types of Activities

As a holding company with a main activity of acquisition and management of subsidiaries, Eurohold Bulgaria AD performs mainly financial activities.

The companies within the issuer's portfolio operate on the following markets: insurance, leasing, finance and automobile.

Insurance and Health Insurance line:

- Insurance services
- Health insurance services
- Life insurance services

Leasing line:

- Leasing services
- Car rentals

• Financial line:

- Investment intermediation

Automobile line:

- Sales of new cars
- Car repairs

2.10 Business Combinations and Goodwill

Business combinations are reported by using the purchase method. This method requires the assignee to recognize, on the date of acquisition, the acquired differentiated assets, undertaken liabilities

and participation, which is not controlling the acquired entity, separately from the goodwill. Any costs directly pertaining to the acquisition are reported in the statement of profit or loss and other comprehensive income for the period. Differentiated acquired assets and undertaken liabilities and contingent obligations within a business combination are measured at fair value on the date of acquisition, regardless of the extent of non-controlled participation.

The company is able to measure participations, which are not controlling for the acquired entity, either at fair value, or as proportional share in the differentiated net assets of the acquired entity. The acquisition cost in excess of the share of assignee in the net fair value of differentiated assets, liabilities and contingent obligations of acquisitions, is reported as goodwill. In case the acquisition cost is less than the investor share in the fair values of the company's net assets, the difference is recognized directly in the statement of profit or loss and other comprehensive income.

2.11 Taxes

Income Tax

The current tax includes the tax amount, which should be paid over the expected taxable profit for the period on the basis of the effective tax rate or the tax rate applicable on the day of preparation of the balance sheet and all adjustments of due tax for previous years.

The company calculates the income tax in compliance with the applicable legislation.

The income tax is calculated on the basis of taxable profit after adjustments of the financial result in accordance with the Corporate Income Tax Act.

Current income taxes are defined in compliance with the Bulgarian tax legislation – the Corporate Income Taxation Act. The nominal tax rate for 2015 is 10% of the taxable profit.

Deferred Tax

Deferred tax is calculated using the balance sheet method for all temporary differences between the net book value as per the financial statements and the amounts used for taxation purposes.

The deferred tax is calculated on the basis of the tax rate that is expected to be effective upon the realization of the asset or the settlement of the liability.

The effect from changes in the tax rates on the deferred tax is reported in the income statement, except in cases when it concerns amounts, which are earlier accrued or reported directly in equity.

Based on IAS 12, Income Taxes, the Company recognizes only the portion of a current tax asset or liability from the acquisition or sale of financial instruments for which the Company expects to realize a reverse benefit in the foreseeable future, or does not control the timing of the reverse benefit. The Company's policy applies equally to each class of financial instruments.

VAT

Eurohold Bulgaria AD has a VAT registration and charges 20% tax upon delivery of services.

Withholding tax

Pursuant to the Corporate Income Tax Act, payment of incomes to foreign individuals or legal entities is subject to withholding tax within the territory of the Republic of Bulgaria.

Withholding tax is not due provided the foreign legal entity has proved grounds for application of the Agreements for Avoidance of Double Taxation before tax rate or applicable tax rate on the day of expiration of the tax payment term.

2.12 Fixed Assets

2.12.1 Fixed Tangible Assets

Fixed tangible assets are measured at acquisition cost, less the amount of accrued amortization and possible impairment losses.

The company has fixed the 2015 value capitalization threshold to BGN 700, under which acquired assets, regardless if they have the characteristics of fixed assets, are reported as current expenses at the time of acquisition thereof.

Initial Acquisition

Fixed tangible assets are initially measured:

- at acquisition cost, which includes: purchase price (including duties and nonrefundable taxes), all

direct costs for bringing the asset into working condition according to its purpose – for assets acquired from external sources;

- at fair value: for assets obtained as a result of a charitable transaction;

- at evaluation: approved by the court and all direct costs for bringing the asset into working condition according to its purpose – for assets acquired as a contribution of physical assets.

Borrowing costs directly related to acquisition, construction or production of eligible assets are included in the acquisition cost (cost) of this asset. All other borrowing costs are reported on current basis in the profit or loss for the period.

Further Measurement

Further costs for repairs and maintenance are accounted in statement of financial position when the same criteria as at initial recognition are in place.

Upon sales of fixed assets, the difference between the net book value and the sales price of the asset is reported as profit or loss in the statement of profit or loss and other comprehensive income, in "Other Incomes" item.

Fixed tangible assets are derecognized from the balance sheet upon sale or when the asset is finally decommissioned and no further economic benefits are expected after derecognition.

2.12.2 Amortization Methods

The company applies the straight-line method of depreciation/amortization. Depreciation/Amortization of assets begins from the month following the month of acquisition thereof. Land and assets in process of construction are not depreciated.

