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## CONTENTS

5	Address of the Management Board
7	Chimimport Today
9	History
19	Supervisory Board and Management Board
20	Chimimport Plc
21	Main Strategy and Business Model
25	Financial Sector
71	Transport Sector
143	Production and Trading
159	Real Estate
163	Engineering Sector
185	Independent Auditor's Report Annual Consolidated Financial Statements

## **Dear Ladies and Gentlemen,**

More than 70 years Chimimport Plc is one of the most successful Bulgarian companies. It started as a foreign trade enterprise specialized primarily in the trade with chemical products, today Chimimport Plc is distinguished as a major holding company, that consolidates near 70 successful in their scope of growth rate of the company. These companies are capturing leading and reputable positions amongst all their competitors in the respective sectors of the Bulgarian economy that they are specialized in: banking, insurance and pension insurance; aviation, river and sea transportation; exploration, extraction, processing and trading with petroleum and petroleum products and natural gas; origination, processing and trading with grain and oilseeds, production and trade with vegetable oils and biofuels. Each one of the over 6 700 employees of Chimimport Group contributes for the successful integration of the Bulgarian business standards with the strong and fundamental European ones. The last years proved to be successful for the affirmation of the company as one of the leading listed companies on the Bulgarian Stock Exchange - Sofia JSC, and our perception is that this position clearly reflects our proper investment planning and professional devotion and efforts of company's management.

As a public company, Chimimport strives to maintain a very high standard of corporate governance within both the parent company and its subsidiaries, including via guaranteeing equal treatment and protection of the rights of all shareholders. The common practice is the transparent and fair disclosure of information needed by current shareholders, stakeholders and potential investors

Our key goals and objectives for the upcoming years remain persistent – increase the growth rate of the company; strengthen the positions of the subsidiaries falling under company's investment portfolio as market leaders not only on the domestic but also on the international markets; continuously improve the efficiency of the manufacturing companies through investment in new technologies and products; continuously improve and strengthen the image of Chimimport and its assets.

*From the Management Board of Chimimport Plc*

## Chimimport today

Chimimport is a company, founded back in 1947 and now possessing 70 years old history and traditions.

Share capital	EUR 122 529 thousand
Equity (consolidated)	EUR 718 382 thousand
Assets (consolidated)	EUR 5 085 294 thousand
Net profit (consolidated)	EUR 36 385 thousand
Executive directors	Ivo Kamenov Marin Mitev
Major Shareholder	The Management of the company, which is represented by Invest Capital Plc – possessing 72,39%
Distinctive minority shareholders of Chimimport are various, highly respected international companies and institutions such as:	Uncredit Bank Austria – Austria Eurobank Ergasias - Greece Eaton Vance Emerging Markets Funds – USA Raiffeisen Bank International – Austria BNP Paribas Securities Services S.C.A. – France UBS Switzerland AG- CI

Over 201 legal entities and over 3 200 private individuals.

# HISTORY



Main office of Chimimport PLC, Sofia, from 1947 year

## History

### THE BEGINNING

BASED ON A REPORT OF THE MINISTER OF COMMERCE AND VICTUALS ISSUED ON MARCH 24TH, 1947, AT ITS MEETING HELD ON APRIL 4TH, 1947, THE COUNCIL OF MINISTERS ESTABLISHES (WITH RESOLUTION NO.7 – PROTOCOL NO.50) A STATE-OWNED COMMERCIAL ENTERPRISE, NAMED CHIMIMPORT WITH PRIME OBJECTIVE – THE IMPORT OF CHEMICAL PRODUCTS.

### THE EVOLUTION

- 1947** – Import of basic chemicals, artificial fertilizers, solutions for plant protection;
- 1949** – Begins the import of medicaments, medical specialties and instruments;
- 1950** – The exporting activities of the company begin – herbs, essential oils and raw materials from cultivated plants;
- 1959** – SCE Chimimport merges with SCE Bulgarian Rose. The export of rose oil begins;
- 1963** – The first re-export deal in company's history takes place – selling calculated soda from Belgium to Japan;
- 1969** – Chimimport has in its nomenclature structure approved 70 export positions and 41 import stock groups;
- 1977** – ECE Chimimport is established as a result of the merger between SCE Chimimport, ECE Neftochim and ECE Lesoimpex. Company's prime field of expertise and scope of business is import, export and re-export of chemicals, chemical raw materials, natural gas, petroleum, petroleum chemical products, cellulose and paper;
- 1981** – The export product list consists of over 125 different positions;
- 1985** – The company reaches its highest ever turnover in history - \$ 8.5 billion;
- 1989** – On July 21st a Constitutive Memorandum was signed, and on October 19th, a legitimate General Meeting was held for all Chimimport JSC's shareholders;
- 1990** – On the grounds of Order No.56, Resolution No.1 dated January 24th, 1990, company case No2655/1989 a joint-stock company named Chimimport was established with equity of EUR 5.11 million;

- 1992** – On September 22nd the Shareholders' General Meeting votes in favor of increasing the capital of Chimimport to EUR 26.14 million through a non-cash contribution by the state of Bulgaria;
- 1993** – The state of Bulgaria transfers the shareholding of over 40 commercial and manufacturing enterprises in the possession of newly established company called Consolid Commerce. Company's capital is increased to EUR 26.42 million;
- 1994** – On October 5th the Privatization Agency signs a contract with the company's management team at the time united under Chimimport Invest JSC for the sale of 58.7% of the capital of Chimimport;
- 1995** – After finalizing the deal of selling preferred shares, the shareholders' capital of the company is apportioned as following: Chimimport – 63.01%; private individuals – 15.70%; Consolid Commerce Ltd – 20.05%; other legal entities – 1.26%;
- 1997** – Chimimport is re-registered under Art. 277 of the Commerce Law as a holding company; Chimimport is re-registered under Art. 277 of the Commerce Law as a holding company;
- 2000** – The first stage from the restructuring process of Chimimport is finalized – establishing subsidiaries based on the former commercial departments;
- 2001** – Chimimport Plc acquires 23% of the share capital of Central Cooperative Bank Plc through the Bulgarian Stock Exchange and consequently establishes a management consortium together with one of the main shareholders – the Central Cooperative Union;
- 2002** – By tender procedure Chimimport Plc acquired an additional 32.77% of the share capital of Central Cooperative Bank Plc. The portion represents the shares of the state owned Bank

Consolidation Company JSC; Through the Privatization Deals Agency the company acquired 91.92% from the share capital of Armeec Insurance JSC; Obtained the majority share capital of pension fund CCB-Sila PIJSC from the Czech financial group Newton; Through CCB, the group of Chimimport Plc takes over the companies of three banks that have been declared in insolvency: Dobrudzha Commercial Bank JSC, Credit Bank JSC and Bank for Agricultural Credit JSC;

- 2003** – Balkan Hemus Group JSC (currently Bulgarian Airways Group JSC) was established with the purpose of unifying the future participation of the group in the airline industry; Successful participation with positive outcome in the privatization process of Hemus Air JSC and Oil and Gas Exploration and Production JSC;
- 2004** – Chimimport Plc establishes a sub-holding company called CCB Group Assets Management JSC (currently CCB Group JSC) with main purpose to consolidate the group's assets and interests in the banking, insurance and pension insurance sectors. Furthermore it acquired the shares of Central Cooperative Union in Central Cooperative Bank: 23.45% of the Bank's share capital.
- 2005** – The company establishes two sub-holding structures – Bulgarian Shipping Company JSC for river and marine transport and Chimimport Group JSC for commercial and production activities; Chimimport's share capital increases to EUR 30.68 million; Chimimport acquired 49.28% of the third in terms of assets and market share pension insurance company in Bulgaria – Pension Insurance Company Saglasie JSC. Nearly 50% of the shares have been sold in 2013 with realization of significant income return; Chimimport Group acquired through Central Cooperative Bank, the filed for insolvency Capital Bank and Crystal Bank.
- 2006** – Chimimport's share capital increases by EUR 30.13 million, amounting to EUR 60.8 million; Chimimport Plc acquired 99.13% of the share capital of Bulgarian River Shipping (70% of which by privatization procedure); Consequently the company successfully merged Chimimport Bimas and its subsidiaries

VTC JSC and Mayak JSC into Bulgarian River Shipping; Chimimport's subsidiary Lesport successfully closes a thirty-year contract for concession of Lesport port terminal, which is part of the port for public transport with national importance for Varna city; Through Port Balchik JSC, Chimimport Group has obtained a 25-year concession over port terminal Balchik – a distinguished territorial zone of Varna port for public transportation with national importance; Chimimport performs an increase of capital from EUR 60.8 million to EUR 66.5 million by Initial Public Offering of 11.08 million shares with nominal value of EUR 0.51 and issue price of EUR 2.05. As a result and on the grounds of Art.110, paragraph 2 of the Public Offering of Securities Act, Chimimport Plc officially becomes a Public Listed Company. The company shares are registered for trade on the official market, segment B, of the Bulgarian Stock Exchange - Sofia JSC on October 30th, 2006. Chimimport Group has successfully performed licensing procedures on two joint-stock special purpose investment companies (CCB Real Estate Fund SPIC and Capital Management SPIC, with scope of business in securitization of real estates and securitization of receivables, respectively.

- 2007** – The Financial Supervision Commission issues a license to the CCB Assets Management Ltd – an assets management company; Chimimport Plc acquired 51.81% of the share capital of Ship Machine Building JSC, Varna; On the grounds of a resolution, issued by the Board of Directors of Bulgarian Stock Exchange - Sofia JSC, Chimimport Plc is included in the main market index SOFIX and as of February 26th, 2007 the company is included in the market index BG 40. Central Cooperative Bank Plc acquired the insolvent enterprise International Bank for Commerce and Development; Chimimport won the tender procedure for privatization of the national air carrier Bulgaria Air JSC, acquiring 99.99% of its share capital. The Bulgarian state keeps one golden share; The major shareholder of Chimimport Plc – Chimimport Invest acquired 84.60% of the share capital of pension insurance Company Lukoil Garant - Bulgaria JSC with the purpose for later integration of the company into

Chimimport's structure.

The Management Board of Chimimport Plc, issues a resolution to increase the company's capital from EUR 66.47 million to EUR 76.69 million. The capital increase, executed according to the conditions set forth in the law on Public Offering of Securities, is successfully accomplished. New 19 999 984 shares with nominal value of EUR 0.51 and issue value of EUR 5.62 were registered and paid. Based on the closure procedure for increase of capital the company has raised EUR 112.48 million.

Bulgarian Airways Group JSC concluded an agreement concerning the establishment of a joint-venture with Lufthansa Technik AG. The company is functioning as a Limited Liability Company with main scope of business maintenance, repair and painting of aircraft fleets.

On November 26th, 2007 the project aiming to consolidate the grain business of Chimimport Plc was successfully finalized. By merging 8 companies: Slanchevi Lachi Bulgaria JSC, Sofia (a public company in the sense of the law for Public Offering of Securities), Zarneni Hrani Trade JSC, Sofia, Back International JSC, Sofia, Zarneni Hrani – Valchi Dol JSC, Zarneni Hrani Balchik Ltd, Zora JSC Ruse, Prima Agrochim Ltd, Dobrich and Chimimport Agrochemicals Ltd, Sofia a new company called Zarneni Hrani Bulgaria Plc was established, acting as their legal successor in title. The issue of shares, issued by Zarneni Hrani Bulgaria, was registered for trading on the Bulgarian Stock Exchange - Sofia JSC in December, amounting to over EUR 87.32 million distributed in 170 785 600 shares with nominal value of EUR 0.51 each.

The life insurance company CCB Life Ltd and health insurance company CCB Health Ltd (later sold in 2013) were established and licensed by the Financial Supervision Commission.

**2008** – During the first quarter of 2008, Central Cooperative Bank Plc concluded the procedure for acquisition of the majority block of shares of the Macedonian bank Sileks Bank JSC – later renamed to CCB Skopje JSC. After obtaining an authorization from the Commission for Protection of Competition,

Chimimport acquired 100% of the share capital of BM Star – a company owning 40% of the share capital of the concessionaire of Varna and Bourgas civil airports – Fraport Twin Star Airport Management JSC. Chimimport successfully placed an issue of secured convertible bonds with value of EUR 65 million with a 7-year term to maturity, convertible for issued regular shares of Chimimport Plc, traded on the Bulgarian Stock Exchange - Sofia. The bonds are issued by Chimimport Holland B.V., solely owned by Chimimport Plc, established and registered in Holland. The net revenues from the emission were granted as a loan from Chimimport Holland to Chimimport Plc, as the latter used them for financing its expansion through realization of strategic mergers and acquisitions and for general corporative goals. The group of Chimimport, through its subsidiary – Bulgarian Aviation Group JSC, started a large-scale joint project with the Republic of Tatarstan for reconstruction and expansion of the Kazan Airport; Bulgaria Air JSC concluded a contractual deal with the national air carrier of the Republic of Tatarstan for lending part of its fleet on operative lease to Tatarstan Airlines;

**2009** – Bulgarian Aviation Group JSC completed the procedure for acquisition of sole participation in the capital of Air Ban airline carrier; Zarneni Hrani Bulgaria Plc acquired 100% of the capital of Goliama Dobrudzhanska Melnitsa Ltd – the third largest mill in Bulgaria; The major shareholder of Chimimport Plc – Chimimport Invest JSC has acquired, via trade offers, the majority share holdings of Assenova Krepost Plc and Holding Assenova Krepost Plc. The capital increase procedure of Chimimport Plc from EUR 76.69 million to EUR 122.71 million was successfully completed by issuing new 89 646 283 preferred dematerialized, non-voting shares with 9% fixed dividend, guaranteed equity share, convertible into ordinary shares with nominal value EUR 0.51 each and issue price of EUR 1.14. As a result of the increase EUR 101.75 million additional funds have been raised; The national air carrier, Bulgaria Air JSC, acquires 45% of the local market leader in the

reservation services – Amadeus Bulgaria OOD (part of Amadeus IT Group).

**2010** – The merger process of pension insurance company Lukoil Garant-Bulgaria JSC into CCB-Sila PIJSC has been successfully completed. All pension funds managed by Lukoil Garant-Bulgaria JSC have been transferred into the respective funds managed by CCB Sila PIJSC. Following a tender offer to the shareholders of Macedonian Stater Bank, Central Cooperative Bank Plc has acquired 93.72% of the share capital of the Macedonian bank located in Kumanovo. The subsidiary company Oil and Gas Exploration and Production JSC acquired 100% of the share capital of Chimoil BG Ltd and subsequently started the construction and development of a gas-station chain branded as Chimoil. The parental company, Chimimport Invest, acquired 85% of the M Kar Ltd share capital, which is the authorized agent of BMW Company for Plovdiv, Stara Zagora and Haskovo. Chimimport Invest acquired approximately 10% of the share capital of Texim JSC.

**2011** – On January 3rd the process of consolidation of the Macedonian commercial banks owned by the group was officially finalized through the merger of Stater Bank JSC Kumanovo and Central Cooperative Bank JSC Skopje; Companies belonging to Chimimport Group obtain associated participation in the business-oriented television channel Bulgaria On Air (TV Bulgaria On Air); On March 15th, 2011 Bulgarian River Shipping Plc and Navigation Maritime Bulgare JSC establish a joint company called Varnaferry Ltd with scope of business ferryboat shipment along the direct railway-ferry route "Varna - Caucasus"; Procedures for capital increase of Assenova Krepost Plc and Holding Assenova Krepost JSC were planned and executed successfully – through public offering of new shares. The authorized capital of the two companies increased considerably as the accumulated funds amount to EUR 5.11 million and EUR 6.41 million respectively; Bulgarian Airways Group finalized the establishment of two international projects in the Russian Federation;

Constitutive documents are officially signed for the establishment of the joint companies ZAO TAT AVIA, liable for the implementation of a large-scale project for reconstruction and development of Kazan International Airport, as well as for establishment of ZAO TAT AERO – a managing company involved with the development of OAO – Airlines Tatarstan; Bulgarian Airways Group JSC increased with 4.9% its voting right and direct participation in the equity of the associated company Lufthansa Technik Sofia Ltd – to the total of 24.9%;

Companies belonging to the Group – Chimsnab JSC, David 202 JSC, Myth 2003 SPLL and Sofgeoexploration SPLL are involved in the process of transformation through merger in to the equity of the receiving company – Chimsnab Bulgaria JSC. Subsequently the Group sold a large portion of its participation in the newly-established company; The Group participates with EUR 22.82 million in the capital increase of Central Cooperative Bank Plc; After obtaining the necessary approval by the Commodity Exchange Commission, the Group acquired 75% of the share capital of Plovdiv Commodity Exchange JSC; On December 2011 Fraport Twin Star Airport Management JSC started the construction and realization to the turnkey of new international passenger terminals at Varna Airport and Bourgas Airport. Besides this undertaking which is officially completed by 2013, Fraport Twin Star Airport Management JSC started the implementation of several major infrastructural projects at Bourgas Airport – a new building for administration headquarters, a new cargo terminal and a fire station.

**2012** – On January 10th the Group transferred portion of its interests' equivalent to 10% from the capital of VTS JSC, and by doing so decreased its participation in the company's equity to 41%; On February 29th Airport Services SPLL (owning 40% of the capital of Fraport Twin Star Airport Management JSC) was merged into the sole owner of the company Molet SPJSC, as the name of the latter has been changed to Airport Services – Bulgaria SPJSC; On March 4th took place the inauguration

and the official opening ceremony of the fully renovated runway at Varna airport. The capital expenditure that was required and practically provided for the planning and execution of the project for rehabilitation, executed by Fraport Twin Star Airport Management JSC, amounts to nearly EUR 20 million;

The subsidiaries of the Group – Fertilizers Trade Ltd, Silico 07 Ltd and Chimtrans Ltd were terminated by liquidation. The amount of investments in the above companies is recovered through liquidation proceeds; The Group obtained the control over the company Texim Trading JSC by purchasing shares representing 66.67% of its equity and the rights aloud. As a result of the capital increase of the company held at the end of 2012, the Group increased its shareholding in Texim Trading JSC to 88.32%; In October 2012 was finalized a process of transformation by merging Holding Assenova Krepost Plc in Assenova Krepost Plc. The Group acquired control over the new company as it become part of the subholding company within Chimimport's boundaries consolidating participations in Production and Trade sector. On the account of its majority shareholding in Assenova Krepost Plc the Group acquired control of Asela JSC and AK Plastic Ltd companies;

On November 2nd was registered the newly established company – Port Invest Ltd with primary scope of business concessions and implementation of the accompanying investment program of Port Terminal Lom. The Group exercises control over the newly established company through its subsidiary Bulgarian River Shipping Plc; In 2012, the Group acquired control over Petrohan Trade JSC through the purchase of shares of the company as a result of which held 100% of its equity and the rights aloud. Through the acquisition of a majority stake in Petrohan Trade JSC the Group also ensured control over 82.37% of the share capital and the rights aloud in Besa Tour JSC. The stakes in the above mentioned companies were sold in 2013;

Adhering to the strategy that the company had adopted earlier for disengagement from all nonoperational assets, in December 2012 Bulgaria Air JSC sold 100% of the possessed

share capital of its subsidiary Bulgaria Air OOO, Russia;

At the end of 2012, the Group acquired 16 425 981 ordinary shares with voting rights from the capital of TatInvestBank JSC, based in Kazan, Russia, by doing which acquired controlling interest of the bank's capital. After this acquisition the Group has a holding of 59.47% of the capital of TatInvestBank JSC, of which 55.92% through Central Cooperative Bank Plc;

**2013** – Bulgarian Airways Group acquired 42.50% of the capital of Alpha Airport Services – a joint venture for airport catering with Alpha Flight Group, Great Britain and Lufthansa Services Europe/Africa, Germany; On August 15th was held the official opening of the new passenger terminal at Varna Airport. The new facility can boast with 3 times larger passenger service area than the old one, whereas the overall investment of Fraport Twin Star Airport Management in the terminal and adjoining infrastructure is more than EUR 37.5 million; The new passenger terminal of Bourgas Airport will be officially opened and commissioned by the end of the third quarter of 2013. The facility itself is fully completed as the only outstanding deliverables of the project that are currently in progress are the final tests of the security systems and the equipment intended for passengers and cargo servicing.

In 2013 The Group acquired 49% of the share capital of Swissport Bulgaria. The company has signed agreements for sale of a substantial part of its stake in POK Saglasie.

**2014** – Chimimport has acquired control over IC OAO Itil Armeec, with headquarters in Kazan, Republic of Tatarstan through purchase of shares from Armeec Insurance JSC, owner of 100% (recomputed to 96.34%) from the shares and the voting rights of IC OAO Itil Armeec. The Group has acquired 88.90% from the shares and the voting rights of Technoimpex 98 merged in its subsidiary Technoimpex, with headquarters in Sofia, Bulgaria. In 2014 The Group acquired an additional contribution of 26.52% in its subsidiary ZAO Investment Cooperative Bank (previous

name TatInvest Bank), thus increasing its controlling participation up to 86.27.

In 2014 The Group acquired an additional contribution of 10.72% in its subsidiary Oil and gas exploration and production JSC as a result of the Tender offer to the remaining shareholders of the company, thus increasing its controlling participation up to 66.89%.

**2015** – The company Bulgaria Air Maintenance AD was founded on 06 January 2015 by in kind contribution of real estate properties previously owned by Hemus Air and Bulgaria Air. The value of the properties (land and buildings) is EUR 46.192 mln. Bulgaria Air Maintenance AD is specialized in construction and facility management for basic and linear technical service, maintenance and repair of aircraft, construction of logistic centers and cargo terminals. Currently the target investments of the company is development of two projects located in the Sofia Airport area for future expansion of Lufthansa Technik's maintenance center. In December 2015 the first phase of „West Wing Extension Project:Lufthansa Technik - Sofia OOD MRO facility with provision of buildings and infrastructure by Bulgaria Air Maintenance EAD“ was launched. The project includes the following Sub-projects: Checkpoint, parking lot and corridor access south of the existing structure; Five-storey business and service building with underground level and a transport corridor along the surrounding area and infrastructure; New Hangar 1 for aircraft maintenance and repair and site networks. From April 2015, after complete reconstruction in compliance to the latest standards and the requirements of the German manufacturer, “M Car Skopje“ became the official dealer of the brands BMW and Mini for Macedonia and Kosovo.

**2016** – In 2016 the company Sitnyakovo Project Estate EOOD was set up by the Group. The share capital of the company amounts to EUR 3.33 mln. and represents in kind contribution of real estate with excellent location and an option for construction of high-rise office building. Subject of activity of Sitnyakovo Project Estate is management and rental of real estate; purchase of real estate; construction of buildings; sale of real estate –

offices and flats.

The Group acquired additional equity in the amount 1.20% in its subsidiary Parahodstvo Bulgarsko Rechno Plavane AD, thus increasing its controlling interest to 81.91%.

In 2016 M Car Varna reconstructed the BMW showroom in accordance to the high standards and requirements of BMW AG and launched the second showroom of the BMW Motorrad for Bulgaria. In 2016 started the construction of the largest sales and service BMW and MINI Complex. M CAR Sofia is due to open in 2017 and it will span over 11 000 square meters. The Complex strategy of Invest Capital, with the aid of its fiduciary company M Car Group is to expand, in the future, its activity in the automotive tier as it acquires new dealerships, expands its activity over the available and to increase the quality of the newly opened service centers.

In September 2016, Bulgaria Air Maintenance EAD was launched the built-to-suit project - Logistic center for DHL Express Bulgaria OOD consisting of administrative section and underground car parking. The duration of the construction phase is expected to be 20 months from the date of signing of the contract.

In December 2016 the first phase of the project „West Wing Extension Project: Expanding of Lufthansa Technik - Sofia OOD MRO facility“ was completed. The second phase is planned to start immediately and consist of development of a new hangar with total built-up area of approximately 6 209 sq.m., a 5-storey office building, new workshops and adjacent areas necessary for expanding the maintenance and repair facility of Lufthansa Technik - Sofia OOD.