The useful life by groups of assets depends on: the usual wear and tear, equipment specificity, future intentions for use and the probable moral aging.

The estimated useful lives by groups of assets are as follows:

Buildings	25 years
Machinery and equipment	3–10 years
Vehicles	4–6 years
Fixtures and fittings	3–8 years
Computers	2–3 years

2.12.3 Impairment

Net book values of fixed tangible assets are subject to review for impairment, when events or changes in circumstances have occurred, which evidence that the net book value might permanently differ from their recoverable amount. If there are indicators that the estimated recoverable value is less than their net book value, the latter is adjusted up to the recoverable value of assets.

Impairment losses are recognized as expense in the statement of profit or loss and other comprehensive income during the year of occurrence thereof.

2.12.4 Fixed Intangible Assets

Intangible assets are presented in the financial statement at cost, less the accumulated amortization and possible impairment losses.

The Company applies the straight-line method of amortization of intangible assets at expected useful lives of 5-7 years.

Net book value of intangible assets is subject to review for impairment, when events or changes in circumstances have occurred, which evidence that their net book value might exceed their recoverable value.

2.12.5 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, or use in supply of services or for administrative purposes.

Investment property is measured at fair value.

2.12.6 Goodwill

After initial recognition, goodwill is accounted at acquisition cost, less accumulated impairment losses.

Goodwill is reviewed for impairment on annual basis. The impairment loss of goodwill is not subject to recovery in future periods.

2.13 Employment Benefits

Annual Paid Leave

The Company recognizes the undiscounted amount of estimated costs relevant to annual leaves that are expected to be paid against the employees' service for the ended period as a liability.

2.14 Financial Assets

2.14.1 Investments in Financial Assets

Investments in subsidiaries are measured at costs in the separate statement of the parent-company.

The companies in which the company holds between 20% and 50% of the voting rights and may significantly affect, but not perform control functions, are considered associated companies.

Investments in associated companies are reported by using the equity method. By using the equity method, the investment in the associated company is carried in the statement of financial position at acquisition cost, plus the changes in the share in the net assets of the associated entity after the acquisition. The goodwill related to the associated entity is included in the net book value of the investment and is not amortized.

Conditional Remuneration

The remuneration that the acquirer transfers to the acquiree in exchange for a company includes any asset or liability arising from the arrangement under consideration. The acquirer shall recognize the fair value of the contingent consideration at the acquisition date as part of the consideration transferred to the acquiree in exchange for the company. The acquirer shall classify an obligation to pay the remuneration condition as a liability or as own equity on the basis of the definitions of an equity instrument and financial liability in paragraph 11 of IAS 32, Financial Instruments: presentation and other applicable IFRS regulations. The acquirer shall classify as an asset the right to return the previously transferred consideration, if specified conditions are met. Paragraph 58 provides guidance on subsequent accounting for conditional remuneration.

2.14.2 Investments in Financial Instruments

Financial assets within the scope of IAS 39 are classified as financial assets at fair value in the profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or derivatives defined as hedging instruments in effective hedge, where appropriate.

The company classifies its financial instruments at their initial recognition. Financial assets include cash and short-term deposits, trade and other receivables, financial instruments and financial instrument derivatives quoted and unquoted on the stock exchange.

Financial Assets at Fair Value in Profit or Loss

Financial assets at fair value in profit or loss include financial assets held for trading and those designated at fair value at inception. Financial assets, which are usually acquired for the purposes of selling in the near term, are classified as held for trading.

Investments Held-to-Maturity

Investments held-to-maturity are financial assets, which are non-derivative and have fixed or determinable payments and fixed maturity, that the company has the positive intention and ability to hold to maturity. Initially, these investments are recognized at acquisition cost, which includes the amount of consideration paid for acquisition of the investment. All transaction costs directly related to the acquisition are also included in the acquisition cost. After the initial measurement, held-to-maturity investments are carried at amortized cost by using the method of the effective interest rate.

Gains and losses from held-to-maturity investments are recognized in the statement of profit or loss and other comprehensive income when the investment is derecognized or impaired.

Loans and Other Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Such financial assets are initially recognized at acquisition cost, which is the fair value paid for acquisition of financial assets. All directly attributable acquisition transaction costs are also included in the acquisition cost. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method. Gains and losses from loans and receivables are recognized in the statement of profit or loss and other comprehensive income when derecognized or impaired.

Financial Assets Available for Sale

Financial assets available for sale are non-derivative financial assets that are so classified and are not classified in any of the three categories listed above. Initially, these investments are presented at fair value. Subsequent to initial recognition, financial assets available for sale are measured at fair value. Unrealized gains and losses from fair value are carried in separate item of the other comprehensive income until the financial assets are not derecognized or are not defined as impaired. Upon derecognition or impairment, cumulative gains and losses previously recognized in equity, are recognized in the statement of profit or loss and other comprehensive income.

Derivative Financial Instruments

Derivative financial instruments are classified as held-for-trading, unless they are effective hedging instruments. All derivatives are carried as assets, when their fair values are positive and as liabilities when the fair values are negative.

2.15 Inventory

Materials and goods are measured at delivery cost. Their value includes the sum of all purchase expenses, as well as other expenses incurred in relation to the delivery thereof to their current location and condition.

2.16 Short-Term Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Impairment is estimated for the purposes of

meeting the expected loss on the basis of separate measurement of individual arrangements.

2.17 Liability Provisions

Liability provisions include expected costs related to obligations under guarantees, restructuring, etc., as well as deferred tax assets.

2.18 Deferred Tax Liabilities

Current tax liabilities and current tax receivables are recognized in the statement of financial position as tax calculated on taxable income for the year adjusted for the tax on taxable income for previous years and paid taxes.

2.19 Equity

Equity is presented at its nominal value pursuant to the court decisions for its registration.

2.20 Liabilities

Financial liabilities are recognized during the loan period with the amount of gained proceeds, principal, less the transaction expenses. During subsequent periods financial liabilities are measured at amortized cost, equal to the capitalized value, when applying the effective interest rate method. In the statement of profit or lost and other comprehensive income, loan expenses are recognized during the loan term period.

Current liabilities, such as payables to suppliers, group and associated companies and other payables, are measured at amortized cost, which is usually equal to the nominal value.

2.21 Financial Risk Management

2.21.1 Factors Determining Financial Risk

In the implementation of its activity, the Company is exposed to diverse financial risks: market risk (including currency risk, risk from change of financial instruments fair value under the impact of market interest rates and price risk), credit risk, liquidity risk and risk from change of future cash flows due to a change in market interest rates. The overall risk management program emphasizes the unpredictability of financial markets and is aimed at mitigating the possible adverse effects on the Company's financial result.

The Company is exposed to currency risk through payments in foreign currency and through its assets and liabilities, which are denominated in foreign currency.

Currency Risk

As a result of foreign currency exposures, gains and losses occur, which are carried in the statement of profit or lost and other comprehensive income. These exposures include the cash assets of the Company, which are not denominated in the currency used in the local companies' financial statements.

Eurohold Bulgaria AD has no investments in other countries, except in the countries in which it operates – Bulgaria, Romania, Macedonia, and Kosovo. In case the local currency is exposed to currency risk, it is managed through investments in assets denominated in Euro.

Interest Risk

The company is exposed to interest risk in relation to the used bank and trade loans as part of the loans obtained have floating interest rate agreed as basis interest (EURIBOR/LIBOR) increased with the respective allowance. In 2013, the floating interest rate loans are denominated in euro.

The interest rates are specified in the respective appendices.

Credit Risk

Credit risk is mainly related to trade and financial receivables. The amounts stated in the statement of financial position are on net basis, excluding the provisions for doubtful receivables determined as such by the management on the basis of previous experience and current economic conditions.

Liquidity Risk

Liquidity risk is the risk that the company may encounter difficulties in servicing its financial obligations when they become payable. Policy in this field is aimed at ensuring that there will be enough cash available to service its maturing obligations, including in exceptional and unforeseen conditions. The management's objective is to maintain continuous balance between continuity and flexibility of financial resources by using adequate forms of funding. The company's

management is responsible for managing the liquidity risk and involves maintaining enough cash available, arranging adequate credit lines, preparation of analysis and update of cash flows estimates.

2.22 Measuring Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability,

or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy,

described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers are involved for valuation of significant assets, such as investments in subsidiaries.

2.23 Cash Flows

The statement of cash flows shows the cash flows for the year in relation to operating, investment and financial activity during the year, the change in cash and cash equivalents for the year, cash and cash equivalents at the beginning and at the end of the year.

The operating cash flows are calculated as result for the year adjusted with the non-cash operating positions, changes in net turnover capital and corporate tax.

Investment activity cash flows include payments in relation to purchase and sale of fixed assets and cash flows related to the purchase and sale of entities and operations. Purchase and sale of other securities which are not cash and cash equivalents are also included in the investment activity.

Financial activity cash flows include changes in the amount or composition of share capital and the related costs, the borrowings and the repayment of interest bearing loans, purchase, and sale of own shares and payment of dividends.

Cash and cash equivalents include bank overdraft, liquidity cash and securities for term less than three months.