In July 2017 the sole shareholder of Bulgaria Air Maintenance EAD - Bulgarian Airways Group EAD, decided to transfer part of the assets of the Company to a newly established company Rest and Fly EOOD.

**2017** – In 2017, the largest dealership of BMW and MINI in Bulgaria, Sofia opened doors.

**2018** – In 2018, the Group was authorized for official Rolls-Royce service by Rolls-Royce Motor Cars Ltd.

**2020 r.** – 2020 - In 2020, the company FLY LEASE Ltd. was established, which is currently in

the process of being licensed as a leasing company by BNB. In the first quarter of 2020, 0.94% of Asenova Fortress' capital was sold.

In 2020, "Bulgaria Air" JSC purchased 3 Airbus A 320 aircrafts on lease. This is one of the most used aircrafts not only in Europe, but on a global scale as well. Airbus A320 is Airbus' flagship short- and medium-haul regional airliner. The planes were manufactured in 2016. The contract is valid for 10 years.

**2021 r.** – In 2021, the company Port Bimas Ltd. was established.

## **Supervisory Board**

### **Invest Capital**

Chairman of the Supervisory Board

### **CCB Group JSC**

Member of the Supervisory Board

### **Mariana Bajdarova**

Independent Member of the Supervisory Board

## **Management Board**

### **Tsvetan Botev**

Chairman of the Management Board

### **Alexander Kerezov**

Deputy Chairman of the Management Board

### **Ivo Kamenov**

Executive Director and  
member of the Management Board

### **Marin Mitev**

Executive Director and  
member of the Management Board

### **Nikola Mishev**

Member of the Management Board

### **Mirolyub Ivanov**

Member of the Management Board

Chimimport Plc is represented by the  
Executive Directors Ivo Kamenov and Marin Mitev  
together and individually.

## Chimimport Plc

For its more than 70 year existence Chimimport Plc has gone from successful foreign trade enterprise, specialized in the trade with chemical products, into a large scale holding company that unites nearly 70 subsidiaries and associated companies operating in various sectors of the Bulgarian economy.

### The priority investments of the Group of Chimimport Plc are concentrated in the following sectors:

- » Banking, finance, insurance and pension insurance;
- » Oil and Gas Exploration and Production;
- » Production and trade of petroleum and chemical products;
- » Capacity building in the field of oil refining industry, production of biofuels and rubber;
- » Production of vegetable oils, buying, processing and trade with of grain foods;
- » Aviation transportation and ground-based activities for service and repair of aircrafts and aircraft engines;
- » River and maritime transport and port infrastructure;
- » Securitization of real estate and receivables;
- » Commercial representation and intermediation;
- » Commission, logistics and warehousing operations;

In the last years, due to the ongoing financial - economic and debt crisis on a regional scale, the net result of the Group's operations is amended as follows: EUR 35,6 million for 2017, EUR 35,9 million for 2018 and EUR 36,3 million for 2019.

On consolidated basis the equity of Chimimport Plc has changed from EUR 863,5 million at the end of 2017 to EUR 840,92 million at the end of 2018. As at 31.12.2019 the equity of the Group amounts to EUR 876,81 million.

### At the present stage the main advantages of Chimimport are as follows:

- » Excellent knowledge of the economic and political conditions and realities in Bulgaria, the needs and specificities of the customers and excellent positions in strategic sectors of the economy of the country;
- » Proven Management team – the Group has a highly motivated team of managers, with a vision for the growth of the company, with excellent skills and experience in the management, acquisition and restructuring of companies in both favorable and adverse market environment;

Significant value of the Group's assets – by December 31st, 2019 Chimimport Group's assets have book value amounting to EUR 5 085.29 million (EUR 4 652,28 million at the end of 2018).

The management of Chimimport AD believes that the acquired assets are the necessary basis for the growth and long-term development of the group, as they represent for the most part strategic advantage - the creation of such assets at the present moment would be virtually impossible or would require huge volume of investment, respectively accompanying equity and / or debt financing.

## Main strategy and business model

The main strategy and investment policy of Chimimport Plc are focused to position the Group as a major partner in service of the traditional and regional commercial streams. In particular this approach motivated the Group's entry in sectors such as transport, agriculture, financial operations and real estate.

The financial sector is another area where the Group strives to offer the full range of services to its customers. The financial group within the structure of Chimimport Plc currently includes a universal commercial bank, which has traditionally good positions in agricultural lending, general and life insurance companies, pension insurance company, assets management company (mutual funds), as well as two companies with special investment purposes (for securitization of real estate and receivables).

### The business model of the Group is build for the purpose of implementing the above-defined development strategy based on the maintenance and expansion of the Group's leading role in the sectors identified as important for the Bulgarian economy. Some of the more specific objectives defined by the management of Chimimport Plc are:

- » Maintaining high growth rates of the assets and own capital of the Group, which is associated with the provision of a stable long-term investment return to the shareholders;
- » Affirmation of Chimimport Plc as a holding company with a strong presence in the Bulgarian economy and Central and Eastern Europe;
- » Maintaining a leadership position among the Bulgarian public companies and improving the international prominence of the Group.

Transport is an important sector for the Group. Geographically, Bulgaria is located on a crossroad between Europe, Asia and the Middle East as five of the ten trans-European corridors pass through the country. Chimimport develops air, river and marine transport, as in all three cases is aiming to the full range of activities, not just pure transport (i.e. including the management of airports and ports, repair and maintenance of vehicles, cargoes, servicing agency and others).

Agriculture is another important economic sector for the Group – Chimimport Plc targets to position its business in such a way as that to ensure the fullest benefit of the traditional advantages of the country as a producer of agricultural products and on the other hand to utilize the key geographic location, allowing the Group to play the role of mediator between Europe and traditional countries producing agricultural production like Russia, Ukraine, Kazakhstan and others. Similar to the transport sector, in agriculture, Chimimport Plc aims to encompass the full spectrum of business – in this case, focusing one hand on the buying, trading, logistics, storage of grain and oilseeds where actively seeks and exploits the relations and synergies with other businesses (transportation, finance, etc.).

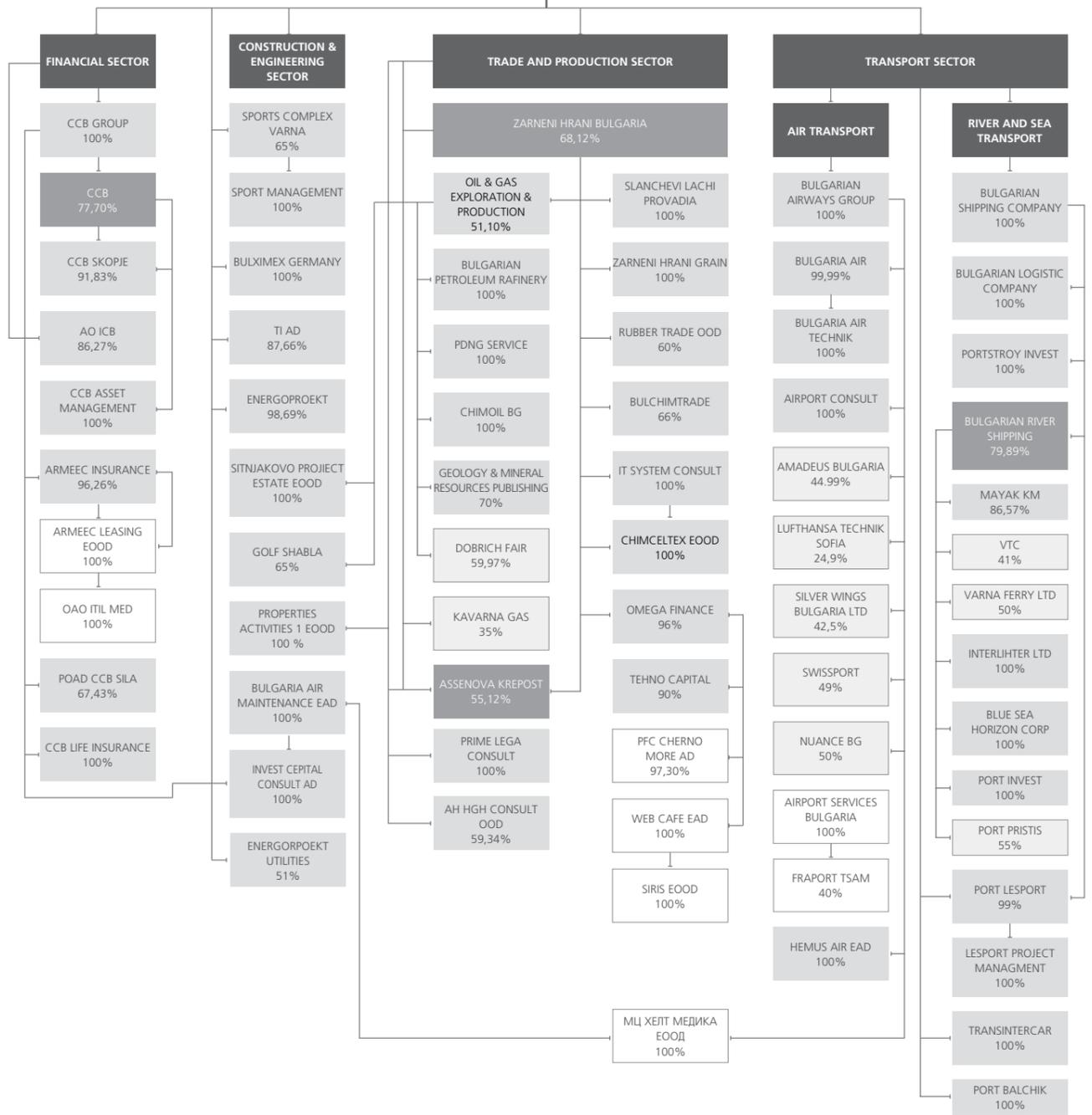
On the other hand Chimimport Plc invests in agriculture-related industries – companies of the group are major players in the industry for the production of vegetable oils, covering all activities from the purchase of raw materials to processing them into finished products (vegetable oils, including for consumption and biodiesel).

The development of the company and its investment plans in the short and mid-term are structured in two main directions – consolidate and optimize the achieved positions and penetration of new markets.



Main office of Chimimport PLC, Sofia, from 1947 year

# CHIMIMPORT PLC



BUSINESS SEGMENT    
 PUBLIC COMPANY    
 SUBSIDIARY    
 ACCOUNTED FOR USING THE EQUITY METHOD

# FINANCIAL SECTOR

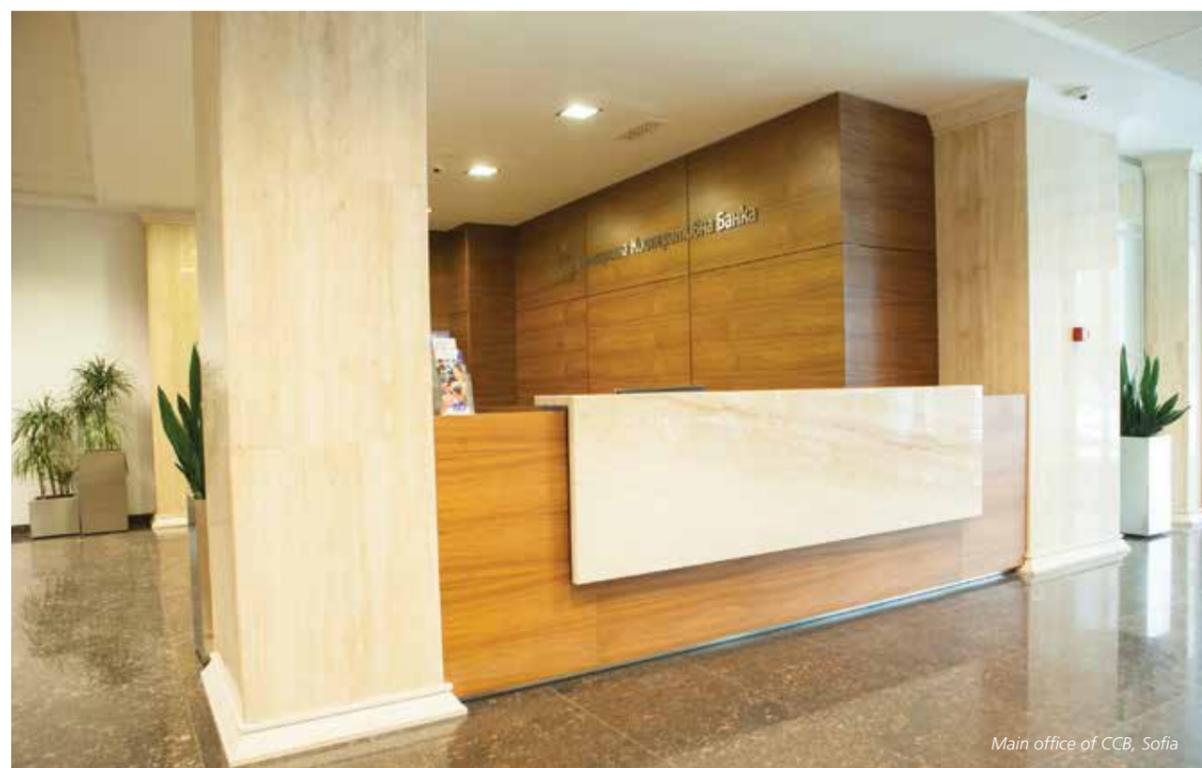


## CCB Group JSC

Historically, the company CCB Group JSC is established with resolution issued by the Sofia City Court upon the merger of two companies in existing, since 1998 company Newton Financial Management BG Ltd. As of the end of 2002, the new company is called CCB Group Asset Management JSC, which operates under the name until September 25th, 2008, when it was renamed to CCB Group JSC. CCB Group JSC is a sub-holding company within the structure of Chimimport Plc, which unites the interests and participation of the holding in the financial sector, including the development and implementation of strategic program for growth of the companies in the sector, according to the long-term goals of Chimimport Plc in the field of financial services.

The company carries out strategic control over the activities of its subsidiaries and assists the process of their long-term funding. Main office of CCB Group In addition, CCB Group JSC supports its subsidiaries and other companies from the holding structure by providing them with a wide range of consulting services related to financial and capital markets, including methodological support for implementation of major projects, negotiations with foreign investors, public listing of companies, mergers and acquisitions, restructuring, sale of companies and others.

Currently, the financial sector of Chimimport Plc includes a number of companies with a well-established name and presence in their respective segments, namely: Banking services (Central Cooperative Bank Plc and its subsidiaries CCB Skopje and TatInvestBank), Insurance and Reinsurance (Armeec Insurance JSC and CCB Life JSC), Pension Insurance Fund (CCB-Sila PIJSC), Mutual Funds (CCB Assets Management) and securitization real estate (CCB Real Estate Fund SPIC). A part of the above-mentioned companies were constituted by CCB Group JSC during 2006 and 2007 with the purpose to achieve full range of financial products and services offered by the holding. After their creation these companies developed sustainable operations and established a comprehensive presence on the market.



Main office of CCB, Sofia

## Central Cooperative Bank Plc

Central Cooperative Bank (CCB or the "Bank") was registered with a decision of the Sofia City Court on 28 March 1991. The founders of the Bank are Central Cooperative Union, the regional cooperative unions and more than 1 100 cooperative organizations.

### SHAREHOLDERS

As at 31 December 2021 the shareholders' equity amounts to BGN 604,762 thousand. The capital adequacy is 15.21 %, which is above the requirements according to Ordinance No. 8 of BNB on the capital adequacy of Banks.

Shareholders of CCB Plc as at 31 December 2021	Share (%)
CCB Group EAD, Sofia	61.05 %
Armeec insurance company JSC	7.07 %
UPF Suglasie	6.98 %
Chimimport JSC	8.24 %
<b>Other</b>	<b>16.66 %</b>

As at December 31, 2021 the shareholders of CCB Plc are 5,079 individuals and 1,122 legal entities.

The shares of CCB Plc are traded on the Bulgarian Stock Exchange since 4 March 1999. In the last 19 years the shareholders structure of CCB Plc changed significantly three times – in June 1999, when Bulbank sold to the State Fund Agriculture its share of 35%; in June 2001, when the share of the State Fund Agriculture that initially passed through the Bank Consolidation Company was purchased by Chimimport Plc and at the end of 2004, when the shares of Central Cooperative Union were acquired by Chimimport through CCB Group EAD.

The last procedure of the company capital increase from BGN 83 155 092 to BGN 113 154 291 via the issuance of 30 000 000 ordinary book-entry voting shares with a nominal value of BGN 1 and an issue value of BGN 1,50 took place at the end of 2011. As a result of the subscription approximately 30 million shares were subscribed and paid in, as a result of which approximately BGN 45 million were credited to the capital raising account of CCB Plc.

CCB is a universal commercial bank, licensed to carry out all types of bank operations in the country and abroad. In addition, the Bank carries out activities as an investment intermediary and was approved by the BNB as a primary dealer of government securities. The

Bank is a leader in servicing the agrarian sector in Bulgaria, whereas its purpose in the future will be to defend its leading positions, increasing the scope and volume of its operations with the agricultural producers in the country. Along with that CCB develops as a priority the retail banking and card payments, offering competitive products and services to individuals, SMEs and corporate clients from the other branches of the economy.

CCB reaches its clients via a head-office in the city of Sofia and a well-developed branch network of 295 locations in the Republic of Bulgaria, 1 branch in the town of Nicosia, the Republic of Cyprus and the branch networks of the subsidiaries in the Republic of Macedonia – "CCB Skopje" AD.

As at 31 December 2021 the total number of Bank employees is 1789.

CCB has been licensed by MasterCard Inc. to issue and accept international debit and credit cards – MasterCard and Maestro, it is a full member of VISA International and offers the entire array of VISA cards. Since August 2003 the Bank is a representative for Bulgaria of the biggest global company for fast money transfers Western Union. In 2008 CCB became



Office of CCB, Branch Cyprus, 69, Arch. Makarios III Avenue, Tlais Tower

a direct member of the Trans-European Automated Real-time Gross settlement Express Transfer system TARGET2 and an indirect member of Pan-European payment system for net settlement EBA STEP2 SCT. Since July 1993 CCB is a member of the European Association of Cooperative Banks, domiciled at Brussels, and since September 2004 – a member of the International Cooperative Banking Association, which has more than 55 member institutions from 40 countries.

CCB is a public company and since March 1999 its shares are being traded on the Bulgarian Stock Exchange. At present the shares of the bank are traded on the official "Premium" market segment of BSE and are included in three stock exchange indices – SOFIX, BG40 and BG30.

#### MARKET POSITION

According to the statistical data, published by BNB for 2021 CCB ranks on the 7-th place in terms of total assets among the banks and branches of foreign banks in the banking sector.

#### ACQUISITIONS

After the acquisition of CCB by the Chimimport Plc group the Bank actively engages in the purchase of credit institutions, which became insolvent in the second half of the nineties. After Chimimport acquires control over CCB in 2003, the Bank starts growing: the assets and the net profit increase considerably, the whole array of products changes and CCB enters into entirely new segments.

CCB acquires companies of six commercial banks in Bulgaria, announced in insolvency: Bank for Agricultural Credit, Credit Bank, Dobrudjanska Banka, Kapitalbank, Kristalbank, and International Bank for Commerce and Development. In the first quarter of 2008 Central Cooperative Bank Plc acquires 75,51% of the capital of its first subsidiary – the Macedonian bank Sileks Bank AD, Skopje. After the increase in the company capital in September 2008 the share of CCB in the credit institution increases to 82,57% of the voting shares. In October 2008 the name of "Sileks Banka" AD changes to "Central Cooperative Bank Skopje" AD. After the purchase of the own shares in December 2009 the share of the mother Bank reaches 82,63%. CCB intends to use "CCB Skopje" as a base to enter the market in Macedonia, applying its successful strategy and experience in Bulgaria.

On 16 March 2010 CCB, on the basis of a bid offer, acquires the majority stake of 93,72% in the capital of another Macedonian bank – Stater Bank AD, Kumanovo. At the beginning of 2011 the two subsidiary banks on the Macedonian market merged and CCB has 87,35% of the capital of the consolidated credit institution "CCB Skopje" AD.

In 2012 CCB Plc acquires 100% of the capital of CCB Assets Management EAD.

In 2012 the Bank acquired 55,93% of the shares of ZAO AKB "TatInvestBank", Kazan, the Republic of Tatarstan, Russia, with which it received control on the Bank. Before the acquisition the Bank holds ordinary voting shares, and later acquires additionally shares in the capital of the subsidiaries. In 2013 and 2014 the Bank acquires additionally shares of ZAO AKB Tatinvestbank. As at 31 December 2015 its share reaches 86.27% of the capital of AO "IC Bank".

**CONSUMER AND MORTGAGE LENDING**

The Bank offers the following mortgage loans to individuals:

- » “Home for you” – a residential mortgage loan, intended for purchase and finishing construction works of new and existing real estates, as well as for refinancing mortgage loans for the purchase of a home, granted by other banks. The maximum amount of the loan is up to BGN 300 000 or the equivalent amount in EUR and up to the equivalent amount in EUR of BGN 500 000 with collateral, situated on the territory of the provinces – Sofia city, Plovdiv, Varna and Burgas, with a repayment term of up to 30 years.
- » “Opportunity” – a mortgage loan, granted to finance the current needs – refurbishment and furnishing, expenses for vacation, education, family events, etc., as well as for refinancing loans, granted by other banks. The maximum amount of the loan is up to BGN 300 000 or the equivalent amount in EUR with a repayment term of 25 years.

Depending on the form of the credit instrument and the way of repayment, consumer lending is divided into several main types of loans – consumer loans, goods on credit, credit cards and overdraft of individuals.

- » “Today” consumer loan – a loan, intended for individuals, having a permanent employment contract or freelancers with high qualification. The loan is granted to clients, who receive their salary or a part of their salary on account with CCB Plc. The maximum amount of the loan is BGN 60 000 with a repayment term up to 10 years. Depending on the loan amount, the Bank may require as collateral the guarantees of individuals.
- » “Trust” consumer loan – a consumer loan for state employees and employees with an institutional employer, as well as for employees of companies, approved in advance by the Bank. The borrowers receive preferential conditions from the Bank for this loan. The maximum amount of the loan is BGN 60 000, with a term of up to 10 years.
- » Asset loan – intended for individuals, who carry out an economic activity and have income other than the remuneration under the employment contract. The loan amount is up to BGN 50 000, and the

term is up to 10 years.

- » Standard consumer loan – intended for individuals. The amount of the loan is up to BGN 30 000, and the term is up to 7 years.
- » Consumer loan for pensioners – intended for clients, who receive income from pension. The maximum amount of the loan is BGN 20 000 with a maximum term of 7 years and an additional condition for maximum age of the borrower as at the maturity date. As a variety, the Bank offers “Heat” fast pensioners’ loan, which is granted in a facilitated procedure – only against the presentation of an identity card and receiving the pension on account with the Bank. The amount of the loan is from BGN 200 to BGN 800, and the term is up to 10 months.
- » Consumer loan for students – consumer loan, intended for students, who study in state or private universities and are at the age up to 35 years at the moment of application for a loan. The maximum amount of the loan is BGN 20 000, whereas in case of internship or work and travel abroad, the amount is up to BGN 5000. The borrowers are entitled to a grace period for the duration of their study, whereas the maximum term of the loan is 5 years after expiry of the grace period. The loans for students are offered without state financial support.
- » Consumer loan with funds collateral – it is intended for individuals, who in order to secure the granted loan, block amounts on account with CCB Plc, for which they conclude a pledge agreement with a notarial certification of the date. The maximum amount is up to BGN 100 000, and the maximum term is up to 5 years. The amount of the collateral should cover the full amount of the principal and the due interest minimum for a period of 6 months, and in case of collateral in a currency other than the currency of the loan there is an additional limiting condition – the loan, together with the due interest for a 6-month period should not exceed 90% of the collateral.
- » Standard overdraft – intended for individuals, hired under an employment contract, whose salary is paid on accounts with CCB Plc. The maximum term is one year, whereas there is a possibility for automatic renewal. The maximum limit is BGN 5000 (up to four times the net monthly remuneration). For employees with institutional employer and

employees of approved private first-class companies, the maximum limit is BGN 12 000 (up to four times the net monthly remuneration).