3. Dividend income	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Euro-Finance AD	571	223
	571	223
4. Gains from financial activities	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Gains from sale of investments	-	6 016
Foreign exchange gains	-	1
	-	6 017
5. Interest income	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Interest income – from related party loans	1 494	902
Interest income – from subordinated term loan	695	694
Interest income – from deposits	-	3
	2 189	1 599
6. Interest expense	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Interest expense – bank loans, and non-bank financial institutions	3 717	2 807
Interest expense – from related party loans	800	964
Interest expense – from third party loans	1 445	1 175
	5 962	4 946
7. Losses on financial activities	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Losses on sale of investments	-	19
Other financial expenses	138	135
	138	154
8. Hired services and other expenses	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Hired services expenses	809	683
Other expenses	68	80
	877	763

9. Other revenue

	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
Revenue from revaluation	4 500	-
Other revenue	418	6
	4 918	6

10. Property, plant and equipment

	Vehicles <i>BGN'000</i>	Fixtures and fittings <i>BGN'000</i>	Total <i>BGN'000</i>
Cost:			
At 1 January 2014	16	59	75
Additions	-	-	-
Disposals	-	-	-
At 31 December 2014	16	59	75
Additions	-	1	1
Disposals	-	-	-
At 31 December 2015	16	60	76
Depreciation:			
At 1 January 2014	6	41	47
Accrued depreciation	4	7	11
Written-off	-	-	-
At 31 December 2014	10	48	58
Accrued depreciation	4	8	12
Written-off	-	-	-
At 31 December 2015	14	56	70
Carrying value:			
At 1 January 2014	10	18	28
At 31 December 2014	6	11	17
At 31 December 2015	2	4	6

11. Long-term receivables from related parties

	31.12.2015 <i>BGN'000</i>	31.12.2014 <i>BGN'000</i>
<i>Loan principal</i>		
Euroins Insurance Group AD	-	19 558
	-	19 558

12. Trade and other receivables

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Loans granted	9 779	9 779
Trade and other receivables	3	5
	9 782	9 784

13. Investments in subsidiaries, associates and other companies**13.1 Investments in subsidiaries**

	Value as at 1.1.2015	Increase	Decrease	Value as at 31.12.2015	Share capital of the subsidiary	% control in the subsidiary
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>
Euroins Insurance Group AD	207 512	59 753	-	267 265	287 863	82.12%
Avto Union AD	66 775	-	-	66 775	40 004	99.99%
Euro-Finance AD	18 145	-	-	18 145	14 100	99.99%
Eurolease Group EAD	26 868	500	-	27 368	27 241	100.00%
	319 300	60 253	-	379 553		

13.2 Investments in associates

	Value as at 1.1.2015	Increase	Decrease	Value as at 31.12.2015
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>
Juliunica AD	1	-	-	1
	1	-	-	1

13.3 Investments in other companies

	Value as at 1.1.2015	Increase	Decrease	Value as at 31.12.2015
	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>	<i>BGN'000</i>
Eurohold Imoti EAD	162	-	-	162
Sevko AD	9	-	-	9
Hebar AD	1	-	-	1
	172	-	-	172

14. Trade receivables

	31.12.2015 BGN'000	31.12.2014 BGN'000
Trade receivables	20	38
Tax receivables	56	-
	76	38

15. Receivables from related parties

	31.12.2015 BGN'000	31.12.2014 BGN'000
15.1 Interest receivables		
Bulvaria Holding EAD	1	1
Euroins Insurance Group AD	373	41
	374	42

15.2 Other receivables

	31.12.2015 BGN'000	31.12.2014 BGN'000
Auto Italia EAD	42	19
Avto Union Service EOOD (Espas Auto EOOD)	16	37
Bulvaria Varna EOOD	-	80
Daru Car AD	12	126
Euroins - Health Insurance AD	1	1
Euroins AD	-	68
Euroins - Romania	34	40
Euroins Insurance Group AD	-	-
Eurolease Auto EAD	7	6
Star Motors EOOD	3	28
	115	405

16. Other current receivables

	31.12.2015 BGN'000	31.12.2014 BGN'000
Receivables from sale of investments	126	98
Interest receivables	75	75
Interest receivables on subordinated term loan	120	120
Deferred expenses	4	85
Other receivables	18	20
	343	398

17. Cash and cash equivalents

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Cash at banks	95	15
Cash in hand	15	45
Short-term deposits	2	46
	112	106

18. Share capital

	31.12.2015	31.12.2014
	<i>BGN</i>	<i>BGN</i>
Issued shares	127 345 000	127 345 000

All ordinary shares are fully paid.