- » Today overdraft – it is intended for individuals, who work under an employment relationship and whose profession requires a high qualification and university education and whose salary is paid on accounts with CCB Plc. The maximum term is 1 year, and there is a possibility for renewal. The amount of the overdraft is from BGN 5 000 to BGN 30 000, but not more than 15 net work salaries. Depending on the loan amount the Bank requires as collateral the guarantees of one or two individuals.
- » Trust overdraft – intended for individuals – civil servants, employees of a ministry, which concluded a contract with CCB Plc for transfer of the remuneration of its employees on accounts with the Bank or employees of companies, which are correct and loyal clients of the Bank. The amount of the overdraft is from BGN 5 000 to BGN 30 000, but not more than 15 net work salaries. The Bank requires as collateral the guarantees of one individual.
- » Overdraft with funds collateral – it is intended for individuals, who in order to secure the granted

loan, block amounts on account with CCB Plc, for which they conclude a pledge agreement with a notarial certification of the date. The maximum amount is BGN 50 000, and the term is one year, whereas there is a possibility for renewal. The amount of the collateral is the amount, equal to 100% of the amount of the limit and the interest due for 6 months, and when the currency of the loan and the currency of the collateral differ – 80 %.

- » Credit cards – CCB Plc offers two main types of credit cards – Mastercard and VISA.

In 2021 the Bank provided new retail loans in the amount of BGN 451 million, of which:

- » *BGN 314,8 million (2 506 loans) new mortgage loans;*
- » *BGN 136,2 million (10 188 loans) new consumer loans, credit cards and overdraft.*

As at 31.12.2021 the newly granted residential loans of CCB Plc were offered under standard interest rates from 2,4 % to 3,2 % depending on the client’s profile, the risk parameters of the transaction, the use of additional products and rebates, upon assumed full responsibility.



Main office of CCB, Sofia



Office of CCB, Sofia



Office of CCB, Varna

## CARD PRODUCTS

In 2021 CCB AD retained its positions as one of the major issuers of credit and debit cards in the country. The Bank issues international Mastercard and Visa credit cards, the co-branded Visa CCB — Bulgaria Air credit card and the Visa Platinum credit card. The portfolio of debit cards consists of international debit cards of high-class World Debit Mastercard, Debit Mastercard and Visa Debit debit cards, co-branded Debit Mastercard cards with A1 Bulgaria EAD and the local Bcard debit card. They also offer the EMOTION debit and credit cards, where the client has the opportunity to choose the vision of his/her card from a proposed gallery with more than 50 designs.

The Bank enables its customers to benefit from the advantage of fast contactless payments with all major card brands.

CCB offers an extremely high-class credit card — World Mastercard, designed for significant and solvent clients. World Credit Mastercard credit card is a Mastercard Premium product that is positioned at a higher level even than Platinum credit cards.

In addition to the extremely attractive financial parameters, the World Credit Mastercard card also brings a number of additional extras and privileges to its cardholders:

- » Free membership in the Priority Pass program — provides access to over 700 business lounges at airports in over 100 countries around the world;

- » Special discounts from Bulgaria Air company;
- » Free access to the Vitosha and Preslav business lounges at the Sofia Airport and Sky Lounge and Jet Lounge in Vienna;
- » Travel insurance policy upon travelling abroad at Armeec insurance company — 22 insurance coverages with a maximum amount of the coverage of USD 50,000;
- » An additional insurance policy, which provides protection against theft of the card together with personal belongings and documents, protection in case of accident or theft of goods purchased with the card, as well as the best price when shopping;
- » Discounts in the CCB Club program;
- » Discounts upon shopping at selected traders in Bulgaria, included in the CCB World Offers catalogue;
- » Additional attractive discounts abroad at hotels, famous shops and rent-a-car companies provided by Mastercard;
- » Many more discounts upon shopping at the outlets, included in the CCB Bonus program.

The Concierge service continued to be offered in 2021. It provides to the World Mastercard debit and credit card holders immediate personal

assistance at any time and place, privileged access to exclusive services and experience and individual solutions with just one phone call. Customers receive advice, recommendations, possibility to book hotels, restaurants, ticket sales for various events: music, theatre, sports, booking of airline tickets, package holidays, cruise, sightseeing, travel planning assistance. For World Mastercard credit cards CCB AD provides an even higher level of service, whereas in addition to the listed services, cardholders are offered the opportunity to obtain information of antique and art trade, the possibility of booking package holidays, flights, hotels, car rental and/or organising specialised trips, including chartering of planes or yachts, assistance in choosing a gift, access to travel guides for various destinations, information of travel arrangements, information of customs regulations and visas, currency information. It provides access and recommendations for various sports clubs. It provides access to travel guides for different destinations, travel preparation information, information of customs regulations and visas, currency information. In 2021 Mastercard launched an additional service for Premium Mastercard cardholders — AskPleeez! - a free mobile app at Appstore and Google Play store with artificial intelligence and human attitude. Customers have the opportunity to benefit 24/7 from the help of AskPLEEZ! - a virtual personal assistant specifically for Premium Mastercard cardholders: Mastercard Gold and World Mastercard debit and credit cards.

With the financial support of Mastercard, CCB AD offers to the premium Mastercard cardholders (Gold credit cards, including for business clients, World Mastercard debit and credit cards) the privilege Fast Track to priority pass through the mandatory checks at Terminal 2 at the Sofia Airport. The Fast Track service provides the advantage of going through a first check of personal documents as a matter of priority and benefiting from a special priority baggage screening band.

The VISA Platinum and Visa Business credit card holders can benefit free of charge from the LoungeKey Program, which provides access to the amenities of over 1000 special business lounges, located at airports around the world, without prior reservation and no matter the used airline and travel class. Business lounges have comfortable rest areas, equipped with WiFi internet access, TV, drinks and snacks, shower, etc.

In 2021 Mastercard launched an additional service, focused on the Mastercard Business clients — a multicasting personal assistant. Clients of CCB AD with business Mastercard cards can take advantage of information and recommendations for everyday services in support of their business life, by a call or an e-mail as a courier, orders and deliveries, assistance in organizing events and projects, information about everything customers should know in relation to COVID 19.

The Bank offers two card products, designed specifically for companies — contactless Visa Debit Commercial and Debit Mastercard Commercial debit cards. The cards are of high class, with wide application and additional features to meet the needs of business clients. Corporate clients can also benefit from a special package offer, which includes preferential terms on basic banking services, Commercial debit cards and use of e-banking with QES.

CCB offers to its clients the CashM service, enabling all CCB cardholders to order money transfers through their bank cards at ATM. The recipient of the transfer also withdraws the amount at ATM, and there is no need to maintain a bank account or a card.

## Development of the CCB card products in 2021

In 2021 CCB successfully implemented the following strategic innovative projects, demonstrating to both the European and national supervisory authorities and to all retail participants involved in the Bulgarian banking market that the digitisation of the Bank is a priority, as well as the care to clients and the responsibility to protect the environment, namely:

1. The Mastercard IDCM (Identity Check Mobile) method for biometric authentication in the mobile payments for our cardholders, using debit and credit cards with the Mastercard and VISA logo, as follows:

» For the iOS operating system the registration was allowed from 25.05.2021;

» For the Android operating system the registration is possible from 27.05.2021;

By doing so, CCB fully met the requirements of the European Union Directive 2015/2366 (PSD 2) and Delegated Regulation 2018/389 on the application of the Strong Customer Authentication method in e-commerce.

IDCM has proven to work incomparably faster and more convenient (user friendly) for our customers compared to all other solutions, implemented on the Bulgarian market.

пазар.

2. Apple Pay mobile wallet (E-Wallet) for our cardholders, holding debit and credit cards with the Mastercard logo.

Apple Pay enables our cardholders to make payments via a mobile phone by adding a Mastercard® card to Apple Wallet.

» Apple Pay is a digital wallet that offers an easy and secure way to make transactions through iPhone, iPad, Apple Watch and Mac devices.

» to make payments, customers need to add their bank card to Apple Pay's digital wallet.

» Adding a card to Wallet is called digitisation and practically replaces the physical plastic card with a digital card.

The priority in implementing Apple Pay is to protect the personal information of cardholders, which is guaranteed, because when a payment is made, Apple Pay uses a special number and a unique transaction code. In this way, the information is encrypted and never stored on the customer's device or the Apple servers, and during the transaction process, the card data is not shared by Apple with the merchant; that is, every time a customer makes a payment with a debit or credit card, Apple Pay does not store any information that could be related to him/her.

Apple Pay is accepted at retailers, supermarkets, restaurants and in general — wherever there is a contactless POS terminal in the country and abroad and the corresponding designation.

All payments at POS terminal are subject to confirmation with Touch ID or Face ID.

3. Google Pay mobile wallet (E-Wallet) for our cardholders, holding debit and credit cards with the Mastercard logo.

Google Pay enables you to make payments via a mobile phone by adding a Mastercard® card at Google Pay, running the Android operating system.

The features that Google Pay offers are identical to those, specified for Apple Pay.

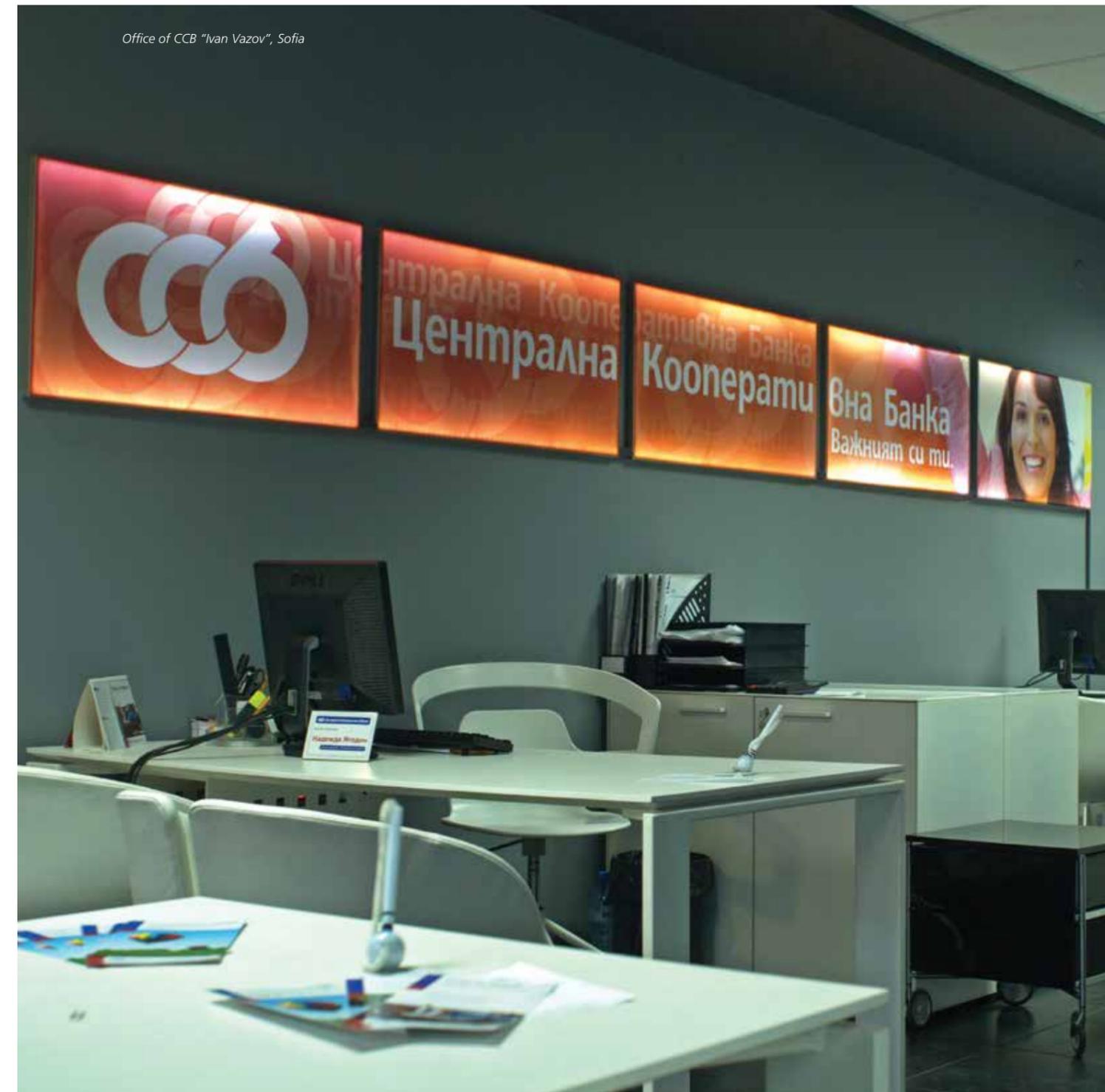
By implementing the E-Wallet projects of Apple Pay and Google Pay in 2021, Central Cooperative Bank AD ranks among the leading banks on the Bulgarian banking market to digitise the offered services and optimise the customer experience, and we managed to stop the drop in issued cards and respectively — transactions.

According to Mastercard data, the Bank is growing ahead of the banking market thanks to the solutions, implemented together with them: IDCM, Apple Pay and Google Pay, and as an assessment of our excellent results, Mastercard further devoted significant funds to the ongoing and future collaborative innovative projects we develop and will implement in 2022, as well as the strategic development with perspective in 2023.

4. In 2021, the VTS (VISA Token Service) project for the debit and credit cards issued by CCB AD with the logo of VISA started, by which we will cover the entire portfolio of our issued bank cards with the logo of Mastercard and VISA, which will provide the CCB cardholders with the exclusive opportunity to have installed Apple Pay and Google Pay e-wallets to enjoy the best customer experience and facilitation upon the performance of transactions.

#### Market Positions and Statistics

In 2021 CCB AD established its market positions in issuing bank cards, with the total number of cards issued by the Bank as at 31.12.2021 amounting to 490,292. The international credit cards issued at the end of December 2021 were 25,273, of which Mastercard — 13,670 and Visa — 11,603.



CCB AD managed to maintain good market shares in terms of the development of its network of ATMs and POS terminals: the number of virtual POS terminals at the end of 2021 reached 630. At the end of 2021 the total number of ATMs of CCB was 561. The total number of CCB POS terminals at the end of 2021 is 5,127, including POS terminals in the bank offices. All new POS terminals at merchants that the bank installs have the new functionality for acquiring contactless payments.

The table below presents summary information of the card products and services, offered by CCB AD.

ATMs, POS terminals, credit and debit cards	31.03.2020	30.06.2020	30.09.2020	31.12.2020	31.12.2020
<b>ATMs</b>					
ATMs	582	582	581	561	561
<b>POS terminals</b>					
POS devices in retail outlets	4,838	4,881	4,876	4,876	4,848
POS devices at the branches of the Bank	330	325	322	317	279
Virtual POS devices	626	668	695	621	630
<b>Total POS</b>	<b>5,794</b>	<b>5,874</b>	<b>5,893</b>	<b>5,814</b>	<b>5,757</b>
<b>Credit cards</b>					
MasterCard Standard	16,036	15,663	15,229	13,586	13,070
MasterCard Gold	400	403	396	392	383
MasterCard New World	158	155	153	153	167
MasterCard Business	64	65	63	58	50
Visa Classic	12,260	12,007	11,722	11,249	9,878
Visa Gold	1,558	1,553	1,520	1,465	1,224
Visa Platinum	447	428	429	419	436
Visa Business	88	70	77	78	65
<b>Total credit cards</b>	<b>31,011</b>	<b>30,344</b>	<b>29,589</b>	<b>28,500</b>	<b>25,273</b>
<b>Debit cards</b>					
Debit MasterCard	317,837	312,964	310,911	305,372	291,632
Debit MasterCard Commercial	2,117	2,179	2,245	2,310	3,043
Gold Debit MasterCard	2,215	2,267	2,365	2,434	2,309
World Debit MasterCard	11,936	12,113	12,636	12,383	21,171
Maestro	413	209	87	55	0
MasterCard Prepaid	778	539	374	0	0
Visa Debit	150,780	150,365	149,982	148,663	139,695
Visa Debit Commercial	2,805	2,904	2,987	3,062	3,139
Visa Electron	22,368	19,952	18,039	15,492	3,401
Visa Prepaid	1,038	836	567	0	0
Bcard	589	593	604	609	629
<b>Total debit cards</b>	<b>512,886</b>	<b>504,921</b>	<b>500,800</b>	<b>490,380</b>	<b>465,019</b>

#### Promotions for CCB cardholders with Visa and Mastercard debit and credit cards

In 2021 CCB again carried out advertising campaigns with Visa and Mastercard card organisations, aimed at stimulating the CCB card payments at merchants in the country. The holders of CCB international cards had the

opportunity to participate in promotions with attractive prizes and additional incentives. CCB AD participated in the following campaigns:

- » Joint campaign of Mastercard and METRO stores — upon payment of the bill for at least BGN 69 until 19 April and registering the receipt at promo.metro.bg, customers participate in a raffle for a drone, a smartwatch, a scooter or Segway;
- » For every contactless payment with the Mastercard card, via the self-service kiosk machines, for the purchase of a ski pass in Bansko, the cardholders have a chance for a reward — a one-day or a two-day ski pass for the slopes of one of the best ski resorts in the world. For participation in the raffle, the payment must be in the period 01.02.2021 - 25.03.2021 and it must be registered;
- » A joint promotion of Visa and Foodpanda to receive 10 % of the value of each order back, in the form of cashback. The maximum total value of the amount that can be recovered, regardless of the number of orders, is BGN 50;
- » A joint campaign of Visa and Spark, in the period from 01.11.2020 to 31.01.2022. Upon the registration of the Visa card on the website of Spark, eGo bonus points accrue for each card payment and you can win a free trip for one day.
- » A joint promotion of Visa and Hobo — a micromobilities startup, offering electric scooters for rent in urban conditions. For participation in the campaign, a valid Visa card should be registered in the Hobo mobile application. The campaign takes place from 01.04.2021 to 31.10.2021, inclusive;
- » A joint promotion of Visa and Hobo for the period 20.04.2021 - 20.06.2021 when using services through the mobile application. The awards are 20 branded helmets, 15 branded hammocks, 10 branded backpacks, 10 branded Bluetooth headphones, 3 bluetooth speakers, 1 Iphone 12;
- » A Visa promotion focused on cardholders with Visa Gold and Visa Platinum cards — upon any payment with Visa Gold or Platinum at MDL Group cardholders will receive 10 % of the amount paid back to their account;
- » The spring promotion of VISA for the period 15.04.2021-14.06.2021, which includes

cardholders, who made payments with the contactless card and/or online payments for goods and/or services with a total value of at least BGN 50 (fifty) with VAT, regardless of their number;

- » A joint promotion of Visa and Grabo.bg - "Catch more from the summer!" for the period from 01.06.2021 to 15.08.2021. Each participant, who paid for services or products at Grabo with his/her registered Visa card, receives a bonus of 5 % of the amount paid with the card, but not more than BGN 30. Everyone, who has made at least 3 purchases worth at least BGN 20 during the campaign with the registered card, participates in a raffle for the following prizes: 3 iPhones 12 and 3 Samsung Galaxy S21;
- » Visa campaign for Visa Business cardholders — "Support your business with Visa". For purchases on international sites above a certain amount and accumulation of payments for a total of at least BGN 150, BGN 30 are automatically charged back to the card. The promotion is active from 01.06.2021 to 30.09.2021;
- » A joint Mastercard & OMV campaign to participate in a raffle for 150 prizes — prepaid Mastercard cards, which can be used at: www.balevbiomarket.com, www.sportdepot.bg or at any OMV petrol station. A prerequisite for the participants in the campaign is to pay contactlessly at OMV gas station at least BGN 59 and to register their receipt at www.omv.bg. The campaign takes place from 15 April 2021 to 31 July 2021;
- » Joint promotion with Mastercard from 16.04. to 16.07.2021. For participation it is necessary for cardholders to make contactless payment for more than BGN 50 at Ikea and register the payment data on Ikea's website. Participation allows cardholders to win one of 150 picnic baskets, a Bedouin holiday, a weekend at the Zornitza Family Estate or an adventure in the Food and Dance Factory;
- » Mastercard initiative is focused on protecting the environment and combating climate changes. An amount shall be allocated for each contactless transaction for the planting of 100 million trees;
- » A joint campaign of Mastercard & Casavino — any purchase of Bulgarian wine with Mastercard, issued by CCB at the Casavino stores or at www.casavino.bg gives a chance to win another bottle of wine.

Promotion period from 07.04.2021 to 07.10.2021.

- » Mastercard initiative is focused on protecting the environment and combating climate changes. An amount shall be allocated for each contactless transaction for the planting of 100 million trees;
- » Promotion of Mastercard focused on premium cardholders in the period from 01.07.2021 to 30.09.2021. Upon performing a minimum of 5 payments with premium Mastercard debit or credit card (World, Gold or Business) every month until 30 September at a hotel, gas station, restaurant and travel agency, etc. in Bulgaria and/or abroad every 5 payments participate in a prize raffle;
- » Visa campaign related to the Tokyo 2020 Olympic Games for the period: 05.07.2021 – 08.08.2021 — for each registered payment of more than BGN 10, the customers participate in a raffle for a daily prize, and with three registered payments for a weekly prize;
- » Promotion with Mastercard and Apple Pay cards — upon registration of 5 mobile payments with Mastercard card from CCB via Apple Pay in the period from 04.10.2021 to 05.12.2021, customers can win any of the following prizes: 3 holiday vouchers from Posoka.com, each worth BGN 3,000, 9 shopping vouchers from Homemax, each worth BGN 600 or 15 vouchers from Lukoil petrol stations, each worth BGN 100;
- » Promotion of Mastercard to stimulate the mobile payments via Apple Pay and Google Pay in the period from 15.10.2021 to 15.12.2021, including for electric vehicle — BMW i3;
- » Promotion of Ucha.se and VISA and an opportunity for a prize. For participation it is necessary to purchase a subscription for 6, 12 or 24 months on the website of Ucha.se in the period from 01.09.2021 to 31.10.2021 and to be paid with VISA card;
- » All newly issued Mastercard cards in the period from 15.11.2021 to 28.02.2022 and received by the clients until 14.03.2022 have promotional conditions: 0 % interest rate for the first 6 months of the card activation and an annual fee from the second year.
- » Joint campaign of Mastercard and METRO stores — upon payment of the bill for at least BGN 69 in the period from 15.11.2021 to 19.12.2021 and registering the receipt at promo.metro.bg;

### Campaigns to promote the issuance of cards

In connection with the started project with Mastercard to optimise the portfolio of card products of CCB, several analyses were carried out of the behavior of the current cardholders — how often they use their cards, what they use their cards for (purchases in Bulgaria/abroad, ATM withdrawals), etc.

The first campaign took place from **17 August to 31 October 2021** and some of the selected clients were offered the issuance of **World Debit Mastercard**.

Besides the advantages characteristic of this type of card, customers participated in an additional prize raffle:

- » **subscription to TV from A1;**
- » **7 x iPhone 12.**

The second campaign — part of the Project for optimising the portfolio of card products of CCB targeted the business segment of customers by offering them Debit Mastercard Commercial corporate debit cards with promotional terms. The campaign took place from 13 September to 25 October. The first 600, who requested a new card, received a free subscription to Forbes Bulgaria. All clients, who requested Debit Mastercard Commercial debit cards, also participated in a raffle for 5 awards x MacBook Pro laptop.

The third campaign — part of the project to optimise the portfolio of card products targeted the sale of Mastercard credit cards and took place in the period from 18.10.2021 to 21.11.2021.

After the end of the campaign, a raffle was held among the clients with the following awards:

- » 4 winter holidays with skiing or snowboarding lessons;
- » 30 shopping vouchers at Sport Depot, each worth BGN 1000;

The fourth campaign, part of the Project to optimise the portfolio of card products, targeted the stimulation of Mastercard card payments by customers. The promotion took place from **26 November to 31 December**. To participate in the promotion, a **Mastercard®** cardholder with a debit or credit card of CCB was required to make at least 15 payments, each amounting to a minimum of BGN 10. All customers, who fulfilled the specified conditions, participated for the following prizes:

- » 30 x voucher for shopping on answer.bg, each worth BGN 500;
- » 30 x voucher for shopping on technopolis.bg, each worth BGN 500;
- » 30 x voucher for shopping on duka.bg, each worth BGN 500.

### CCB Club LOYALTY PROGRAM

In 2021, the CCB Club programme maintained its sustainable development.

The CCB Club program includes 11 partners who provide the following discounts:

- » Bulgaria Air provides customers with an attractive discount of 5 % on the price of air plane tickets, to which is added the discount for payment with the CCB-Bulgaria Air co-branded credit card. Highly appreciated by the customers is also the preference in the form of free transportation of additional luggage on each flight of Bulgaria Air.
- » Armeec ZAD provides the possibility for the accrual of bonus points under the program in combination with the use of various other discounts from the insurance company;
- » Lukoil, due to the nature of its business, provides the highest frequency of bonus sales:
  - CCB Club gold card — discount of 4 %;
  - CCB Club silver card — discount of 3.5 %;
  - CCB Club business card — discount of 3.5 %;
  - CCB Club standard card — the discount of 3 % remains;
- » HomeMax chain stores — 5 % discount;
- » COOP retail chain — 3 % discount;
- » BM Market food chain — 3 % discount;
- » Grand Optics & Joy Optics chain optics — 20 % discount;
- » Frant Men's fashion stores — 10 % discount;

- » Hush Puppies Shoe stores— 5 % discount;
- » Special proposals from A1 for CCB Club members;

At the end of 2021, the number of customers participating in the CCB Club loyalty program reached 576,250, with the bonus sales amount exceeding BGN 55 million.

### CCB Bonus PROGRAM

CCB AD continues to develop the CCB Bonus program. Its main purpose is to direct the Bank's cardholders to the commercial sites of selected partners, where they have the opportunity to benefit from special discounts. The CCB Bonus program is an important advantage for customers when choosing a bank, not only for credit cards, but also for debit cards. It aims at stimulating card payments and creating relationships of lasting partnership with both customers and merchants. The mobile version of CCB Bonus enables customers to access the catalog via mobile devices and at any time to be informed about retail outlets, where they can benefit from the discount.

### INTERNATIONAL PAYMENTS

The outgoing and incoming customer wire transfers, the local payments in foreign currency and the transit transfers (where neither the ordering customers, nor the beneficiaries are clients of CCB Plc) are processed by a



Main office of CCB, Varna

department at the Bank head-office, which consists of highly qualified professionals, specialized in several directions:

- » Transfers
- » Documentary operations and trade finance
- » Western Union

Credit transfers are the most common form of payment, used by clients individuals and by our business clients. For their quality and efficient performance in 2021 the Bank maintained 16 correspondent Nostro accounts in 14 of the currencies most used by business and the population - EUR, USD, GBP, CHF, DKK, SEK, NOK, JPY, CAD, PLN, RON, RUB, TRY and MKD. The correspondent banks, where CCB maintains its Nostro accounts are some of the most reputable and stable international financial institutions, including Bank of New York Mellon, New York, UniCredit S.p.A., Milan, Landesbank Baden-Wuerttemberg, Stuttgart, Raiffeisen Bank International AG, Vienna, PostFinance AG, Berne, Sumitomo Mitsui Banking Corporation, Tokyo, DnB NOR Bank ASA, Oslo, PKO Bank Polski SA, Warsaw. Besides, by virtue of special negotiations with Bank of New York Mellon, CCB effects transfers in over 120 rarely used currencies, such as Australian and New Zealand dollars, Hungarian Forints, Chinese renminbi, Indian rupee, Indonesian rupee, South African Rand, Israeli shekel, Korean Republic Won, Malaysian ringgit, Philippine peso, etc.

### Breakdown of the cross-border customer transfers at CCB Plc in 2021 according to currencies

Currency	percentage share in the value of transactions	percentage share in the number of transactions
EUR	85.57%	92.50%
USD	11.07%	3.41%
GBP	1.76%	2.32%
CHF	0.37%	0.50%
Scandinavian currencies	0.19%	0.56%
Other currencies	1.05%	0.71%

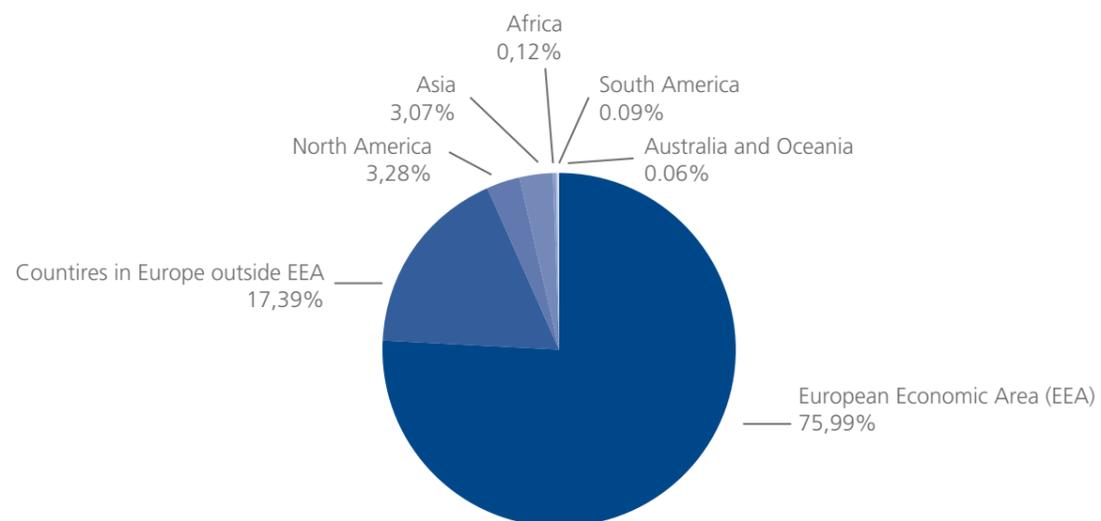
Besides via the classical correspondent banking channels, CCB Plc performs and receives its customer transfers via several payment systems for EUR, in which the Bank has the statute of a direct participant.

- » Since February 2010 CCB Plc is a direct participant in the Trans-European Automated Real-time Gross settlement Express Transfer system **TARGET2**.
- » Since **December 2020 CCB Plc is a direct participant in the Pan- European payment system for SEPA credit transfers EBA STEP2**, and became the second bank in Bulgaria with direct participation in the biggest payment system for SEPA transfer in Europe. (Previously, since 2009 CCB Plc was an indirect participant via a correspondent bank in the EURO Zone).
- » CCB Plc is a member of the local SEPA payment system for transfers in EUR **BISERA7-EUR** since its inception at the beginning of 2010.

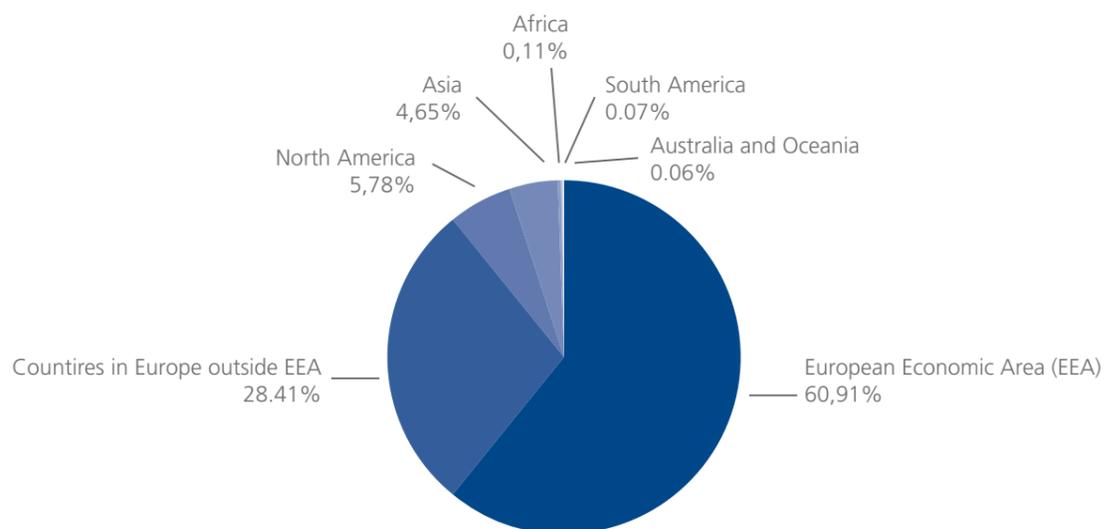
In October 2019 CCB joined the initiative of SWIFT "GPI – Global Payments Innovation" and in this way it became the second bank in Bulgaria that implemented GPI. The integration of GPI within the CCB system was the subsequent serious step for improving the speed and quality of the cross-border transfers of the Bank's clients. GPI provides additional possibilities for tracking the transfers in real time, and also guarantees transparency with respect to the bank charges and FX rates in the performance of the wire transfers via SWIFT.

**Outgoing wire transfers at CCB Plc for 2021 according to geographic regions**

*Breakdown of the outgoing wire transfers according to number of transactions*



*Breakdown of the outgoing wire transfers according to value of the transactions*



Regarding the outgoing customer transfers in foreign exchange in 2021 the most important countries were Germany, Netherlands, Italy, Spain, Lithuania, Greece, Great Britain, Austria, France, Turkey, North Macedonia, Belgium, Poland, USA, Romania and Russia. During the year transfers were ordered to 108 countries.

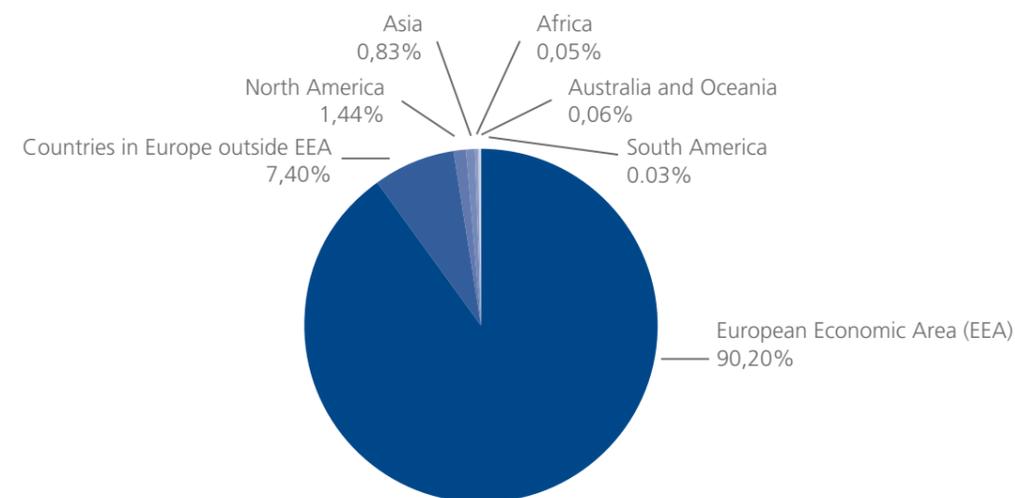
The main countries for incoming customer transfers in 2021 were Germany, Netherlands, Belgium, France, Great Britain, Spain, Italy, Austria, Ireland, Greece, Cyprus, Lithuania, USA, Switzerland and Sweden. In 2021 CCB received customer transfers from 117 countries.



The diagram below presents the share of the distinct geographic economic regions all over the world with respect to the received transfers in terms of value.

**Incoming wire transfers at CCB Plc for 2021 according to geographic regions**

*Breakdown of the incoming wire transfers according to number of transactions*

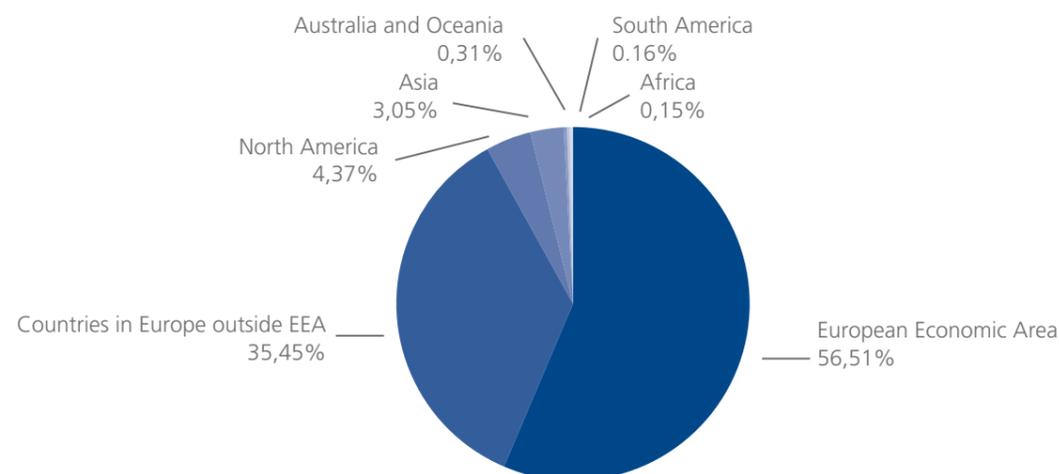




The transactions concerning documentary operations (documentary LCs and documentary collections) have significantly smaller share compared to the credit transfers, due to the greater complexity and higher price. In 2021 our corporate clients many times used the services of the documentary payments and trade finance department of CCB, which in addition to the quality processing of the documentary transactions, provided expert consulting for import and export LCs and bank guarantees.

Since 2003 CCB Plc is a licensed agent for Bulgaria of the American company Western Union – one of the global leaders in the fast money transfers. The Bank offers the services of Western Union in its 265 offices, and for its individual clients with checking accounts with CCB– also via the platform for Internet banking. The Western Union money transfers enjoy great popularity among the population – especially in the regions with great migration and for this reason in 2021 thousands of Bank clients received and sent money from and to their relatives abroad at CCB locations.

Breakdown of the incoming wire transfers according to value of the transactions

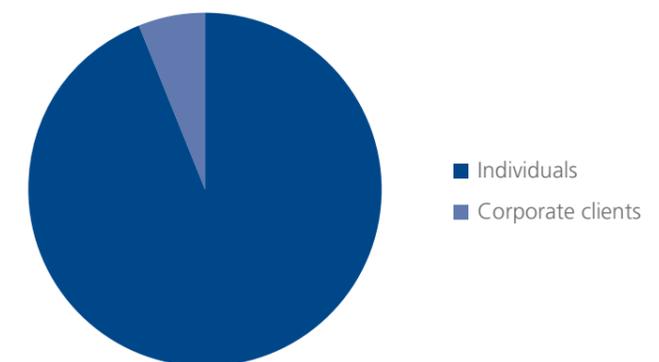


### CLIENT STRUCTURE

A considerable contribution for the success and established market positions of the Bank belongs to its clients. For this reason CCB Plc attracted more clients, especially individuals, households, SMEs. The Bank’s portfolio is entirely subordinated to the needs and desires of clients. The efforts are concentrated on offering competitive and attractive products.

Sector	31.12.2021	31.12.2020
Individuals	1,780,147	1,752,021
Commerce	64,367	63,248
Transport and communications	6,055	5,904
Industry and construction	11,543	11,187
Agriculture and forestry, hunting and fishing	5,547	5,456
Finance, loans and insurance	2,396	2,329
Education	3,375	3,128
Healthcare, sports and tourism	2,486	2,401
Other	21,224	20,368
<b>Total:</b>	<b>1,897,140</b>	<b>1,866,042</b>

The clients of the Bank again increased and reached 1,897,140 at the end of 2021. Compared to the previous year the increase is in the amount of 1,66 %, whereas the results take into consideration mainly the increase in individuals. Their share increased by 31,098 compared to 2020. The positive growths that is observed in the last several years is mainly due to the ambition of the Bank to develop in one of the most competitive for the banking sector segment, namely retail banking. There is a growth in lending to SMEs.



## THE BANK IN THE FUTURE

Central Cooperative Bank Plc has always endeavored to increase the number of its clients via maintaining an optimum level of risk and excellent financial results.

The goals of the Bank for the future are:

- » Increasing the total assets of the Bank, respectively the market share.
- » Development and streamlining the control systems and the systems harmonization with the changes in the BNB regulations.
- » Developing and defending the leadership position in the use of the most contemporary channels of distributing the bank products.
- » Streamlining and constant adaptation of the client model of the operative organization with the aim of maintaining the high quality of the bank servicing.
- » Optimizing the branch network of the Bank.
- » Deploying the positions in retail banking. Increasing the volume and the relative share in the loan portfolio of loans to individuals – consumer and mortgage loans.
- » Deploying the operations with debit and credit cards. Profiting from the full membership and the accepting rights in the two card associations – Mastercard and Visa International. Optimizing the Bank network of POS terminals and ATMs. Defending the third place in the card business.
- » Profiting from the synergy in rendering services to the insurance companies, the pension companies, the health insurance companies and the investment companies from the group of Chimimport – the main shareholder of the Bank.
- » Offering services and financing of projects of agricultural producers – under the programs of the structural funds of EU.
- » Deploying the volume of the loan portfolio of SMEs.
- » Attracting the servicing of new budgetary and municipal structures and companies.
- » Development of the subsidiary banks in the Republic of Macedonia and Russia.
- » Increasing the qualification of the employees and streamlining the mechanisms for stimulating employees.



Office of CCB, Stara Zagora

## Central Cooperative Bank Plc. Skopje

### HISTORY

Sileks Banka Plc. Skopje was established on the 5th of December 1992. In September 2001, Zemjodelska Banka Plc. Skopje was merged with Sileks Banka Plc. Skopje. At the end of 2007, Central Cooperative Bank Plc. Sofia buys 35,000 shares, acquiring 15.40% of the capital of Sileks banka Plc. Skopje. According to the Law on the Acquisition of Joint Stock Companies, CCB Plc. Sofia buys additional 136,658 shares and on the 28th of February 2008 it became the owner of 171,658 shares or a majority shareholder, with participation of 75.51% of the shares of the capital of Sileks Banka Plc. Skopje. At the end of 2008, Sileks Banka Plc. Skopje changed the name to Central Cooperative Bank Plc. Skopje.

After the implementation of a private trade offer for 93 038 shares, the participation of CCB Plc. Sofia in the capital of Central Cooperative Bank Plc. Skopje is increased and by December 2009 amounts up to 82,63%.

On the 6th of April 2010, CCB Plc. Sofia buys 93.72% of the capital of Stater Banka Plc. Kumanovo. Stater Banka Plc. Kumanovo is the successor of the Komunalna Banka of Kumanovo area, which was formed in 1955. Since 1966 the Bank has been working as a Komercijalna banka Kumanovo and since 1968 as Komecijalno - Investiciona Banka Kumanovo. Several years later, the Bank became a branch of Stopanska Banka Skopje and afterward is transformed into Stopanska Banka Primary Bank Kumanovo.

On the 31th of January 1990, a decision was made for the establishment of Stopanska Banka Plc. Skopje, in which Stopanska Banka Primary Bank Kumanovo became the Main Branch of Stopanska Banka Plc. Skopje.

Due to the transformation of the banking system in Macedonia, on the 14th of June 1995 Stopanska Banka Plc. Skopje, Main Branch Kumanovo, is being established as Komercijalno investiciona Banka (KIB) Plc. Kumanovo, with the transfer of the capital deposits of the founders of Stopanska Banka Plc. Skopje, Main Branch Kumanovo at Komercijalno investiciona Banka Plc. Kumanovo.

On the 1st of July 2008 Komercijalno investiciona

Banka Plc. Kumanovo changed its name to Stater Banka Plc. Kumanovo and was fully privatized by acquiring 312,647 shares, or 92.18% of the shares of the Bank, by Milestone Ltd from Iceland.

In April 2010, Central Cooperative Bank Plc. Sofia, Republic of Bulgaria became the dominant owner of Stater Banka Plc. Kumanovo. On the 3rd of January 2011 Stater Banka Plc. Kumanovo merged to Central Cooperative Bank Plc. Skopje.

CCB Plc. Skopje is a public company whose shares are traded on Macedonian Stock Exchange Plc. Skopje - official market. As of the 31st of December 2019, the total assets of the Bank is 171 million

### ACTIVITY

CCB Plc. Skopje has a full license issued by the National Bank of the Republic of Macedonia to perform all types of banking activities:

- » Approval of Loans to individuals and legal entities;
- » Deposits in national and foreign currencies;
- » Perform payment operations on the territory of the Republic of Macedonia and internationally;
- » Performing transactions in foreign currency;
- » Issuance of letters of credit and guarantees;
- » Issuance of debit and credit cards;
- » Payment of salaries to employees of corporate clients;
- » Securities trading, etc.

The Bank operates through 5 branches and 21 branch offices on the territory of the Republic of Macedonia - Skopje, Kumanovo, Ohrid, Kratovo, Probistip, Stip, Resen, Tetovo, Gevgelija, Veles, Bitola, Strumica, Kriva Palanka, Kavadarci and Prilep.

Central Cooperative Bank Plc. Skopje has developed international correspondent relations with many banks around the world through the SWIFT network.

### MARKET POSITION

According to the grouping made by the National Bank, banks in Macedonia are divided into three groups according to the total assets - large (with assets over 37.95 billion denars), medium (with assets



Office of CCB, Skopje

between 9.45 and 37.95 billion denars) and small (with assets below 9.45 billion denars). At the end of 2019, CCB Plc. Skopje belongs into the second group of banks with an asset of 10.57 billion denars.

### CARD PAYMENTS

Central Cooperative Bank Plc. Skopje issues domestic cards, Visa and Mastercard cards. As products from domestic cards, customers are offered credit cards - Star Card for individuals and Business Card - credit cards for legal entities. These cards can be used only in the Republic of Macedonia for cash withdrawals at ATMs and bank counters and for in-store purchases.

On the 3rd of February 2012, the Bank was granted a Principal Member license in MasterCard Worldwide and since November 2011 it has issued Maestro debit cards and MasterCard Standard credit cards for individuals and MasterCard Business credit cards for legal entities. Since February 2014, the bank has started with issuing MasterCard Gold credit cards for individuals. Also, since March 2016, the bank has started with issuing Debit MasterCard contactless debit

cards for individuals. These cards can be used anywhere in the world where the MasterCard sign is used to withdraw cash at ATMs and bank counters and in-store purchases.

In accordance with the obtained license from Visa International, from 4th of October 2010, CCB Plc. Skopje is Affiliate Member in Visa Int'l, with a bank sponsor Halkbank Plc. Skopje.

The Bank issues Visa Electron debit cards and Visa



Office of CCB, Skopje

Revolving credit cards for individuals, as well as Visa Business Card credit cards for legal entities.

By the 31st of December 2019 the Bank has installed 37 ATMs and 179 POS terminals. By the 31st of December 2019 the number of cards is as follows:

Type of card	Number
Debit cards – Visa Electron	14,408
Debit cards – Debit Visa	3,622
Debit cards – Maestro	6,881
Debit cards – Debit MasterCard	7,301
Credit card – Visa Revolving	674
Credit card – MasterCard Revolving	2,287
Credit card – Visa Business	69
Credit card – MasterCard Gold	126
Credit card – MasterCard Business	97

#### Basic financial information for CCB Plc. Skopje

Indicators (mil. euro)	2017	2018	2019
Total assets (balance sheet amount)	140,03	149,45	171,46
Equity	19,23	19,33	19,48
Share capital	22,73	22,73	22,73
Attracted funds	119,82	129,03	150,70
Loans and advances (net)	94,98	102,96	110,31

\*Data source: own sources

#### PERSPECTIVES AND DEVELOPMENT

##### The main goals of the Bank in the future are:

- » Providing maximum security for the clients and depositors of the Bank;
- » Develop new segments, products and distribution channels in the field of banking;
- » Expanding the branch network and market share;
- » Attracting new clients from the segments of SMEs and individuals;
- » Optimize the correspondence network to make fast and seamless payment;
- » Maintaining high and secure asset quality;
- » Maintaining high capital sustainability;
- » Achieve effective cost control;
- » Maintaining an optimal balance between profitability and liquidity;
- » Maintaining a significant amount of profitable assets;
- » Establishment of significant deposit base with optimal client and maturity structure;
- » Achieving high return on equity in the long term;
- » Achieve high net income from the activity and high return on assets.