The share capital is distributed as follows:

Share holders	%	Number of shares	Par value
Starcom Holding AD	50,05%	63 740 885	63 740 885
Dar Finance EOOD	19,04%	24 244 755	24 244 755
KJK Fund II Sicav-Sif Balkan Discovery	12,00%	15 281 400	15 281 400
Other companies	14,76%	18 788 157	18 788 157
Other individuals	4,15%	5 289 803	5 289 803
	100.00%	127 345 000	127 345 000

19. Non-current borrowings

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Accession Mezzanine	13 762	15 229
International Investment Bank	29 337	19 558
	43 099	34 787

Analysis of borrowings from financial institutions:

Bank	Type	Currency	Size contracted	Balance as at 31.12.2015	Balance as at 31.12.2014	Interest rate	Maturity date	Security
Accession Mezzanine	Loan - Principal	EUR	15,000,000 €	8,036,615 €	13,036,615 €	8.70%	12.2017	Pledge on shares
International Investment Bank	Loan - Principal	EUR	15,000,000 €	15,000,000 €	10,000,000 €	7,5%+3m EURIBOR	12.2021	Pledge on shares

20. Related parties liabilities

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD	17 628	11 332
Eurolease Auto EAD	5 371	2 568
Eurolease Group EAD	16	16
Avto Union AD	564	4 422
Bulvaria Varna EOOD	10	65
Avto Union Service EOOD	2 056	2 056
	25 645	20 459

21. Other non-current liabilities

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Non-current loans from third parties	15 787	933
	15 787	933

22. Current borrowings

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Accession Mezzanine	1 956	10 268
Other	24 070	1 200
	26 026	11 468

23. Trade payables

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Trade payables	232	995
Payables to employees and social security institutions	27	31
	259	1 026

24. Related parties liabilities**24.1 Interest payables**

	31.12.2015	31.12.2014
	<i>BGN'000</i>	<i>BGN'000</i>
Starcom Holding AD	66	51
Avto Union AD	771	540
Eurolease Auto EAD	34	35
Euroins Insurance Group AD	-	5
Eurolease Group EAD	6	5
Bulvaria Varna EOOD	-	2
Avto Union Service EOOD	253	140
	1 130	778

24.2. Current borrowings

	31.12.2015 BGN'000	31.12.2014 BGN'000
Euroins Insurance Group AD	2 303	3 646
	2 303	3 646

24.3 Other payables

	31.12.2015 BGN'000	31.12.2014 BGN'000
Eurolease Auto EAD	1	5
Bulvaria Holding AD	4	-
	5	5

25. Other current liabilities

	31.12.2015 BGN'000	31.12.2014 BGN'000
Payables for acquisition of investments	81	695
Interest payables	1 880	1 510
Tax payables	291	353
Dividends payables	46	-
Other liabilities	7	10
	2 305	2 568

26. Fair value measurement hierarchy of assets and liabilities.

	Closing balance	Fair value measurement			
	31.12.2015	Level 1	Level 2	Level 3	31.12.2015
Investments in subsidiaries, associates and other companies	379 726	-	-	379 726	379 726
Total	379 726	-	-	379 726	379 726

External valuers are involved for valuation of significant assets, such as investments in subsidiaries.

27. Events after the reporting period.

No significant events after the reporting date have been identified by the Board of Directors of Eurohold Bulgaria AD, that may influence the financial statements.

Asen Minchev
Executive member of the BD
Eurohold Bulgaria AD,
3 May 2016




Hristo Stoev
Procurator

Appendix № 11
Information on Eurohold Bulgaria AD,
under Ordinance No 2 of the Financial Supervision Commission
about the prospectuses for public offering and admission to trading on a regulated
market of securities, and the disclosure of information by public companies and
other issuers of securities

1. Structure of the capital of the Company, including the securities that have not been admitted to trading on a regulated market in Bulgaria or another EU member state, indicating the different classes of shares, the rights and obligations of each class of shares, and the portion of the total capital represented by each class.

The capital of the Issuer amounts to BGN 127 345 000 (one hundred twenty seven million, and three hundred forty five thousand), divided into 127 345 000 (one hundred twenty seven million, and three hundred forty five thousand) shares with a nominal value of BGN 1 (one) each. All shares are of the same class - ordinary, non-privileged, dematerialized, with voting rights. Each share gives one vote at a General Meeting of the Shareholders, dividend rights and liquidation quota, in proportion to its nominal value. There are no securities that have not been admitted to trading on a regulated market in the capital of the Issuer.

2. Restrictions on the transfer of securities, such as restrictions on the ownership of securities or the need to obtain the approval of the Company or of another shareholder.

The shares of the Issuer are freely transferable. The Articles of Association of the Company do not include any restrictions on the transfer of shares to third parties. Under the Law on the Public Offering of Securities, persons who acquire shares exceeding certain thresholds outlined by the Act, should be reported to the Financial Supervision Commission.