#### AO IC Bank AD, Kazan, Russian Federation

[www.icbru.ru](http://www.icbru.ru)

AO IC Bank was founded in March 1992, based on the Vahitovsko division of the State Bank of USSR. It was registered at the Central Bank of the Russian Soviet Federative Socialist Republic on 27 March 1992, state registration number: 1732. Until February 2014, the Bank was named ZAO AKB TatInvestBank (closed joint-stock company).

**AO IC Bank** is a member of the Russian Bank association and the Russian National SWIFT Association.

**AO IC Bank has been the holder of a license issued by the Bank of Russia No. 1732 since 18 May 2015 for the purpose of implementing all types of bank operations with natural persons and legal entities.**

At the end of 2019, AO IC Bank was servicing around 1,500 clients – both legal entities and individual

entrepreneurs, as well as over 30,000 natural persons.

Clients are serviced at the central office and in eight additional offices located in the city of Kazan, as well as in a branch in Moscow.

The staff of the Bank amount to 179 people as at 31 December 2019.

The authorised capital of the Bank is RUB 293.7, with the main share (over 86%) owned by Central Cooperative Bank AD, Sofia.

According to the INTERFAX 100 based on the results from 2019, AO IC Bank ranked 302nd by asset size among Russian banks (400 banks in total), 232nd by equity size and 313th by financial results.

Apart from the provisions of corporate and consumer loans, the Bank conducts active operations related to



parking funds in high-liquidity bonds (Ministry of Finance bonds and Bank of Russia bonds), interbank deposits and deposits with the Bank of Russia.

**Main indicators for the Bank's operations:**

Indicator	31 December 2019 (RUB million)	31 December 2018 (RUB million)
Bank assets	2 216,3	2 277,4
Equity	1 142,6	1 259,8
Authorised capital	293,7	293,7
Attracted funds	1 826,8	1 896,6
Loans and advances, net	907,9	701,0
Profit (loss)	9,9	(22,1)

\*Data source: own sources

The main sources of funding for the active operations of the bank are attracted client payment and deposit accounts of legal entities, as well as deposits and current accounts of natural persons.

**The bank also offers the following services:**

- » Cash services of legal entities and natural persons;
- » Online banking for legal and natural persons;
- » Bank card operations: payroll projects for payment of salaries to card accounts, issuing VISA and MIR bank cards, installation and service of commercial payment terminals;
- » Servicing the foreign trade operations of clients – legal persons (conversion operations, currency control, consultancy and other services);
- » Collection activity and provision of cash to clients – legal persons, as well as to other banks;
- » Implementation of cash transfers via the Zolotaya Korona (Golden Crown) system and other services.

The bank has operated on the bank market in the Republic of Tatarstan as an independent bank since 1992, it has a good reputation among its clients and a stable client base.

As a universal credit institution, AO IC Bank offers a wide range of services to its clients – legal entities as well as natural persons.

The bank has developed methods and procedures for managing and minimising the main types of bank risks: credit, interest rate, market, liquidity, as well as

country risk, operation, legal and reputational risk, and constant efforts are made to perfect the management and minimisation of risks.

The bank also owns a considerable supply of high-liquidity funds parked in deposits with the Bank of Russia, short-term interbank deposits in highly reliable banks, as well as in correspondent accounts with the Bank of Russia and in the form of cash funds at the Bank.

The bank is constantly studying the market of banking services, developing new products to meet the needs of current and prospective clients, for attracting new clients and developing incentives to raise staff motivation.

The implementation of software to cover all operation needs is constantly improved, and the network of ATM and payment devices is continually expanded.

The strategic aim of the Bank's shareholders is the expansion of business and being a part of the financial sector in the Russian Federation and the Republic of Tatarstan.

In 2018, a requirement was established for Russian banks with a universal license related to the minimum equity amount (capital) of the Bank in the amount of RUB 1 billion. The Bank shareholders fulfilled the requirement for universal license holders.



**Currently, the Bank has the following opportunities and prospects:**

- » Increase of the volume of business by attracting new bank service clients in the Republic of Tatarstan and Moscow;
- » Increase of the credit portfolio related to loans to natural persons based on current loan programs;
- » Development of new loan programs for natural and legal persons;
- » Implementation of new bank products for Bank clients, contemporary channels for the sale of bank services, technologies for remote servicing of clients;
- » Expansion of the territorial coverage of the Bank;
- » Expansion of the network of ATM and payment devices;
- » Increase of the client base of the branch in Moscow by gaining new bank service clients – natural and legal persons residents of the Republic of Bulgaria, as well as other clients doing business in Moscow and the region;

At the end of 2019, the Board of Directors of AO IC Bank established a new Strategy Plan for the period 2020 – 2022.

**AO IC Bank set the following goals and priorities for the period of the plan:**

- » Universal bank with a universal banking license;
- » Maintaining the amount of capital in compliance with the regulations for universal banking licenses;
- » Compliance with the regulations for capital adequacy;
- » Increase in profitability;
- » Development of the operations of the branch in Moscow;
- » Expansion of the territorial coverage and development of a joint office network with the insurance company AO Armeec;
- » Issuing of cobranded credit cards with AO Armeec and the Bulgaria Air airline;
- » Market presence of banking services related to servicing the freight traffic volume between the Russian Federation and the Republic of Bulgaria, including by using the ferry line Varna-Caucasus;
- » Service and provision of loans to Bulgarian citizens living in Russia and Russian citizens visiting or residing in Bulgaria;
- » Obtaining a license as a professional participant in the bond market;
- » Developing online banking and remote banking services;
- » Provision of consultancy and information services, including to Bulgarian companies operating in the Russian Federation;



## ZAD "ARMEEC" AD

### ЗА КОМПАНИЯТА

- » April 1996 Insurance company "Armeec" was established within the structure of the Ministry of Defense.
- » June 1998 ZAD ARMEEC AD received the right to carry out insurance activity in the field of general insurance with Permit No. 7 issued by the National Insurance Council.
- » July 2002 Chimimport AD acquires 91.92% of the company's capital. The Ministry of Defense and commercial companies of its system retain 8.08% shareholding.
- » October 2007 The Bulgarian credit rating agency awards the first credit rating certificate to ZAD "Armeec".
- » July 2011 ZAD "Armeec" AD became the first company in Bulgaria that owns the rights to the name of a sports and entertainment facility, through the contract for general sponsorship of "Arena Armeec Sofia".
- » December 2012 ZAD "Armeec" AD occupies the first place in the general insurance market in Bulgaria with a market share of 12.8%.
- » May 2016 ZAD "Armeec" AD won first prize at the "Insurer of the Year" ceremony for 2015 in the "General Insurance" category.
- » December 2018 ZAD "Armeec" implements the European and national legal framework on Solvency II, GDPR and IDD2.
- » April 2021 On April 11, 2021 ZAD Armeec AD celebrated 25 years since its establishment.

### SHAREHOLDERS

As of December 31, 2021, the paid-in capital of ZAD "Armeec" AD is BGN 33,019,000. The main shareholders of the company are:

Company	Number of shares	%
CCB Group EAD	267 413	80.99
Chimimport AD	32 155	9.74
Other	30 622	9.27

### MANAGEMENT

ZAD "Armeec" AD has a two-tier management system, consisting of a Supervisory Board and a Management Board.

#### Supervisory Board

##### Chairman:

"Chimimport" AD, represented by Nikola Mishev

**Members:** Prof. Dr. Ivanka Daneva "Central Cooperative Bank" AD, represented by Georgi Konstantinov, Sava Stoinov, Georgi Kostov and Tihomir Atanasov

#### Board of Directors

**Chairman:** Alexander Kerezov

**Членове:** Mirolyub Ivanov, Konstantin VeleV, Diana Maneva, Vasya Kokinova, Valentin Dimov, Galin Gorchev, Milen Kanchev

#### Representatives

**Executive directors:** Mirolyub Ivanov, Konstantin VeleV, Diana Maneva, Vasya Kokinova

### INSURANCE ACTIVITY

ZAD "Armeec" AD holds a license to carry out insurance activities on the territory of Bulgaria. The company offers all types of insurance products and services in the field of general insurance - automobile, property, aviation, marine and transport insurance, rail vehicle insurance, technical, agricultural, tourist and personal insurance, liability and financial risk insurance.

ZAD "Armeec" AD has a branch network of 53 agencies and 34 representative offices, which develop activities throughout the country. The distribution of insurance products is carried out by over 300 brokers and over 800 agents.



Joint Office of Armeec and CCB, Bourgas

## REINSURANCE PROGRAM

The reinsurance program of ZAD "Armeec" AD aims to ensure the stability of the insurance portfolio and to meet the needs of all its clients in case of adverse events. The program is prepared on the basis of a thorough analysis of risk and insurance-technical parameters.

The reinsurance contracts of ZAD "Armeec" AD cover the main insurance lines of business and correspond to the General Terms and Conditions and underwriting rules of the insurances.

The reinsurance program meets the requirements of the Insurance Code, as the concluded contracts contain all the necessary elements, ensuring timely payment of benefits for insurance events, optimal distribution of risk and protection from adverse events that may even temporarily affect the financial stability of the company.

The reinsurers with whom ZAD "Armeec" AD maintain relations have all the required ratings according to international standards. The risks of the company are shared by companies such as: Swiss Re; Hanover Re; Gen Re; SCOR Global; Deutsche Rückversicherung; AXA and other leading global reinsurers with a minimum A credit rating on the scale of recognized global rating agencies. Over the years, the company has built honest and transparent cooperation with its partners.

## MEMBERSHIPS AND CREDIT RATING

ZAD "Armeec" AD is a member of Bulgarian and international professional and commercial organizations - Association of Bulgarian Insurers, National Bureau of Bulgarian Automobile Insurers, Bulgarian Chamber of Commerce and Industry, Sofia Chamber of Commerce and Industry.



In February 2021, the Bulgarian Credit Rating Agency confirmed the long-term rating of ZAD "Armeec" AD BV+, "stable" outlook, as well as the long-term rating on the national scale A- (BG), "stable" outlook.

## MARKET ENVIRONMENT AND POSITIONS OF ZAD "ARMEEC" AD

According to the FCS data, by the end of December 2021, the general insurance market reached BGN 2,651,282,123, which is an increase compared to 8.73% of 2020 (BGN 212,843,874). If the influence of income from activities outside Bulgaria is not taken into account, the growth of the insurance market would amount to 7.2% (BGN 160,513,299).

The total gross premium income is reported on the basis of recorded (charged) general premium realized by 23 insurers, excluding those insurers operating on a "freedom of services" basis.

Type of business	Premium income				Market share		
	December 2021	December 2020	decrease / increase of the premium income	Growth (%)	Market share December 2021 (%)	Market share December 2020 (%)	(+/-)
	BGN	BGN			%	%	%
Civil liability	1 169 780 584	1 079 603 489	90 177 095	8,35%	44,12%	44,27%	-0,15%
Comprehensive insurance	712 342 129	653 192 491	59 149 638	9,06%	26,87%	26,79%	0,08%
Property insurances	339 385 428	310 756 755	28 628 672	9,21%	12,80%	12,74%	0,06%
Accidents	209 897 191	155 566 590	54 330 601	34,92%	7,92%	6,38%	1,54%
Financial risks	108 372 100	145 710 108	-37 338 008	-25,62%	4,09%	5,98%	-1,89%
Liabilities	57 437 542	50 459 959	6 977 583	13,83%	2,17%	2,07%	0,10%
Cargo	23 458 520	21 014 664	2 443 856	11,63%	0,88%	0,86%	0,02%
Aviation	11 564 722	8 996 897	2 567 825	28,54%	0,44%	0,37%	0,07%
Other	11 498 854	7 495 974	4 002 880	53,40%	0,43%	0,31%	0,13%
Marine	7 545 053	5 641 322	1 903 731	33,75%	0,28%	0,23%	0,05%
<b>Total</b>	<b>2 651 282 123</b>	<b>2 438 438 249</b>	<b>212 843 874</b>	<b>8,73%</b>	<b>100,00%</b>	<b>100,00%</b>	<b>0,00%</b>

For 2021, ZAD "Armeec" AD implemented BGN 217,253,678 in gross written premium income and ended the year in fifth market position with a market share of 8.19%.

If sales on foreign markets are not taken into account, the company will occupy the fourth market position with a market share of 9.09%.

**ACTIVITY OVERVIEW**

ZAD "Armeec" AD has ended the past year 2021 with stable business indicators and implemented a profit in the amount of BGN 8,632 thousand (BGN 7,429 thousand in 2020). The company continued its responsible sales policy and achieved excellent insurance results for another year. The gross and net technical result for 2021 are BGN 70,057,077 (BGN 37,103,520 in 2020) and BGN 37,513,185 (BGN 16,416,553 in 2020), respectively. The gross and net loss ratio remain at the historically most favorable levels of 26.4% and 32.1%, respectively.

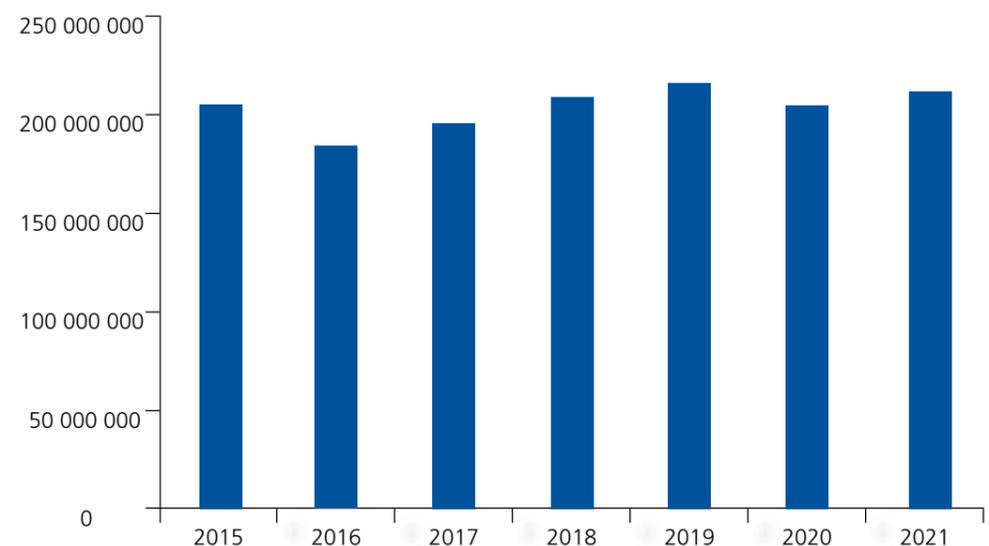
The reported key financial indicators of the company in 2021 are due to the balancing of the insurance portfolio through risk selection and withdrawal from some volatile business lines, improved financial discipline and continued optimization of the company's investment policy. Corporate governance in 2021 is aimed at fulfilling all regulatory requirements, including of the Solvency 2 directive, maintaining a high reserve of the company and ensuring financial stability.

Favorable Solvency 2 benchmarks have been achieved with a Solvency Capital Requirement (SCR) of 133% and a Minimum Solvency Capital Requirement (MCR) of 473%.

The launch of the new main Information System DM INS in 2020 revealed opportunities for ZAD "Armeec" AD to expand and upgrade with innovations in all main product lines. In parallel with work on the new system, a number of business processes and information flows have been optimized. The successful implementation of the system was the basis of process automation and digitization, especially relevant for better customer service in the new reality related to the spread of Covid – 19.

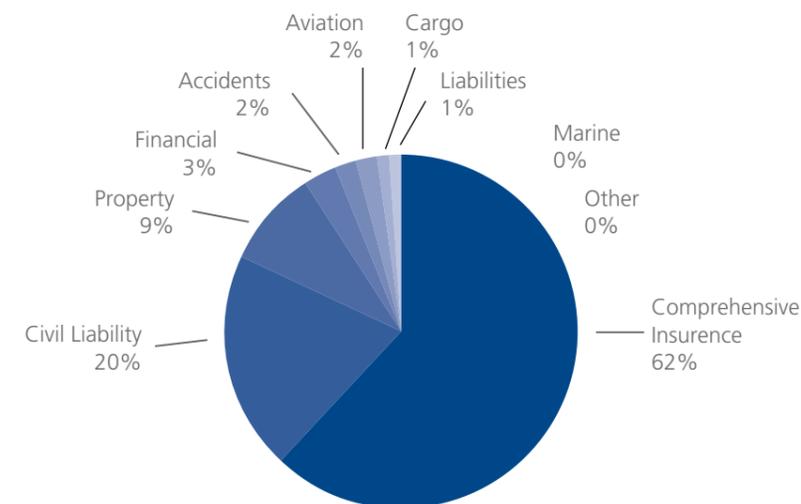
In 2021, the accrued premium income of ZAD "Armeec" AD in the amount of BGN 217,253,678 is for 352,359 insurance contracts. During the crisis in 2021, the company returned to historically high levels of premium income.

**Premium income of Armeec Insurance Jsc for the period 2011-2021 r.**



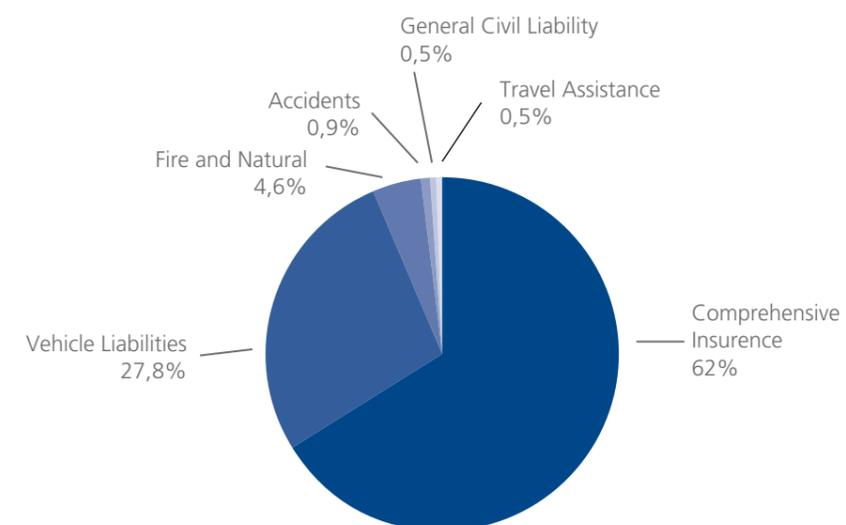
In 2021, the portfolio structure of ZAD "Armeec" AD continues to be dominated by automobile insurance. Motor vehicle accident insurance is the structurally defining business line. The company is once again in the first market position on the insurance market for Motor Vehicle Comprehensive insurance. The non-motor insurance portfolio maintains a balanced and stable market position. The distribution of business in 2021 by distribution channels is preserved, and regardless of the strong competition to attract insurance brokers in strategic business lines, the brokerage channel has a significant share in the portfolio of ZAD "Armeec" AD (62.6%).

**Distribution of the premium income of ZAD "Armeec" AD by types of insurance in 2021**



In 2021, ZAD "Armeec" AD paid damages to its customers in the amount of BGN 93,190,654, which is a decrease of 2% compared to the previous year 2020 and is mainly due to the improved damage quotas under "Comprehensive insurance of Motor Vehicles", Motorist Liability, Travel Assistance and Industrial Fire.

**Distribution of benefits paid by ZAD "Armeec" AD by types of insurance in 2021**



Regardless of the prolonged measures related to limiting the spread of Covid-19 through the introduction of online services and a remote work, the company ensured the continuity of the process and did not allow the quality of service to its customers to deteriorate. The digitization process has greatly helped to increase customer satisfaction in processing and payment of benefits and accelerate the innovation process.

The sales strategy of ZAD "Armeec" AD in the next three-year period 2022 - 2024 is aimed at maintaining the first market position in "Comprehensive insurance of Motor Vehicles" and stable leadership market positions in all other business lines.

It is possible the dynamic development of the pandemic related to the spread of Covid-19 and the ongoing military actions of the Russian Federation on the territory of Ukraine to have a negative impact on part of the insurance portfolio, to increase claims and paid damages to insured persons in the most affected industries and sectors, lead to price and credit risk volatility. Cancellation of events, flights and tourist trips, withdrawal of transport and aviation insurance coverage from territories affected by hostilities, may cause a general decrease in gross premiums and increased damage in some lines of business. Given the fact that the company has minimal exposure to insurance from the business lines related to "Financial Risks", the probability of a negative manifestation in connection with the crises is insignificant.

The rate of tolerance of negative effects depends directly on the intensity and duration of the crisis. The management of ZAD "Armeec" AD has taken measures to control all identified risks and monitor the financial condition and solvency ratios on a continuous basis. As an insurer applying the principles of the "prudent investor", the company is largely protected from fluctuations. Liquid assets and own funds meet regulatory requirements and liquidity buffers are currently unaffected.

## INITIATIVES AND CORPORATE SOCIAL RESPONSIBILITY

In the period of the crisis related to the spread of Covid-19, ZAD "Armeec" AD continued and implemented all the projects launched at the beginning of 2020.

The company donated 12 Braille machines for visually impaired students to Louis Braille High School in support of educational projects and causes in the interest of young people.

On the eve of the brightest Christian holidays, ZAD "Armeec" AD made a donation in support of the "Civil Initiatives - Lovech" association. The company donated air conditioners for the needs of the "Love" and "Nadezhda" centres for warmer and more cosy Christmas holidays.

Supporting objects, causes and initiatives that preserve Bulgarian traditions and spirit through donations are part of the social responsibility of ZAD "Armeec" AD. Guided by its active corporate social policy to support causes important to society, the company donated funds to strengthen the temple of "St. John the Theologian" in the neighbourhood of "Levski", Sofia, to allow the temple to function normally.

Following its mission to support and develop projects that preserve the memory of the past and the rich history of our country, the company donated funds for the digitization of the historical book fund of the library of the Sofia Theological Seminary "St. Ivan Rilski". The project aims to preserve a securities fund collected and enriched over several centuries.

For the third year in a row ZAD "Armeec" AD presented the patriotic award "Sava Mutkurov" to the best graduate of the National Military University "Vasil Levski". In 2021, Lieutenant Hristo Gendzhov received the award. During a special ceremony organized by the initiative committee, he received a bust of the first Bulgarian general Sava Mutkurov, a diploma and a

scholarship established by ZAD "Armeec".

In April 2021, ZAD "Armeec" AD celebrated 25 years from its establishment, during which the company has built itself as an established insurer offering a wide range of insurance products, a market leader in motor vehicle accident insurance with a developed branch and wide distribution network. As part of the campaign to mark its anniversary, ZAD "Armeec" AD was a partner of the national competition "Young Insurer" of the Higher School of Insurance and Finance (VUZF). The company provided a scholarship for the winner's studies for the master's program "Insurance Business and Risk Management" at the business university and the right to a one-month internship in the company.

For the second year in a row, ZAD "Armeec" AD was declared the favourite brand of consumers in Bulgaria by the independent online ranking "Favourite Brands". The company collected the most votes from users in the category "Insurance companies" and took the first position. More than 43 thousand people took part in the voting, who supported their favourite brands in various categories. The high rating of customers is another recognition for ZAD "Armeec" over the years.