3. Information on the direct and indirect ownership of 5 per cent or more of the voting rights in the General Meeting of the Shareholders of the Company, including information on the shareholders, the size of their share participation and the way in which the shares are owned.

The majority shareholder Starcom Holding, registered with the Commerce Register at the Registry Agency, UIC: 121610851, with its registered office at city of Etropole, Sofia municipality, 191 Ruski blvd., has a direct share ownership of 63,740,885 (sixty three million seven hundred forty thousand, eight hundred eighty-five) shares representing 50.05% (fifty point zero five per cent) of the capital of the Issuer.

Other shareholders holding directly or indirectly 5 per cent or more of the voting rights are as follows:

- Dar Finance EOOD is a limited liability company duly incorporated and operating under the laws of the Republic of Bulgaria. The Company is registered with the Commerce Register at the Registry Agency, UIC: 131385495 and has its registered office in the city of Sofia 39 Shipka Str. Dar Finance EOOD holds 24,244,755 (twenty four million two hundred forty-four thousand and seven hundred fifty-five) shares representing 19.94% (nineteen point ninety-four per cents) of the capital of the Issuer.

- KJK Fund II Sicav-Sif Balkan Discovery, investment fund headquartered in Luxemburg and registered address F Route d'Esch, L-2086, Luxemburg, entered in the commercial register of companies in Luxemburg with No B-167 847, holds 15,281,400 (fifteen million two hundred eighty-one thousand and four hundred).

Other legal entities who own a total amount of 18,788,157 (eighteen million, seven hundred and eighty-eight thousand, one hundred and fifty-seven) shares, representing 14.75% (fourteen point seventy-five per cents) of the capital of the Issuer;

Other individuals who hold a total amount of 5,289,803 (five million two hundred eighty-nine thousand eight hundred and three) shares, representing 4.15% (four point fifteen per cent) of the capital of the Issuer.

4. Information about shareholders with special control rights and a description of those rights.

There are no shareholders with special controlling rights.

5. The control system over the right to exercise a vote when an employee of the Company is also a shareholder and when the control is not exercised directly by them.

The governing body of the General Meeting of the Shareholders applies standard measures for verification of identification of the respective shareholder, the number of shares owned by the latter, the content of the authorization document (if any), the presence or absence of legal hindrances to vote as well as all other specific legal requirements are verified when voting rights are exercised by employees of the company who are its shareholders as well.

6. Restrictions on the right to vote, such as limitations on the right to vote of the shareholders which own a certain percentage or number of votes, deadlines for exercising the rights to vote, or systems in which the financial rights attached to the shares are separated from the actual ownership of the shares.

There are no restrictions on the voting rights neither systems where the financial rights pertaining to the shares are separated from the actual ownership of the shares. There are no explicit restrictions on the deadline for exercising the voting rights. The deadline for exercise of a voting right by a shareholder is specified in the invitation for convening the General Meeting of the Shareholders of the Company.

7. Agreements among shareholders of which the Company is aware and which may lead to restrictions on the transfer of shares or voting rights.

The Company is not aware of any agreements that could lead to restrictions in the transfer of shares and voting rights.

8. Provisions concerning the appointment and dismissal of board members of the Company and the changes and additions to the Articles of Association of the Company.

The following provisions in the Articles of Association of the Issuer are applicable for appointment and dismissal of members of the governing bodies of the Company:

Article 33 (1) The supervisory board supervises the work of the management board. It may not take part in the company's management.

(2) The members of the supervisory board are appointed by the general meeting of shareholders for a period of 5 (five) years. The first supervisory board is appointed for a period of 3 (three) years.

(3) The Supervisory Board may consist of 3 (three) to 7 (seven) members. They must be capable natural persons or legal entities. In the last case, the legal entity nominates its representative in relation to the performance of its obligations.

(4) The members of the Supervisory Board may be re-elected without restrictions.

(5) Any person under article 234, paragraph 2 of the Commerce Law or under article 116a, paragraph 1 of the Law for Public Offering of Securities may not be a member of the Supervisory Board.

(6) The members of the Supervisory Board should meet the following additional requirements:

- a) they should not be convicted for wilful crime of common nature;
- b) they should not be declared insolvent or are subject to procedure of insolvency as a sole trader;
- c) they should not be deprived from the right to take the office of accountable persons.

(7) At least one third of the members of the Supervisory Board should be independent persons within the meaning of article 116a, paragraph 2 of the Law for Public Offering of Securities.

(8) The members of the Supervisory Board enjoy all rights and fulfil all obligations after the expiry of their mandate under paragraph 2 until the nomination of new members of the Supervisory Board.