Since 2012, ZAD "Armeec" AD has been financing the initiative "Bringing back the peregrine falcon to Bulgaria", the aim of which is to increase the population of the majestic birds. In 2021, the company received international recognition from the respected media The Guardian, which in the pages of the magazine focused on the cause and efforts of ZAD "Armeec" and "Green Balkans" for the return of the peregrine falcon to Bulgaria and the achievements of the two companies in the pages of the magazine process in recent years. For 9 years now, ZAD "Armeec" has been supporting the rescue centre and the breeding of the endangered species, and during these years more than 80 birds have been released from the centre into their natural habitat.

Traditionally, over the years, the company has supported various sports initiatives. ZAD "Armeec"

AD is the main sponsor of the Bulgarian Karate Kyokushin Federation (BKKF), providing financial support for all competitions, championships and training camps with the aim of popularizing and developing this sport. The year 2021 was filled with a number of competitions, from which the Bulgarian athletes won dozens of medals for Bulgaria.

## FUTURE DEVELOPMENT

The forecast for development in the next three-year period is based on a moderate risk appetite in compliance with the capital requirement and underwriting rules of the company in the conditions of an ongoing crisis related to the pandemic and the military actions on the territory of Ukraine. The internal political situation in Bulgaria and the forecasts for the deterioration of the macroeconomic indicators suggest instability in the forecasts in the medium term. Expectations for a gradual normalization and return to the usual economic activity and insurance activity in business lines will undergo further corrections in 2022. Regardless of the unforeseen and unexpected crisis and the understated business indicators in some insurance lines, ZAD Armeec AD does not change its development strategy, but is looking for its own sources to overcome the negative trends. The structure of the portfolio and digitalization, the weight of insurance business lines, which are less subject to market fluctuations, give reason to make estimates for stabilization at the end of 2023. No serious deviations from the set indicators in the Company's Activity Program are expected for the period 2022 – 2024.

ZAD "Armeec" AD will retain the position of the most preferred insurer in "Comprehensive insurance of Motor Vehicles" with a balanced portfolio in all business lines and will increase its market share in the property line of business, including "Fire and natural disasters" and "Damage to property". The work on the constant optimization of the company's reinsurance program is a pledge to achieve even more favourable levels of indicators under the Solvency 2 directive.

## Insurance Company CCB Life JSC

CCB Life is an Insurance Joint Stock Company, registered in the Commercial Register and the Register of Non-Profit Legal entities of Bulgaria, with registered office and address Sofia 1000, 2 Stefan Karadza str., licensed to perform insurance business by the Financial Supervision Commission by Decision No. 13333-G3 of October 31, 2007, supplemented by Decision No. 545-G3 of July 11, 2013.

The Company is governed in one-tier board system. The Board of Directors includes:

- » Zdravka Dimitrova, Deputy Chairman of the Board of Directors
- » Rositsa Velinova – Member of the Board of Directors and Executive Director
- » prof. Ivanka Daneva, Dr. – Member of the Board of Directors
- » Procurement Officer - Konstantin Velev

Дружеството се представлява заедно от изпълнителния директор г-жа Росица Велинова заедно с прокуриста на дружеството г-н Константин Велев.

The company is jointly represented by:  
Any of the Executive directors: Rositsa Velinova, Member of the Board of Directors and Executive Director and Konstantin Velev - Procurement Officer.

The main goal of CCB Life JSC. is to provide specific

insurance solutions for the needs and requirements of the company's customers, by ensuring transparency of negotiation and quality in servicing insurance contracts.

- Our values:
- » Trust and integrity
  - » Responsibility and respect
  - » Business Ethics
  - » Teamwork
  - » Training and innovation

Our mission: Good life and care for people!

Your benefits for the decision to select CCB Life:

- » Innovative solutions
- » Insurance protection for everyone
- » Wide choice of insurance risks
- » Responsible and fair decisions in the occurrence of an insurance event
- » Reasonable price

### PRODUCTS

- » Risk Life insurances
- » Life endowment insurances
- » Credit Life insurance
- » "Accident and Illness" Insurances

CCB life JCS operates on the entire territory of Bulgaria, through the well-developed branch network of Insurance Company Armeec JSC and through leading insurance brokers, as a priority develops bank sales through successful cooperation with Central Cooperative Bank PLC.



## CCB-Sila Pension Provision JSC

CCB-Sila PPJSC was established in February 1994. The company is the first provider on the market for supplementary pension provision in the country. With its over 27 years of tradition, CCB-Sila PPJSC has established itself as a secure and reliable partner.

CCB-Sila PPJSC has a two-tier management system – Supervisory Board and Managing Board.

Members of the Managing Board:  
Alexander Velichkov, Georgi Todorov, Kiril Chervenkov, Sava Stoynov

CCB-Sila PPJSC is jointly represented by the Executive Directors Sava Stoynov and Kiril Chervenkov or Sava Stoynov and Georgi Todorov.

With many years of tradition, CCB-Sila PPJSC has established itself as a secure and reliable partner in the field of pension provision.

The company manages three licensed funds for supplementary pension provision, which operate on the fully funded principle: Universal pension fund CCB-Sila, Professional pension fund CCB-Sila, and Voluntary pension fund CCB-Sila and two payments funds: Life-long pensions payments fund CCB-Sila and Deferred payments fund CCB-Sila.

In late 2002, the group of Chimimport Plc acquired the majority shares in the Pension provision company.

Up to that moment the number of participants in CCB-Sila PPJSC pension funds is 57 284, which is 3.17% of the market share in terms of insured persons, while the managed assets amount to BGN 6 124 thousand, which is 1.84% of the market share under this index.

Company's net financial result for past 2021 is BGN 4 181 thousand, as the profit of pension provision activities is BGN 9 275 thousand. For comparison, company's realized net financial result in 2020 is BGN 4 876 thousand, and the profit of pension provision activities is BGN 7 849 thousand.

The outcome of the long-term presence at the pension provision market is presented by the following figures:

- » As per December 31, 2021 within the managed by CCB-Sila PPJSC pension funds 405 453 persons are insured, which represents 8.36% of the market share by number of insured persons.
- » In 2021 a growth of the net assets of the funds for supplementary pension provision is observed. As per December 31, 2021 the sum of net assets reached BGN 1.708 billion, against BGN 1.562 billion at the beginning of the year. This represents an increase by BGN 146.798 million or 9.40%. Company's market share by net assets is 8.74% at the end of 2021.



Main office of CCB-Sila, Sofia

#### Development of net assets of the pension funds managed by CCB-Sila pension provision jsc during the past 5 years

NET ASSETS	2017	2018	2019	2020	2021
BGN Million	1 195.6	1 295.9	1 460.1	1 561.5	1 708.3

» Company's income from main activities is BGN 18 605 thousand, market share by that indicator is 8.89% in 2021.

» For the thirteen-consecutive year CCB-Sila PPJSC is the company on the Bulgarian market, whose pension funds close every particular year with positive rate of return.

#### UNIVERSAL PENSION FUND CCB-Sila

Rate of return, which is geometrical mean nominal on an annual basis over 5-year period (Jan 1, 2017 – Dec 31, 2021) is 2.80%. Standard deviation for the same period is 2.51%.

Market share as of Dec 31, 2021 in number of insured persons is 8.17%, and in managed net assets is 8.74%. Newly insured persons in 2021 are 7 650 – 9.95% of all newly insured.

Since September 2021, with passing of the legislation, began the payment of life-long and limited period pensions

and other pension payments from Universal Pension Fund through the newly established Life-long Pensions Payments Fund and Deferred Payments Fund.

#### PROFESSIONAL PENSION FUND CCB-Sila

Rate of return, which is geometrical mean nominal on an annual basis over 5-year period (Jan 1, 2017 – Dec 31, 2021) is 3.11%. Standard deviation for the same period is 3.82%.

Market share by number of participants as of Dec 31, 2021 is 10.26%; market share by managed net assets: 9.81%. Number of newly insured persons in 2021 is 1 300 – 11.19% of all newly insured.

Since 2019 Professional Pension Fund CCB-Sila pays Limited time early retirement pensions, which testifies to the social engagement of the Fund to its clients, who have acquired entitlement to a fixed-period pension from the professional funds. In 2021 the Fund paid BGN 989 317 in total to its insured persons and survivors of insured persons. The monthly pension amounts between BGN 1 062 and 1 683.

#### VOLUNTARY PENSION FUND CCB-Sila

Rate of return, which is geometrical mean nominal on an annual basis over 5-year period (Jan 1, 2017 – Dec 31, 2021) is 4.45%. Standard deviation for the same period is 5.19%.

Market share as of Dec 31, 2021 by number of insured persons is 8.72%; market share by managed net assets is 7.70%. Number of newly insured persons in 2021 is 1 722 – 9.21% of all newly insured.

There is a balance between contracts for personal contributions and contracts for employer's contributions.

VPF CCB-Sila keeps its leading positions by number of granted fixed and lifetime pensions. That shows customers' loyalty.

Among bigger corporative customers are: Lukoil Bulgaria JSC, Central Cooperative Bank Plc, Lukoil Neftochim Bourgas JSC, Business Management Systems EOOD, DS Smith Bulgaria Plc, National Academy of Music Prof. Pancho Vladigerov, Guard HMS Plc, SGS Bulgaria Ltd.

VPF CCB-Sila offers flexible pay-out options among various types of lifetime or fixed term pensions, lump sum or programmed withdrawals of the accumulated funds. The Fund starts paying pensions in 1996.

Due to the professionalism and the diligence in the performance of the activity, the pension funds of the Company are achieving investment returns with moderate levels of risk, which multiply the amounts, accrued in the individual account of the insured persons. Thus, the persons entitled to supplementary life-long pension for old-age have the opportunity to choose the pension product, most appropriate to them.

In the **Life-long Pensions Payments Fund** are transferred BGN 464 thousand and contrasts have been concluded with 26 pensioners as of the end of 2021.

From the **Deferred Payments Fund**, with BGN 546 thousand of assets, payments are receiving 103 persons as of the end of 2021.

*Note. Data are from the FSC website (www.fsc.bg), geometrical mean nominal rate of return of the pension funds is calculated pursuant to Art. 10, para 2 of Regulation No.61 of FSC on advertising and written information matter and web sites of the pension insurance companies. Sharpe ratio data are presented on www.ccb-sila.com. The results are not indicative of future results and do not guarantee future positive returns, preservation of the full investment amount or increase of the unit value. Meaning and methodology for calculation of the indexes, funds' investment policies and their modifications are released on www.ccb-sila.com.*

#### CUSTOMER SERVICE:

- » The customer service is conducted through the branch network of Central Cooperative Bank Plc, which covers the whole country;
- » Each client receives a personal identification code by which the individual account can be checked at any time on www.ccb-sila.com;
- » The insured person may refer all questions of interest, including fund's dynamics in the individual account, to Customer Care Service on phone number 0700 11 322.

## CCB Assets Management JSC

Chimimport Plc owns 100% of the share capital of CCB Assets Management JSC through its subsidiary Central Cooperative Bank Plc, which during the fourth quarter of 2011 acquired 500,000 dematerialized, ordinary and registered shares with right to vote, having nominal value of BGN 1.00 each.

CCB Assets Management is one of the leading asset management companies in Bulgaria whose investment products are developed and managed by a team of experts with solid experience in the financial markets. According to the size of the managed assets CCB Assets Management JSC is ranked in Top 10 in the ranking of the asset management companies – members of the Bulgarian Association of Asset Management Companies (BAAMC). As of December 31st, 2021 the assets managed by the company amount to BGN 68 890 million.

### SCOPE OF ACTIVITY

CCB Assets Management JSC was established as a management company on November 22nd, 2006. Since the beginning of June 2007 the company is managing four mutual funds with different risk profile - CCB Garant, CCB Aktive, CCB Leader and CCB Private. The income from investments in a mutual fund is exempt from tax under Bulgarian law.

### CCB Garant Mutual Fund

CCB Garant is suitable for investors with a conservative investment strategy, seeking stable income for their savings while taking low risk.

Subject to investments are primarily high-quality bonds, other debt securities and money market instruments, accepted for trading on regulated markets in Bulgaria and abroad.

The main goal of CCB Garant is to preserve the value of the shareholders' investments and also to ensure stable increase while taking minimal risk.

*The fund size amounts to BGN 6 724 053 as of 31.12.2021*

### CCB Active Mutual Fund

CCB Active is suitable for investors with a balanced investment strategy, seeking stable income and moderate growth of their savings while taking moderate risk.

The investment policy of the fund envisages realization of capital gains from shares and dividend earnings, as well as current income from debt securities, instruments of the money market and other financial instruments accepted for trading on regulated markets in Bulgaria and abroad.

CCB Active is one of the largest balanced mutual funds by assets under management compared to the mutual funds with balanced investment strategy, managed by companies that are members of the Bulgarian Association of Management Companies (BAAM). The fund size amounts to BGN 30 382 835 as of 31.12.2021.

*CCB Active brought investors a return for the year 2021 at the rate of 7.06%.*

### CCB Leader Mutual Fund

CCB Leader is a fund suitable for investors with an aggressive investment strategy seeking higher income for their savings while taking moderate to high risk.

Investments are made primarily in shares accepted for trading on regulated markets in Bulgaria and abroad. The fund can invest also in debt financial instruments and money market instruments mainly with the purpose of maintaining liquidity in times of market disruptions.

As of December 31st, 2019 CCB Leader is ranked among the top mutual funds with an aggressive investment strategy, managed by companies that are members of the Bulgarian Association of Management Companies (BAAM). The fund size amounts to BGN 28 941 248 as of 31.12.2021.

*CCB Leader brought investors a return for the year 2021 at the rate of 7.03%.*

### CCB Private Mutual Fund

CCB Private is the newest mutual fund under the management of CCB Assets Management created for investors who prefer to invest in world company leaders distributing dividend between investors. Suitable for investors with a balanced investment strategy, seeking stable income and moderate growth of their savings while taking moderate risk.

The investment policy of the fund envisages realization of capital gains from shares and dividend earnings, as well as current income from debt securities, instruments of the money market and other financial instruments accepted for trading on regulated markets principally in Europe and USA.

The fund size amounts to BGN 2 841 415 as of 31.12.2021.

*CCB Private brought investors a return for the year 2021 at the rate of 4.89%.*

Detailed information on the mutual funds managed by CCB Assets Management can be found in the Prospectus and the Document with key information for the investors that can be accessed on the company's website: [www.ccbam.bg](http://www.ccbam.bg)

### ADVANTAGES OF MUTUAL FUNDS

- » High investment liquidity - Investors can receive the cash equivalent of their units in the fund at any time through the redemption of units.
- » Tax relief -The income from investments in mutual funds is exempt from tax under Bulgarian law.
- » Asset Allocation - The Funds invest in a large number of financial instruments in different spheres of the economy and geographic regions, leading to optimization of the risk.
- » High return - It is possible to achieve a higher profit rate than another type of savings and to

keep finance from inflation.

- » Security - Purchased units of the funds are a direct property of the investor that is inherited.
- » Transparency - Daily information for the value of the units of the mutual funds is published on the website of CCB Assets Management [www.ccbam.bg](http://www.ccbam.bg) and [www.investor.bg](http://www.investor.bg). So every day, the investors could see how much their money has become.

### DISTRIBUTION

The mutual funds managed by CCB Assets Management are offered in the offices of Central Cooperative Bank Plc, indicated in the Prospectus for the respective fund, on the basis of a signed distribution contract.

### STRATEGY AND GOALS

The mission of CCB Assets Management is oriented towards continuing the development of the company as one of the leaders in the financial sector through deployment of a policy corresponding to the best industry standards and international standards.

- The main goals of the management company are:
- » Preservation and increase of the investment the managed by CCB Assets Management funds and realization of higher profit while taking the respective risk depending on the fund's profile;
  - » Ensuring liquidity of the investments;
  - » Increasing the growth rate of the managed funds by raising the general level of social knowledge about the financial products and services.

The main building of Bulgaria Air

# TRANSPORT SECTOR



## Bulgarian Airways Group JSC

The investments of Chimiport JSC in the aviation sector are made mainly through Bulgarian Airways Group JSC which was established in 2003 under the name Balkan Hemus Hold JSC. The company was founded as the sole property of Chimiport with the purpose of acquisition through its subsidiary company Hemus Hold LTD of 51% of the share capital of Hemus Air.

In early 2004, Hemus Hold LTD won a tender and became the owner of the avio-technical base of the Sofia Airport. At the end of the same year (2004) the merger of Hemus Hold and Hemus Air into Bulgarian Airways Group JSC was done and the company gained control over the airway entity.

In early 2007, Bulgarian Airways Group JSC won the tender for the privatization of the National Airways Bulgaria Air JSC.

The company also participates in Lufthansa Technik Sofia LTD. In 2011 Bulgarian Airways Group JSC expanded its cooperation with Lufthansa Technik Sofia LTD by the increase of the hangar base, respectively the capacity, for the servicing of the Boeing and Airbus aircrafts.

On September 9, 2019 the Company registered on the Bulgarian Stock Exchange AD issue bonds, which are ordinary, dematerialized, registered, interest-bearing, unsecured, non-convertible bonds with a total nominal value of BGN 15 000 thousand with ISIN code BG2100018188. The stock exchange code of the Company is B2GA. As a result of the registration of the issue formation in September 2019, the Company acquires the status of an enterprise of public interest in accordance with the provisions of the Accounting Act.

### PROJECTS IN RUSSIA

In the spring of 2011, Bulgarian Airways Group JSC successfully completed two international projects in the Russian Federation. The establishment papers of the joint venture ZAO TAT AVIA were signed in order for the latter company to perform the large reconstruction and development of the international airport in the city of Kazan, and namely:

- » Building of a new terminal 1A, the capacity of which is increased up to 2.5 million passengers per year and its official opening was on the 12th of December, year 2012.
- » The company ZAO TAT AERO was founded in Russia for the performance of another large project – the reconstruction, modernization and development of the TATARSTAN airways. That project ended successfully in January 2012 and was followed by ownership transfer back to the local State, thus putting the project to an end in December 2012.

In 2015, the BAG Group established its subsidiary Bulgaria Air Meintenance through instalment in kind. Created for the purpose of investment and realization of the following two large investment projects, namely: the project "West Wing Extension Project: Expansion of Aircraft Repair and Maintenance Base" Lufthansa Technik - Sofia Ltd. and project "Construction of a Logistics Base and Office building for HDL Express Bulgaria Ltd.". For the West Wing project, the Company together with Lufthansa Technik - Sofia Ltd. received a class A investment certificate issued by the.

The policies of Bulgarian Airways Group JSC are dedicated to the development of the subsidiary companies creation of joint ventures with local and foreign companies, active participation in airport concessions (presently the Chimiport group controls 40% of the capital of Fraport Twin star Airport Management – concessioner of Burgas and Varna Airports for a term of 35 years), as well as in provision of complex services for present and former customers. Currently a large scale investment program is being performed, as well as a restructuring of the aviation business within the holding.

## Bulgaria Air AD

Bulgaria Air AD is a joint stock company, national carrier of the Republic of Bulgaria. By 14 February 2007 sole proprietor of the company was the state in the form of the Ministry of Transport, and thereafter the company has been privatized. Holder of the capital is Bulgarian Airways Group EAD, whereas one of the shares with serial number No. 1 is property of the Bulgarian state. The capital of the company amounts to EUR 61.3 million – 120 thousand shares of face value BGN 1 000 each. The airline is a member of the International Air Transport Association (IATA) and the International IATA Clearing House and the BSP.

### The airline Bulgaria Air performs the following scope of activities:

- » regular flights from Sofia, Varna and Burgas to 22 major cities in Europe and Middle East: capitals and big cities in Russia, Germany, the United Kingdom, Switzerland, Spain, France, Italy, Czech Republic, Austria, the Netherlands, Belgium, Greece, Israel, Lebanon and Cyprus, as well as domestic flights to Varna and Burgas;
- » the airline has Code-share contracts signed with airlines such as Air Italy, Cyprus Airways, Wind Rose, Qatar Airways, Aeroflot, Air France, Alitalia, Iberia, Czech Airlines, KLM, Tarom, Air Serbia, Aegean;
- » Bulgaria Air offers its customers the opportunity to fly to more than 400 cities in Europe, Asia, Africa and North and South America on the basis of contracts for partnerships signed with a number of airlines;
- » charter and business flights to more than 100 destinations; Aircrafts of the company are hired throughout the year by big tour operators for carriage of tourists to various destinations in Europe, the Middle East and North Africa. Ad-Hoc charters are also offered – single charter flights for corporate and private clients.
- » aircraft lease – aircrafts are offered for wet and dry lease to other airlines in Europe and the Middle East;
- » carriage of cargo and mail – the airline works with all shipping agents registered on the Bulgarian market and with selected partners on the international markets;
- » on board sales – on board its aircraft the airline offers the Sky Shop service – sales of various articles on flights within the EU and duty free sales on flights to destinations beyond EU. Shopping on boards the aircraft of Bulgaria Air is convenient and attractive for passengers: the prices do not include any duties on flights to certain destinations (DF), the



assortment has been carefully selected and of guaranteed origin, with choice of various categories of products, appropriate as special gifts or everyday use. Sky Shop also offers a special service: passengers may order in advance a specific article and they can rest assured the article will be delivered on board the aircraft and kept particularly for them.

The management strategy in effect provides for rapid growth of business operations and entering new markets by expanding the flights network, increasing the frequency of operations and attracting new clients with advantageous offers for direct and transfer flights, depending on the specificity of each particular market.

The passenger based market share of the airline is 21.7%.

Bulgaria Air distributes its product on the Bulgarian market via travel agencies and tour operators, the

offices of Central Cooperative Bank throughout the country, as well as via its own Call Centre and its own sales offices, inclusive of the Internet site [www.air.bg](http://www.air.bg) and mobile app Bulgaria Air. The airline works with some 180 travel agencies and tour operators in the country. The sales by agents in Bulgaria account for 56% of the value of sales on annual basis, and the sales by own offices in Bulgaria and abroad – 44%.

The main objective of the company is to uphold its existing market share and to improve the indices relevant to the number of passengers and the average rate of revenue per passenger. The clients are offered the maximum choice on destinations of Bulgaria Air and the whole range of services offered by other air carriers, of comparable quality but at more advantageous prices. On the basis of the settled in 2019 Code-share and SPA contracts with the airline Air Italy, the company was provided with the outstanding opportunity to expand the offering of convenient flights to big cities with Bulgarian communities in the USA and Canada – New York,

Miami, Los Angeles, Las Vegas and Toronto and also to some of the most exotic places on earth – Maldives, Zanzibar and Mombasa. Another key partner with whom the airline signed a SPA contract in 201. is the German company Condor. The agreement covers four continents, including dozens of destinations in the USA, Canada, Central and South America, Africa and Asia. The Code-share contract with the Ukrainian Wind Rose allows for flights from Varna and Burgas, via Sofia to Kiev. Most prestigious is the five-star partnership with Code-share and SPA contracts with Qatar Airways, by virtue of which the airlines offer joint flights Sofia-Doha, with the possibility of departing from Varna and Burgas, and from there to all destinations of Qatar Airways.

The company has representative offices in London and Moscow. Bulgaria Air airline has completed its ambitious programme for expansion and optimization of its operations. The company made investments for modernization of its fleet of aircraft and for obtaining

last generation of technology for more efficient management of its business operations. The objective was to enhance substantially the quality of the transport service offered and to introduce the highest standards of service in both economy and business classes.

Ground services for Bulgaria Air are provided by Swissport Bulgaria. The service maintenance of all aircraft is done at the aviation technical base of Lufthansa Technik – Sofia.

The employees of Bulgaria Air as of 30.11.2019 are 406, comprising 85 pilots and 106 persons as cabin crew.

Most of the investments were targeted for replacement of the existing fleet with new aircraft from the Airbus concern, as well as from the Embraer concern, which in 2012 added to the fleet of the Bulgarian carrier 4 new, specially manufactured E-190 airplanes. This enabled flying to more distant



Airbus A319-112



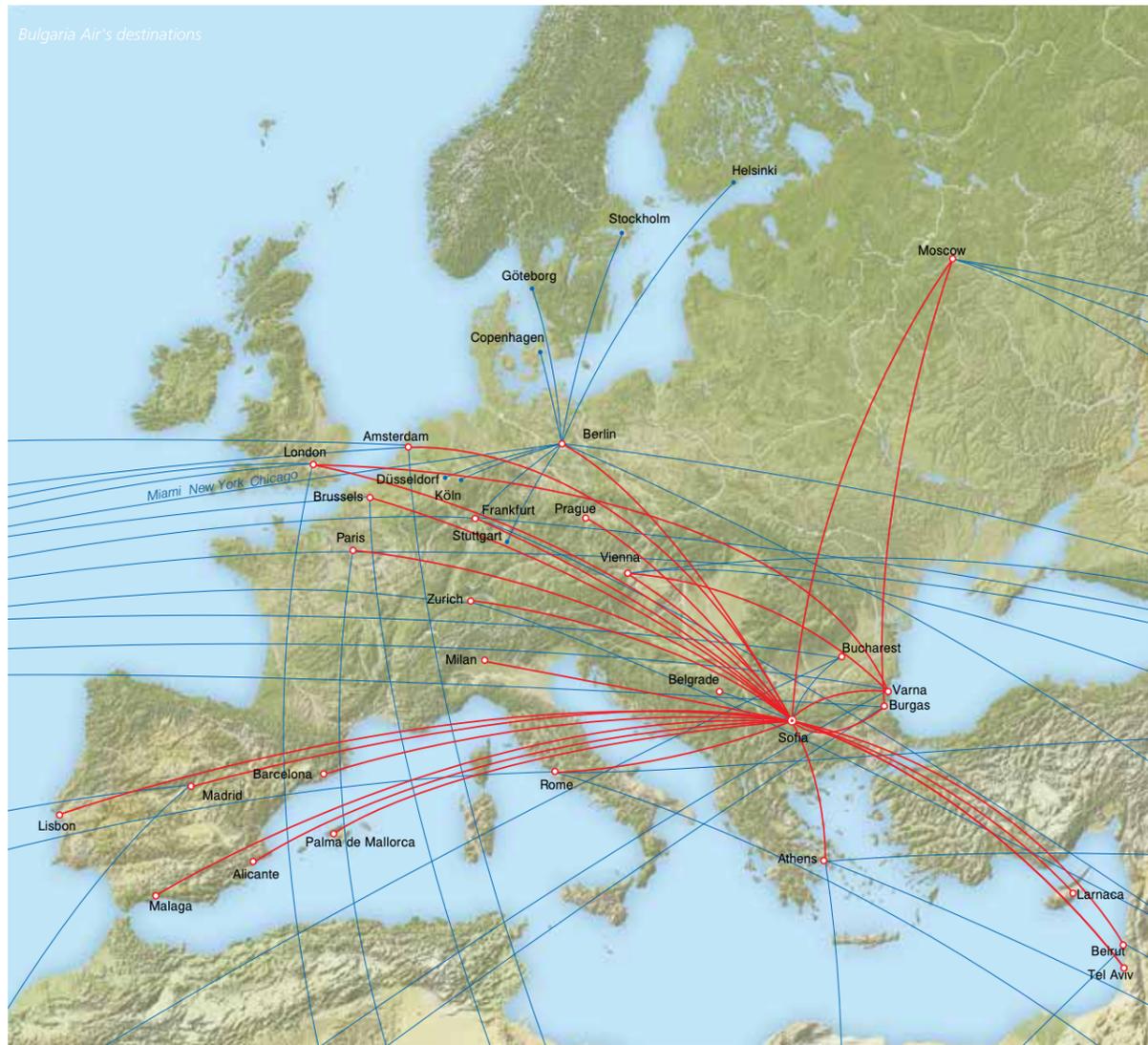
Airbus A320-214



Embraer E190-100

destinations, higher efficiency, and improvements of the services rendered in general. Further to its lighter fuselage, this airplane boasts least harmful emissions in its segment, reducing directly the fuel costs and the en route and landing charges. Its novel construction

offers more comfort for passengers on board. The optimal dimension of the machine allows the national carrier to implement its strategy for development of new destinations and to increase the frequency of flights.



The main building of Bulgaria Air



#### United fleet of Bulgaria Air

Manufacturer	Type of airplane	Flights operated by	MSN	Registration No.	Configuration
Airbus	A319-112	Bulgaria Air	3564	LZ-FBA	8C/132Y
Airbus	A319-112	Bulgaria Air	3309	LZ-FBB	8C/132Y
Airbus	A320-214	Bulgaria Air	2540	LZ-FBC	180Y
Airbus	A320-214	Bulgaria Air	2596	LZ-FBD	180Y
Airbus	A320-214	Bulgaria Air	3780	LZ-FBE	8C/156Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000492	LZ-SOF	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000496	LZ-VAR	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000551	LZ-BUR	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000584	LZ-PLO	8C/100Y

Embraer E190-100



## Bulgaria Air Maintenance EAD

Bulgaria Air Maintenance EAD is a single-shareholder joint-stock company, entered in the Commercial Register at the Registry Agency on 06 January 2015. On 19 December 2014, the companies Bulgaria Air AD and Aviation company Hemus Air EAD decided on the incorporation of the company Bulgaria Air Maintenance AD via contribution in kind of real estate properties consisting of investment properties (land and buildings) valued at EUR 43 848.39 thousand and buildings valued at EUR 2 481.81 thousand. The newly-established company was entered in the Commercial Register on 06 January 2015. On 09 January 2015, a share purchase agreement was signed for the shares of Bulgaria Air Maintenance AD, with which Bulgarian Airways Group EAD acquire all transferable property and non-property rights to 100% of the shares of the Company. With a decision for transformation adopted on 19 July 2017 by the sole shareholder of the Company - Bulgarian Airways Group EAD, part of the assets of the Company was transferred into the acquiring company Rest and Fly EOOD.

The seat and address of management of the Company is Sofia, Slatina District, Airport Sofia, 1, Brussels Blvd.

The share capital of the Company is EUR 44 836.72 thousand, divided into 44 836.72 common, available, registered voting shares with face value of BGN 1 each. Shares are securities certifying the participation of their holders in the Company.

The company has a one-tier management system, its governing bodies are the General Meeting of Shareholders and the Board of Directors.

### The Company has a Board of Directors (BD) consisting of:

- » Hristo Todorov Todorov - executive member of the Board of Directors;
- » Bistra Tsvetkova Marinkova - executive member of the Board of Directors;

Bulgarian Airways Group EAD - Chairman of the Board of Directors, represented by Hristo Todorov Todorov

The company is represented together by both executive directors Hristo Todorov Todorov and Bistra Tsvetkova Marinkova.

The scope of business of Bulgaria Air Maintenance EAD is construction and facility management for basic and linear technical service, maintenance and repair of aircraft, construction of logistic centers and cargo terminals, aviation services, consultancy activities and any other activity that is not prohibited by the legislation of the Republic of Bulgaria.

The company's activity consists of leasing the corporate real estate – land, hangars and auxiliary buildings thereto.

Bulgaria Air Maintenance EAD is an investor and contractor of two major investment projects, namely: "West Wing Extension" project: Expansion of aircraft repair and maintenance base Lufthansa Technik-Sofia OOD and "Construction of a logistic base and office building for DHL Express Bulgaria EOOD" project. For the West Wing project, the Company, together with Lufthansa Technik-Sofia OOD, have received a Class A investment certificate issued by the Bulgarian Investment Agency.



West Wing Extension Project: Expanding of Lufthansa Technik - Sofia



## DESCRIPTION OF THE COMPANY'S REAL ESTATE

The investment properties of the Company include land, hangars and auxiliary buildings in operation located on the territory of Sofia Airport. The most important of them are as follows:

- » land – 121 024 sq.m.;
- » land – 1 743 sq.m.;
- » lightweight hangar with connecting corridor;
- » hangar 1;
- » hangar 2;
- » hangar 3;
- » Administrative building 5.

## STRATEGIC OBJECTIVES

The strategic objectives of the company are connected with the implementation of two investment projects on the territory of Sofia Airport Complex.

The “West Wing Extension Project: Expanding of Lufthansa Technik - Sofia OOD MRO facility with provision of buildings and infrastructure by Bulgaria Air Maintenance EAD”, which was launched in December 2015, is successfully proceeding within the timeframe stipulated by the agreement, with the first stage of the project completed in December 2016 – construction of a new checkpoint and parking lot for Lufthansa Technik - Sofia. The following buildings will be erected and leased as part of the project – a new hangar with total built-up area of approximately 6 209 sq.m. and a 5-storey office building, new workshops and adjacent areas necessary for expanding the maintenance and repair facility of Lufthansa Technik - Sofia OOD.

In September 2016, a second project implemented by Bulgaria Air Maintenance EAD was launched, and namely the construction of a new logistics center for DHL Express Bulgaria OOD, entitled: “Logistics center with administrative section and underground car park for DHL Express Bulgaria EOOD”. The duration of the project is 20 months from the date of signing of the contract to its construction and the newly-built premises will be leased long term.

### In 2018 Bulgaria Air Maintenance EAD successfully completed two investment projects:

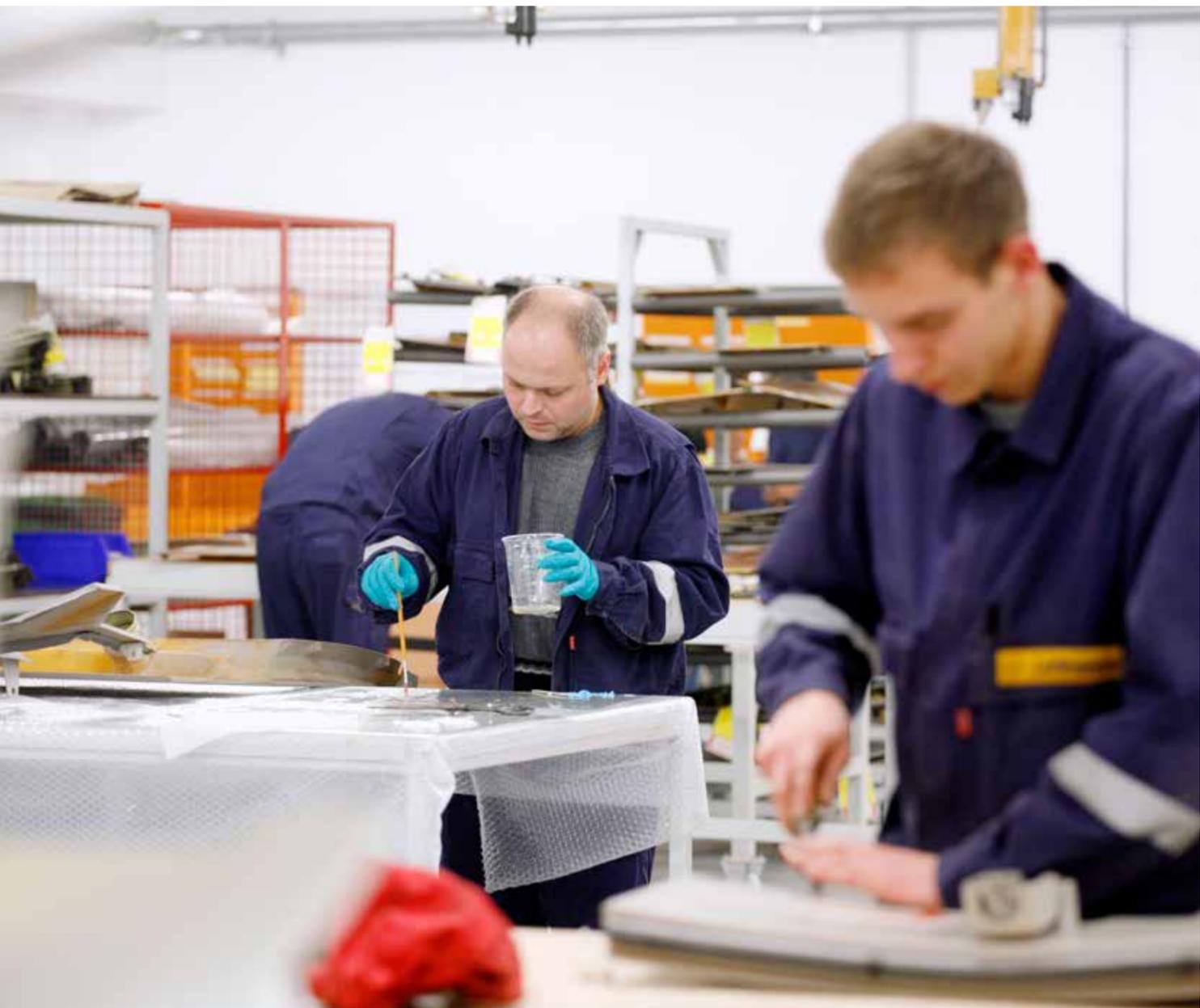
1. A project with certification class A: Expansion of : Expansion of the aircrafts maintenance and repair base of Lufthansa Technik – Sofia LLC with construction of Multifunctional 5 story administrative building, a new Hangar (awarded at the National competition Building of the Year 2018), new check point at Sofia airport territory. The expansion of the aircraft maintenance and repair base provides for a first time the opportunity in Bulgaria to be served not only narrow body aircrafts but also wide body aircrafts from Airbus family - A330, A 380 as well as aircrafts from Boeing family, which creates conditions for new jobs.
2. In April 2018 the Company finalized the investment project „New logistics center for DHL Express Bulgaria” approved by Deutsche Post/DHL Express. The constructed high tech, modern center allows direct access to the aircraft service area of Sofia Airport and is equipped with the most advanced automated sorting system with capacity of 3000 parcels per hour – which permits a considerable reduction in the time of delivery to the final receiver, bigger turnover and more customer satisfaction.

With both partners Lufthansa Technik – Sofia LLC and DHL Express Bulgaria the Company has concluded long term rental contracts for the facilities.

## About Lufthansa Technik

With some 35 subsidiaries and affiliates, the Lufthansa Technik Group is one of the leading providers of technical aircraft services in the world. Certified internationally as maintenance, production and design organization, the company has a workforce of more than 25,000 employees. Lufthansa Technik's portfolio covers the entire range of services for commercial and VIP/special mission aircraft, engines, components and landing gear in the areas of digital fleet support, maintenance, repair, overhaul, modification, completion and conversion as well as the manufacture of innovative cabin products.

Since it was established in 2007 Lufthansa Technik Sofia has become one of the leading MRO facilities in Europe with total area of 50 000 square meters and more than 1 000 highly qualified employees. The company is specialized in line and base maintenance services for Airbus and Boeing narrowbody aircraft.



## Logistics base with administration part and underground parking for DHL Express Bulgaria LTD

The subject of this project is the construction and commissioning of Logistics base with administration part and underground parking for DHL Express Bulgaria Ltd on a site within the municipal area of Sofia, at Sofia Airport area.

In April 2018, the Company finalized the investment project approved by Deutsche Post / DHL Express. There was built a high-tech, modern center, with direct access to the platform for ground service of aircrafts at Sofia Airport, which is equipped with the most modern automatic sorting system, with a sorting capacity of 3000 shipments per hour. This allows to be significantly reduced the delivery time of shipments to final recipients, higher turnover and more satisfied customers.

The building is functionally adapted to the combined requirements of trans-shipment operations. The delivery of shipments takes place day and night via HGVs with a maximum overall weight of 40 t.

The project is divided into 2 functional areas - Terminal and Office Building.

### TERMINAL

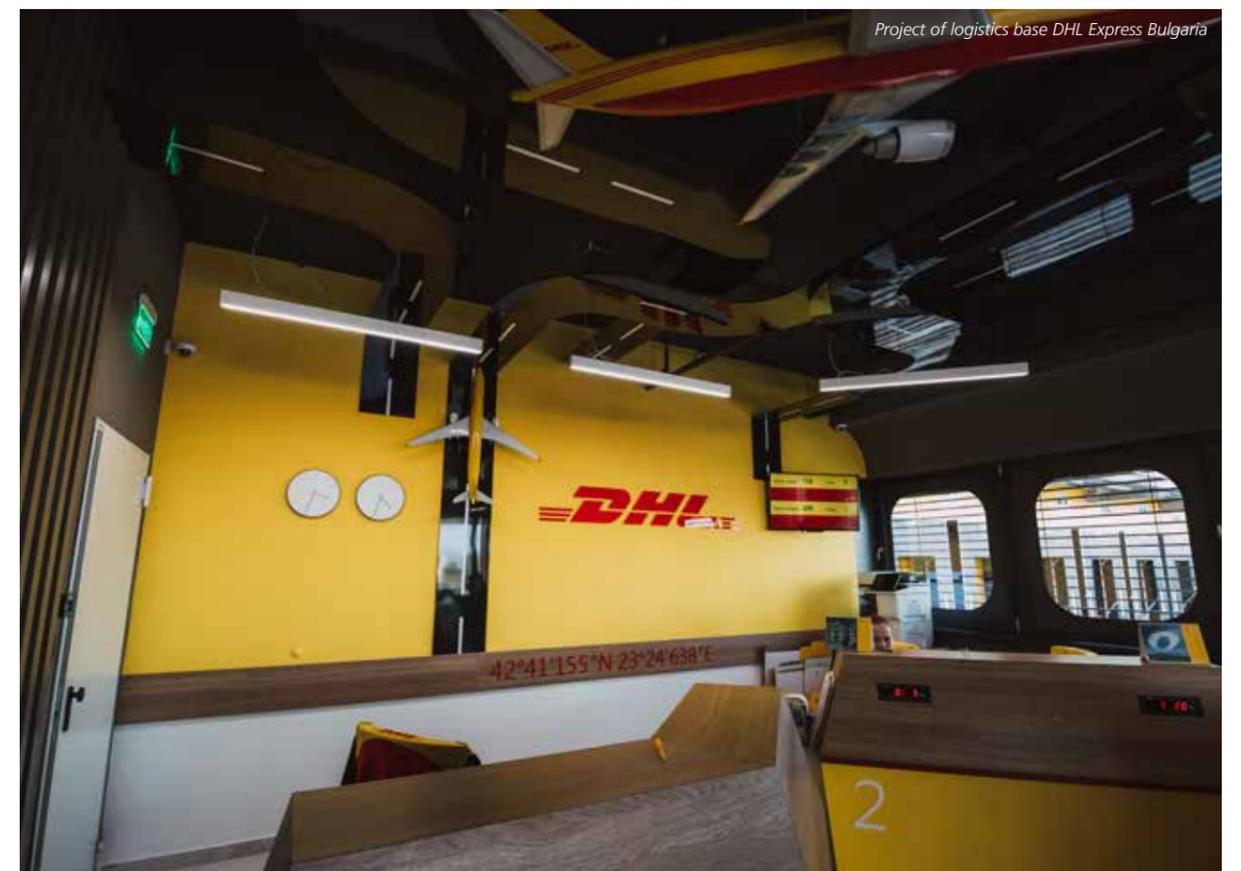
Central body with underground parking, docks for intercity transport of shipments, distribution of shipments with conveyor processing technology.

Core body, with mainly linehaul-docks, distribution of shipments, partially with conveyor technology, building additionally suitable for dangerous goods handling. PuD – Fingers, as an area suitable for PuD activities (Pickup and Delivery), partially with conveyor – technology only with Van-docks

### OFFICE BUILDING

The administration building is attached to the terminal. It provides all necessary space for staff's accommodation, according to the numbers of employees - 247 (74 Women /173 Men), and for visitors reception (up to 10% of staff).

**The total Site area:** 12 837 m<sup>2</sup>



## Swissport Bulgaria

Swissport Bulgaria is a joint venture between Swissport International and Bulgarian Airways Group. Swissport International Ltd. provides ground and cargo handling services on behalf of some 850 client companies in the aviation sector and handles around 282 million passengers and 4.8 million flights (movements) per year. With a workforce of around 66 000 personnel, Swissport is active at more than 303 stations in 48 countries across five continents, and generates annual consolidated operating revenue of EUR 2.9 billion. On the other hand, Bulgarian Airways Group is a leader in the Bulgarian aviation sector, successfully integrating aviation companies under one umbrella. Swissport Bulgaria AD is focused on providing comprehensive range of services including Passenger & Ramp Services, Lounge services, De-icing and Fueling Services. In 2019 Swissport Bulgaria AD started operating at Bourgas Airport and Varna Airport. Sofia Airport is the largest airport in Bulgaria with a traffic of over 7 million passengers per year. Swissport Bulgaria AD employs more than 350 people and the company generates revenues of over 5.5 million euros on an annual basis. In order to achieve its goals, Swissport Bulgaria AD is focused on strengthening its market position by offering new services and innovations in the industry.



## Amadeus Bulgaria OOD

Travel powers progress. Amadeus powers travel.



Amadeus is a truly global company of more than 16,000 professionals serving customers in more than 190 countries. We are united by a common purpose: to shape the future of travel.

Amadeus provides the solutions that keep the world of travel moving, developed in partnership with the industry for 30 years and counting. Every day, we deliver intelligent solutions to the world's travel agents, search engines, tour operators, airlines, airports, hotels, car rental companies, railways and more – helping them deliver more rewarding journeys to travelers.

Amadeus portfolio includes merchandising, revenue management, travel intelligence and travel expense management, harnessing the potential of cloud computing, mobile and big data for our customers.

### Amadeus at the heart of travel



Amadeus Bulgaria OOD was established in 1998 as a subsidiary of Amadeus IT Group. In September 2009 Bulgaria Air JSC acquired 45% of Amadeus Bulgaria OOD. Amadeus has over 300 clients in Bulgaria. It provides the full portfolio of Amadeus products and solutions to the Bulgarian market.

## Fraport Twin Star Airport Management AD

Fraport Twin Star Airport Management AD is the German-Bulgarian company awarded the 35-year concession for Burgas Airport (BOJ) and Varna Airport (VAR). In the joint company, Fraport holds a majority 60-percent share.

Fraport Twin Star is responsible for operating, managing, and developing the two airports – 24-hour gateways to the Black Sea: VAR serving the northeast and BOJ the southwest of Bulgaria. Fraport Twin Star's tasks include training and improving employee qualification and expertise, enhancing service quality and the overall passenger experience, upgrading airport equipment, and introducing new technologies, as well as modernizing and expanding infrastructure.

Together, Varna Airport and Burgas Airport welcomed almost 2 million passengers in 2021 and handled more than 17 500 flights, which were serviced by 70 airlines offering charter and scheduled services to some 96 destinations in Europe, Middle East, and Northern Africa. More than 590 permanent employees and about 230 seasonal employees work at Fraport Twin Star in Varna and Burgas.

In 2021, from Varna Airport have been served more than 1,004,970 passengers, and flight programs of 50 airlines to 67 destinations were successfully performed at the airport for the whole year, which is an increase of 62% compared to 2020! Most of the passengers have been served by the top five countries: Germany (318 thousand), Bulgaria (174 thousand), Poland (85 thousand), the United Kingdom (81 thousand), and Austria (69 thousand).

The top destinations from Varna Airport were: Sofia, London, Vienna, Moscow and Berlin. A new route was opened last year - Rostov, Russia, and 6 (six) airlines started flying from/to Varna Airport. 9,239 flights have been served at the airport, of which 6,853 were scheduled, and 1,275 were charter flights.

Most charter flights served the following destinations: Katowice, Leipzig, Moscow, Dusseldorf and Tel Aviv.

The months with the most intensive traffic of passengers for the last year were: July, August and September, and the day with the biggest number of served passengers - 12,053 was August 17.

A total of 34 tons of cargo were handled last year.

In the same year, Burgas Airport operated flight programs of 49 airlines to 70 destinations. The airport served 947,650 passengers, which is an impressive growth of 129% compared to 2020!

The top five countries from which Burgas Airport served the most passengers have been: Poland (242 thousand), the Czech Republic (154 thousand), Germany (128 thousand), Russia (84 thousand), and the United Kingdom (49 thousand).