Article 38 (1) The Supervisory Board:

- a) appoints and dismisses the members of the management board;
- b) fixes the remuneration of the members of the management board;
- c) supervises the work of the management board, whereas requiring and hearing information and reports on each issue relevant to the company's operations;
- d) carries the relevant investigations with view of performing its obligations;
- e) approves the rules of procedure of the management board;
- f) convenes general meeting of shareholders;
- g) adopts rules of procedure for its work;
- h) performs other tasks delegated thereto by the legal regulations, the present statutes and the resolutions of the general meeting of shareholders.

(2) The Supervisory Board may recruit experts that will assist the performance of its obligations.

Article 43 (1) The Management Board manages the company operating under the supervision of the general meeting of shareholders and the Supervisory Board. It resolves on all matters that are relevant to the company's scope of business, except on matters that by law or by the present statutes are vested exclusively to the general meeting of shareholders or to the Supervisory Board.

(2) The members of the Management Board are elected by the Supervisory Board for a period of 5 (five) years.

(3) The Management Board may consist of 3 (three) to 9 (nine) members. They must be capable natural persons or legal entities. In the last case, the legal entity nominates its representative in relation to the performance of its obligations and will be jointly liable for the actions of its representative.

(4) The members of the Management Board may be re-elected without restrictions.

(5) Any person under article 234, paragraph 2 of the Commerce Law or under article 116a, paragraph 1 of the Law for Public Offering of Securities may not be a member of the Management Board.

(6) The members of the Management Board should meet the following additional requirements:

a) they should have proper professional qualification and experience to manage the company's operations;

b) they should not be convicted for wilful crime of common nature;

c) they should not have been members of management or supervisory body or unlimited partners at a company that is subject to insolvency procedure or has been dissolved due to insolvency during the last two years prior the date of the resolution for announcement of insolvency, if there are any unsatisfied creditors;

d) they should not be declared insolvent or are subject to procedure of insolvency as a sole trader;

e) they should not be deprived from the right to take the office of accountable persons.

(7) The members of the Management Board enjoy all rights and fulfil all obligations after the expiry of their mandate under paragraph 2 until the nomination of new members of the Management Board.

Article 53 (1) The Management Board elects a chairman among its members.

(2) The chairman of the Management Board organizes the board's work in compliance with the requirements of the law, these statutes and the resolutions of the general meeting of shareholders.

Article 54 (1) (amended – 14.09.2007) With the approval of the Supervisory Board, the Management Board empowers one or several of its members (executive members) to represent the company. Such empowerment may be withdrawn at any time.

(2) The names of the persons empowered to represent the company are entered in the trade register and are promulgated in the statutory manner.

(3) Exclusive of the restrictions of the representative power as provided for by the law, the restrictions of the representative power of the persons empowered under the preceding paragraphs shall not apply in relation to third bona fide persons.

(4) The empowerment and the withdrawal thereof are binding for third bona fide persons after being entered and promulgated in the statutory manner.

(5) Upon resolution of the Management Board, in compliance with all legal regulations, the company's management may be conferred to a prokurist (authorized representative). Unless provided otherwise, the amount of his powers are provided for in the Commerce Law.

The following provisions in the Articles of association of the Issuer are related to amendments and supplements in the Articles of association:

Article 16. (1) The capital may be decreased upon resolution of the general meeting of shareholders for amendment of the statutes, which is adopted with at least 2/3 (two thirds) of the votes of shares represented at the general meeting of shareholders, in the ways allowed by the law.

Article 29. (1) The resolutions of the general meeting of shareholders enter into force with immediate effect, unless the enforcement thereof is postponed.

(2) The resolutions of the general meeting of shareholders in relation to amendments and supplements of this statutes, capital increase and decrease, transformation and dissolution of the company, election and dismissal of members of the boards, as well as to the appointment of liquidators, are subject to entry in the trade register under the company's batch and enter into force after the entry in the trade register.

Article 30. The general meeting of shareholders:

1. amends and supplements the company's statutes;
2. increases and decreases the company's capital;
3. transforms and dissolves the company;
4. elects and dismisses the members of the supervisory board;
5. appoints and dismisses certified accountants (registered auditors);
6. approves the annual financial statement after being verified by the appointed certified accountant (registered auditor), adopts resolutions for allocation of profit, filling the Reserve Fund and payment of dividend;
7. resolves on issue of bonds;
8. appoints the liquidators upon dissolution of the company, except in case of insolvency;
9. releases the members of the supervisory and the management board from liability;
10. empowers the person who manage and represent the company to perform transactions in the cases as provided for in the Law for Public Offering of Securities;
11. adopts resolutions for filing claims against the members of the management board and appoints a representative for the procedures;
12. fixes the remunerations and tantiemes of the members of the supervisory and the management board;
13. resolves on other matters relevant to the company's business and falling within the competence of the general meeting pursuant to the applicable legal regulations and these statutes.

9. The rights of the governing bodies of the Company, including the right to decide on the issue and redemption of shares of the Company.

The Management Board of the Issuer

1. organizes, manages and controls the company's operations and ensures the management and safe keeping of its property;
2. manages and represents the company;
3. though its executive members, the Management Board enters into contracts with the company's employees, amends and terminates the employment relationships therewith, imposes disciplinary penalties for any violations committed,

grant bonuses, performs the rights and obligations of employer in relation to the persons recruited by the company;

4. reports upon each request of the Supervisory Board for the time from the previous report until the date of the meeting, but not less than once in every 3 (three) months;

5. settles the company's relationships to the state and municipal budget;

6. controls the company's income and cost;

7. performs any legal actions relevant to ensuring the normal functioning of the company with view of the laws, these statutes and the resolutions of the general meeting of shareholders;

8. convenes the general meetings of shareholders, drafts the agenda of the meetings and observes for the compliance with the statutory requirements for convocation of the general meeting of shareholders;

9. makes the required disclosures and publications relevant to the company's operations to the respective state authorities and in mass media;

10. presents the annual financial statement, the director's report for the previous financial year, the report of the expert accountant (registered auditor) before the Supervisory Board and makes proposals for allocation of profit;

11. in the events provided for in the Law for Public Offering of Securities and in the other legal regulations, the Management Board approves the company's transactions with the involvement of stakeholders except those that should be approved by the general meeting of shareholders or the Supervisory Board;

12. in compliance with the restrictions under the Law for Public Offering of Securities and under the other legal regulations:

a) adopts resolutions for dissolution or transfer of company's entities or material parts thereof, for acquisition and alienation of shares in other companies, for financing any companies it has a share in;

b) adopts resolutions for acquisition and disposal with any company's fixed assets and property rights thereof, for the use of loans, for granting securities and warrants and assuming guarantee, for entering into contracts, participation in auctions and competitions;

c) adopts resolutions for establishment of mortgage and pledge on company's assets;

13. adopts resolutions for opening or closing of branches;

14. adopts internal organizational and other acts;

15. adopts resolutions for establishment of mortgage and pledge on company's assets;

16. on the grounds of article 204, paragraph 3 of the Commerce Law, within five years from the registration of the Statutes amendment adopted with resolution of the general meeting of shareholders dated 29.06.2012, the Management Board adopts resolution for issue of bonds with total nominal value of EUR 150,000,000 (one hundred and fifty million euro) inclusive, defines all mandatory and facultative parameters of the obligatory loans, specifies, supplements and amends all parameters and conditions of the obligatory loans in compliance with the market conditions and the investors' interest.

17. prepares and presents programs and plans for the company's development for adoption by the general meeting of shareholders;

18. performs other tasks delegated thereto by the legal regulations, the present statutes and the resolutions of the general meeting of shareholders.

10. Material contracts of the company, which become effective, are modified or terminated due to a change of control of the Company in implementing a

mandatory tender offer, and the consequences thereof, unless such disclosure may cause serious harm to the Company; exception to the preceding sentence shall not apply in cases where the company is obliged to disclose information under the Act.

There are no material contracts of the Company which take effect, are amended or terminated due to change of control of the Company by carrying out the mandatory tender offer.

11. Agreements between the company and its management bodies or employees for the payment of compensations for termination or dismissal without legal basis or a termination of employment for reasons related to the tender offer.

The Company hasn't entered into agreements with its management bodies or with given employees which provide for specific benefits in case leave or dismissal without legal grounds or other type of termination of employment relations in connection to a tender offer.


Assen Minchev,
Executive member of the Management Board
Eurohold Bulgaria AD


Hristo Stoev
Procurator

DECLARATION
in accordance with article 100n, paragraph 4, item 4 of
Public Offering of Securities Act

The undersigned,

1. Kiril Boshov – Chairman of the Management Board of Eurohold Bulgaria AD
2. Assen Minchev – Executive member of the Management Board of Eurohold Bulgaria AD
3. Hristo Stoev – Procurator of Eurohold Bulgaria AD
4. Ivan Hristov – Chief accountant of Eurohold Bulgaria AD (complier of the financial statements)

hereby DECLARE that to our best knowledge:

1. The annual financial statements for 2015, composed in accordance with the applicable accounting standards, contain true and fair information regarding the assets and liabilities, the financial standing and the profit of Eurohold Bulgaria AD;

2. The annual management report for 2015 includes a fair review of the development and performance of Eurohold Bulgaria AD as well as description of major risks and uncertainties facing the company.

Declarers:

1. Kiril Boshov



2. Assen Minchev



3. Hristo Stoev



4. Ivan Hristov