The top destinations from Burgas Airport were: Prague, Warsaw, Moscow, Katowice and London. 6 (six) new airlines operated flights to/from Burgas Airport and 4 new routes have been included in the airport portfolio - Eindhoven, Netherlands; Lublin, Poland; Cluj, Romania and Liverpool, UK.

A total of 8,295 flights have been operated at the airport, of which 4,702 were scheduled, and 2,232 were charter flights. The largest number of charter flights served the following destinations: Prague, Katowice, Leipzig, Bratislava and Tel Aviv.

The months with the most intensive traffic at the airport were: July, August and September, and the day with the biggest number of passengers was August 20 - a total of 16,840 passengers.

4669 tons of cargo and mail were transported last year.

### SUSTAINABLE DEVELOPMENT

#### Airport carbon accreditation Level 2 "Reduction"

Varna Airport and Burgas Airport have successfully renewed their international airport carbon accreditation - Level 2 "Reduction" by ACI Europe!

This is another proof of the serious ESG measures Fraport Twin Star has taken in this direction, incl. with the endorsement of the "Toulouse Declaration" in our aim for decarbonization through zero emissions by 2050. In addition to that, the construction of new photovoltaic plants at Varna Airport and Burgas Airport is forthcoming, which will significantly reduce



Burgas Airport

CHECK-IN

CHECK IN & 16

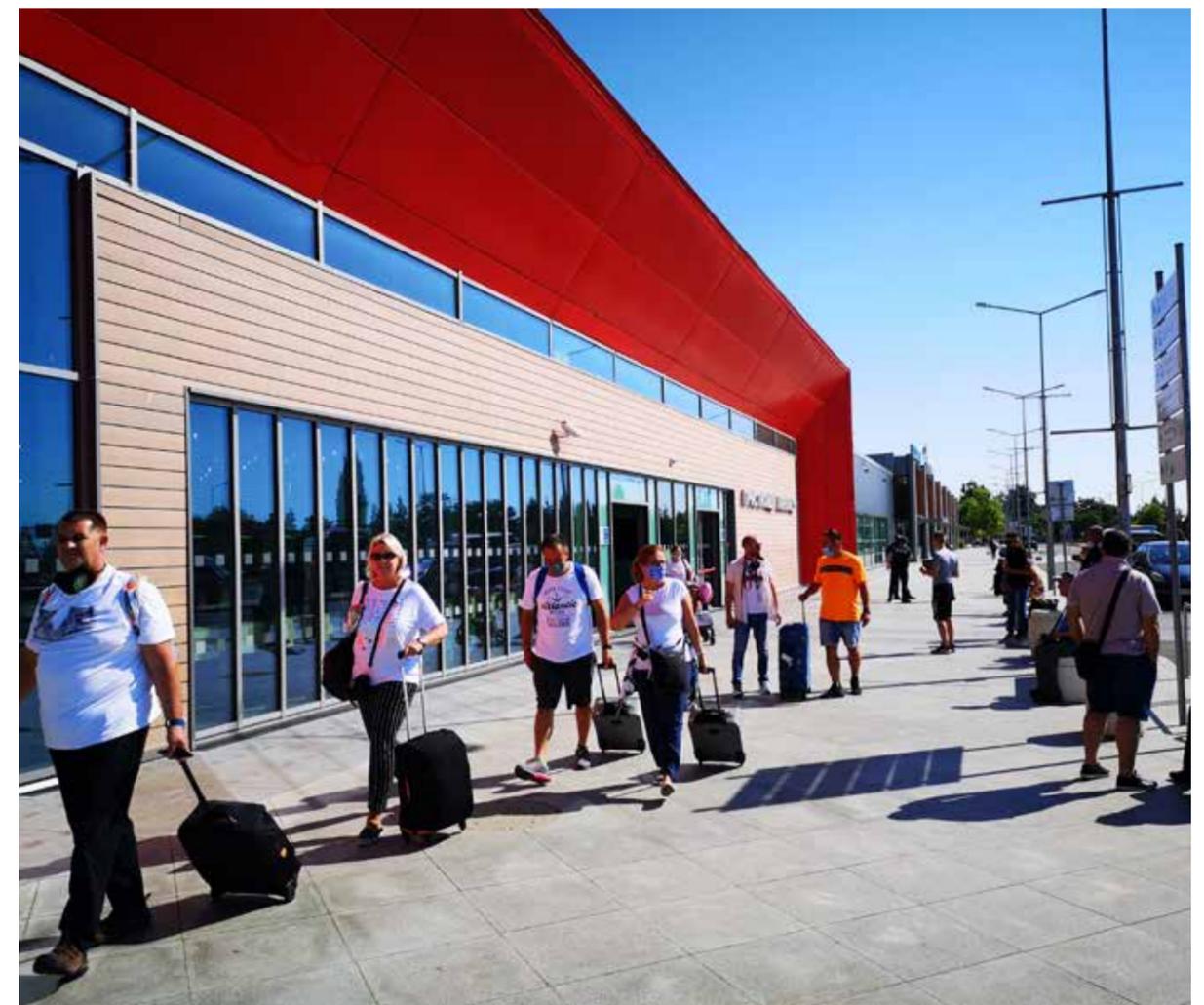
CHECK IN 13-16



the carbon footprint by using alternative energy sources!

#### AWARDS

- » "Most Innovative Employer 2021" of the Federation of Transport Trade Unions in Bulgaria
- » Award of the Open Society for the contribution to the economy in Varna 2019
- » Award for the development of Burgas region for 2018 from Burgas Chamber of Commerce
- » Prize of the German Economy in Bulgaria 2016, in the category „Large enterprise“
- » European Business Awards in the category "Customer Focus"
- » Euroguidance National Competition 2015, first place in the category "Career services for non-students"



## Nuance BG AD

Nuance BG is a joint venture between The Nuance Group (50%) and Bulgarian Airways Group (50%). The company has operated the Duty free and Duty paid shops at Airport Varna and Airport Burgas since 2013, offering a wide choice of first-class products in the categories of Perfumery & Cosmetics, Liquor, Tobacco, Confectionary, Local Food & Liquor, Toys, Sunglasses, Leather Goods & Bags, Watches & Jewelry.

With retail space of close to 1000 sq. m in each airport, split into a Walk-Through Duty Free Store, an Arrival store, a Gate shop, Specialty store and Bulgarian Bazaar store, the joint venture presents an ultramodern airport shopping experience perfectly combined with true Bulgarian style.

The company is the only retailer in Bulgaria of the world-famous brand Victoria's Secret as since 2018 it offers the iconic brand' products in categories Beauty, Lingerie and Accessories.

After a successful acquisition in September 2014, The Nuance Group became part of Dufry achieving even greater levels in terms of market share, turnover

volume, geographic footprint and number of employees.

The symbioses between the two companies strengthened Dufry as an industry leader and the largest travel-retail company. With presence on 5 continents across the globe, the company operates already more than 2400 shops in over 420 locations in 65 countries. To the group's portfolio belong the brands Nuance, Hellenic Duty Free, Hudson, Colombian Emeralds, World Duty Free and others.

In 2019 Dufry has consistently executed on its growth strategy by progressing in all of its growth pillars including extending important contracts, winning new concessions and increasing its footprint with small and mid-sized acquisitions, such as in Russia, Mexico, USA and shops across 19 new ships. The company's generated turnover reached CHF 8,848.6 million versus CHF 8,684.9 million in 2018, with a total growth of 1.9%.

Dufry Ltd is publicly listed in Switzerland and in NYSE. The headquarters of the Group are located in Basel, Switzerland.



## Silver Wings Bulgaria LTD

In 2013 a joint venture was established between Bulgarian Airways Group holding – 42.5% of the shares, LSG Lufthansa Service Europe / Africa GmbH with 28.75% shares, and Alpha Flight Group Limited with 28.75% shares, which was established in 1998 when it was registered under the name Abela Airport Services Ltd, but due to a change in ownership in 2005, it was renamed to Alpha Airport Services Ltd.

The newly established company is registered under the name of Silver Wings Bulgaria OOD as its main activities are airline catering and restaurant management.

At present the headquarters and registered office of the company is on 138 Mimi Balkanska Str., municipality of Slatina in Sofia city. The main activity of the company is carried out in a newly built catering owned by the company.

The site is built and equipped according to the latest

international requirements for aviation catering. The company performs the restaurant business at two sites, rented from Sofia Airport on Terminal 2 – Deli Sandwich Bar and World News Coffee, as well as in two fast food outlets in Lufthansa Technik Sofia OOD and DHL Express Bulgaria EOOD.

### Major customers of the company are the following airlines:

- » Bulgaria Air;
- » Air Force 28;
- » British Airways;
- » Air France;
- » Lufthansa;
- » Wizz Air;
- » Qatar Airways;
- » Lufthansa Technik Sofia OOD and others.

In addition the company also serves the majority of the governmental, charter and business flights to and from Sofia and Plovdiv Airports.



Building of Silver Wings, Sofia

## Bulgarian Shipping Company JSC

“Bulgarian River Shipping” J.S.Co Ruse is the undisputed leader among the Bulgarian companies dealing with river navigation, as the volumes of transport activities and the company's fleet exceed considerably those of its closest competitors sailing under Bulgarian flag.

The company was established in March 1935 under the name “River Coastal Shipping”. In May 1940 it was transformed into a separate company “Bulgarian River Shipping” based in the town of Rousse. The company has been public till January 2004, its shares are currently traded on the official stock market – segment “B” of the Bulgarian Stock Exchange – Sofia JSCo.

„Chimimport” AD through “Bulgarian Shipping Company” JSCo, as well as through other subsidiaries, is the owner of 76.15 % of the capital of “Bulgarian River Shipping” JSCo.

As of 31.12.2021 the shared capital of the company amounts to BGN 35,708,674.00 as the shares are in possession of more than 350 shareholders legal entities and individuals.



### Subsidiaries:

- » Mayak KM JSC – 94.25%;
- » Interlichter Slovakia Ltd – 100%;
- » Port Invest Ltd – 100%;
- » Port Pristis Ltd – 55%;

### Associates:

- » VTC JSC – 41%;
- » Blue Sea Horizon Corp – 19%.

### Jointly controlled:

- » Varnaferry Ltd – 50%

### Bulgarian Shipping Company JSC effectively participates in the management of:

- » Port Lesport JSC – subsidiary of Chimimport – 99%;
- » Lesport Project Management Ltd – subsidiary of Port Lesport – 100%;
- » Danube Investment Company Ltd – subsidiary of Chimimport – 100%;
- » Port Balchik JSC – subsidiary of Zarneni Hrani Bulgaria – 65%;
- » Since the middle of 2016 Bulgarian Shipping Company JSC has not been a member of the Board of Directors of Ship Repair Yard Odessos Plc.

Bulgarian Shipping Company JSC has direct ownership of 33% of the share capital of Port Balchik JSC.

The future plans of the Bulgarian Shipping Company include acquisition of shares in ports, ship-building and ship-repairing companies, construction of new port terminals, purchase and management of vessels for river and sea, as well as improvement of the transport streams from/to Russia and the region.

## “Bulgarian River Shipping” JSC

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**As to 31.12.2021 Bulgarian River Shipping is the owner of a fleet, consisting of:**

» **Self-propelled vessels:**

- Pushers with 1540-2700 HP – 16 pcs.
- Self-propelled cargo ships – 3 pcs.
- Assisting ships – 2 pcs.
- Manoeuvring ships – 2 pcs.
- Ferryboat platform for transport of passengers and motor vehicles;

» **Non-propelled fleet:**

- 1 tank-barge;
- 55 barges, including:
  - \* 39 pcs. with hatch covers:
    - Type SE-2000 with TTC up to 2000 MT – 8 pcs.
    - Type SE with TTC between 1500-1700 MT – 13 pcs.
    - Type SB with TTC up to 2100 MT – 5 pcs.
    - Barges for the self-propelled ships with max. TTC 1100 MT – 3 pcs.
    - Barges with crew with TTC from 1000 to 1500 MT – 10 pcs.
  - \* Open top barges with max. TTC up to 2200 MT – 14 pcs.;
  - \* Ro-Ro barges– 2 pcs.

» **Pontoons** – 11 pcs.

**Bulgarian River Shipping J.S.Co offers a wide range of services to its clients, covering most of the needs of the companies looking for**

**transport on the Danube. The company is specialized in:**

- » Transport of bulk and general cargoes, liquid non-hazardous cargoes and fuels, large-sized and concentrated cargoes;
- » Container transport;
- » Ferry services between Port Nikopol and Port Turnu Magurele;
- » Agency services for Bulgarian and foreign ships in all Bulgarian Danube river ports;
- » Shipping, forwarding and chartering of river and sea vessels;
- » Organizing of combined transport: river – railroad – sea and river – sea.

**Bulgarian River Shipping maintains:**

- » Own agency offices rendering agency services to the fleet of the company, as well as to other ship-owners in the ports of Rousse, Lom and Vidin;
- » Agency representative office in the port of Budapest, dealing with agency and chartering of own and foreign vessels.

Bulgarian River Shipping J.S.Co has its own repair facilities in the town of Rousse for ship repairs and technical works.

Holding company “Chimimport” undertook to invest in Bulgarian River Shipping JSCo 25 million EUR

during 2007 – 2011 through its subsidiary company “Bulgarian Ship Company”.

The main objective of the investment program was the increasing of the tonnage of Bulgarian River Shipping, as well as renovating the fleet of the company by replacing ship engines with new ones, product of “Caterpillar”; making constructive changes in some of the pushers thus enabling them to sail in the Upper Danube. The full reconstruction and replacement of the engines of 6 of the pushers was completed and their exploitation proved exceptionally good, resulting in low fuel consumption and minimal environmental pollution.

The investment program paid special attention to the building of new vessels, as well as to the growth of the fleet through purchase of vessels from other ship-owners.

Upon signing a contract with “Ship Building” JSC – Varna in 2008 started the building of six covered barges (2 000 DWT dry cargo river barges “Europe-II” type). “Ship Building” JSC – Varna launched the first two barges in 2008 and by the end of 2009 with the building of the other 4 barges the series was completed and they were put also into operation. At present, these barges are the newest barges on the Danube under Bulgarian flag.



The “Sredna Gora” Pusher



Constantza Port



Port Vidin

In 2010 in implementation of the investment program Bulgarian River Shipping increased its fleet with purchasing, as follows:

- » 10 pcs. river vessels, incl. 3 self-propelled vessels with 3 barges to the vessels, 2 non-propelled river barges and 2 pushers. The acquisition of the vessels was due to the contract between Ship Building JSCo and Bulgarian River Shipping, as a result of which the fleet of the company was increased by additional loading capacity of 9400 MT and power of 6600 HP;
- » 4 pcs. non-propelled river barges and 1 pusher, purchased from Eastern River Shipping - Rousse.

Due to these two transactions the fleet of the company was increased by a total of 17,000 MT loading capacity and 7,500 HP.

The investment program of Bulgarian River Shipping foresees the building of a logistics centre with a capacity of over 25,000 square meters, facilities for the storage and marketing of petroleum products with a capacity of over 10,000 tons and grain silo with a capacity of 2,780 cubic meters. The center is going to cover an area of 185,000 square meters (45,7acres) owned by BRS in the Industrial Zone Rousse-East, next to bank of the Danube River.

On 20.08.2010 the Ministry of Transport and Communications concluded with Bulgarian River Shipping JSCo contract to award a 35-year concession for the operation of **Port Terminal "Vidin-North" and Ferryboat Terminal "Vidin"**, parts of Port for Public Transport of National Importance Vidin. The contract entered into force on 20.10.2010 with a term of 30 years. On 24.02.2021 was signed an Amendment, changing the term of the Contract from 30 to 40 years.

Port terminal "Vidin-North" has an area of 120 decares, with its rail tracks, built road link with national route E79. The open storage area of the terminal reaches 10,000 square meters. On the territory of the terminal there has been a constructed warehouse operating in a customs warehousing mode. Port terminal "Vidin-North" has had three berths, one of which is specialized in processing of grain and the other two are multipurpose.

Port terminals "Vidin-North" and Ferryboat Terminal "Vidin" form the territory and operational aquatory of port "Vidin-North", namely from km. 792.800 till km. 793.600 according to Danube mileage.

The main advantage of Port terminal "Vidin-North"

is its strategic geographical location – a peculiar transport hub, formed by the intersection of Transport Corridor IV and Transport Corridor VII and at the same time the shortest route to Greece, North Macedonia and Serbia. Corridors IV and VIII also provide route to the Middle East countries.

And whereas in the summer months most river ports are experiencing serious issues with the low waters of the Danube River, such problem does not exist for Port terminal "Vidin-North" because of the depth of the port water area, as well as the technical parameters of the transshipment equipment. Even at the lowest water levels measured so far, the port ensures continuity of the loading and unloading processes, which in turn contributes to providing better services to shippers.

Port terminal "Vidin-North" has been certified for handling general cargo (containers, metals, machinery, equipment, oversized and heavy parcels, etc.), bulk (grain, aggregates, wood, coal, etc.), non-hazardous liquid cargo (vegetable and animal oils, liquid chemical products and preparations, etc.), supply ships with energy and communications, ship bunkering (fuel, lubricants,

water, etc.), supply of maritime-technical services, supply of food and other products.

From the concession of Port terminal "Vidin-North" until now an annual cargo turnover of almost 100 000 tones has been reached. A major share of the commodity turnover of the port is occupied by bulk cargo, of which leading ones with the largest volume are agricultural products, followed by coal, plaster, technical wood, etc.

The covered warehouse is with total built-up area of 3725 m<sup>2</sup> and it's divided into 5 separate sections, each with area of 745 m<sup>2</sup>.

Height, width and length of every section are, as follows: 6,10 m/17,75 m/42 m.

"Bulgarian River Shipping" JSCo, as Concessionaire of the port terminals "Vidin-North" and "Vidin Ferry Complex", has implemented a Quality Management System certified by TUV NORD CERT GmbH in accordance with ISO 9001:2015, covering the activities on commercial shipping on inland waterways of Europe; transport of fuels, Non-dangerous cargoes, containers and ferryboat transports; operation of river ports.

**Port "Vidin-North"** is an advanced modern port with well-developed infrastructure, disposing of the necessary equipment, advanced technologies and qualified personnel for providing the full circle of port services – handling of ships, wagons and trucks from accepting the cargoes, their storage in open and covered storage areas until their expedition to the final recipients.

In October 2013 Bulgarian River Shipping JSC concluded a contract with the Ministry of Transport and Communications to award a 35-year concession for the operation of **"Port Terminal Nikopol"**.

The port terminal is located on the Pan-European Transport Corridor № 7 (Rhine-Main-Danube Canal). Its main purpose is to provide a place for berthing of "Ro-Ro" type ships with horizontal loading for the transport of people, cars and agricultural and wheeled vehicles running between the Bulgarian and the Romanian bank of the Danube River on the "Ro-

Ro" line Nikopol – Turnu Magurele.

"Port Terminal Nikopol" was designed, built and put into operation in 2008. Its total area is 17,642 sq. m. Within the territory of the terminal there is a border checkpoint, customs office, phytosanitary control point etc. Cargoes to and from the port are transported by road and waterway.

At the end of June 2015 within the Port Nikopol there has been put into operation a second berth intended for loading of grain in a direct manner "car – ship". Loading facilities it has been equipped have a capacity of about 300 tons/h, allowing realization of a ship daily rate of at least 2-3 thousand tons of grain, depending primarily on the haulage of grain.

**With the conclusion of these 4 agreements, Bulgarian River Shipping J.S.Co enriched its main activity with more services – i.e. to act as a port operator, providing transshipment operations**



Port Vidin

#### **and port services to passenger and cargo ships in several Bulgarian ports.**

Since December 2006 the company is certified by the Germanischer Lloyd Certification GmbH according to ISO, current version ISO 9001:2015. The number of employees in the company by the end of 2021 runs to 131 people.

#### **GENERAL FINANCIAL DATA**

Bulgarian River Shipping J.S.Co completes its production activities for 2021 with reported results 327 KT transported goods. The volume of cargoes on the Danube for the EU member countries amounts to 49.01% of the total transport volume, whilst for non EU-member countries is 50.9%. The financial result (audited) of the company for 2021 amounts to BGN 1,492 THS profit.

On the 15.03.2011 Bulgarian River Shipping J.S.Co and Navibulgar (Bulgarian Maritime Fleet J.S.Co) established a joint limited liability company "Varnaferry" for providing ferryboat transport of cargoes on the **direct rail-ferry line "Varna – Caucasus (Russia)"** (each company owns 50% of the capital of "Varnaferry" Ltd.).

"Varnaferry" Ltd. assures high-quality sea transport service on this line, without damages and/or claims for the cargoes. There are regular trips, thus realizing fast and on-time wagon turn.

Since April 2014, mv "Varna" commenced regular weekly trips on the line Varna – Caucasus. With successful market policy "Varnaferry" Ltd. succeeded in gaining the position of exclusive sea carrier for companies, such as Gastrade /Austrofin/, Nordstar, etc. Since 2018 mv "Varna" moved on to higher Class Register – RINA. With the top client of the company has been established long-term trading relations, as a result a mutual exchange of information and schedules has begun with the other participant in the "Four-party agreement on joint exploitation on the line Varna – Caucasus", namely Anship LLC, leading to time optimization, complete trips and reducing of costs. **From the transport activities in 2021 the incomes amount to BGN 3,894 THS, with operational losses BGN 3,906 THS.**

#### **INVESTMENTS IN DAUGHTER COMPANIES AND ASSOCIATED ENTERPRISES**

##### **Mayak KM Ltd.**

"Bulgarian River Shipping" JSCo owns 86.57% share in Mayak KM Ltd. The daughter company manufactures ship equipment – deck cranes, hull mechanisms, superstructures, tanks, anchoring devices, grabs and other steel structures for shipbuilding and construction, repair of machinery. Among the company's contractors are such major customers as Rolls-Royce Motor Cars Ltd.

##### **Port Invest Ltd.**

"Port Invest" Ltd. is registered as a limited liability company with head office in Ruse. "Bulgarian River Shipping" JSCo is the sole owner of the capital with 100% share. In 2013 "Port Invest" Ltd. is appointed as a concessioner of Port Terminal Lom, part of public transport port of national importance Lom, the concession agreement is for a term of 35 years. As a port operator, the company is implementing an ambitious modernisation investment programme.

##### **Port Pristis Ltd.**

"Bulgarian River Shipping" JSCo owns 55% share in Port Pristis Ltd. The associated enterprise is performing services with commercial character, provided in ports.

On 04.01.2018 between the Ruse Municipality, represented by Mayor of Ruse Municipality, and Port Pristis Ltd. was signed a contract for concession for a public transport port of regional importance "Pristis" (public municipal property), which comes into force on 01.04.2019 and is for a term of 35 years.

##### **Port Bimas Ltd.**

The company is established on 19.05.2021, and the main activity is carrying out the activity of a port operator, i.e. port services, chartering and transport, forwarding activities. On 29.07.2021 between Port Bimas Ltd. and the Ministry of Transport and Communications was signed an Agreement for assigning a concession on the construction of "Port terminal with winter camp – Ruse", part of the public transport port Ruse. The term of the concession contract is for 35 years.



Varna ferry-boat, designed for the line Varna - Port Caucasus BRP

**Participation in VTC Ltd. – Varna**

The company owns 41% voting rights and the sole capital of VTC Ltd. The company provides mainly maritime and navigational services, forwarding and towage activities, including port towage in all 10 ports in the vicinity of Varna, as well as port Balchik.

**Financial data for the companies from the Group, daughter companies and associated enterprises**

	Registered capital '000 BGN			Fixed assets '000 BGN			Net sales '000 BGN			Operational profit '000 BGN		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Bulgarian River Shipping JSCo	35 709	35 709	35 709	76 553	77 646	68 343	10 527	11 657	9 426	1 492	402	1 554
Mayak KM Ltd.	1 003	1 003	1 003	1 382	1 449	1 506	2 547	1 867	2 483	9	-238	-175
Interlighter – Slovakia Ltd.	815	815	815	655	655	655	-	-	3 623	-	-	-156
Port Pristis Ltd.	100	100	100	2 605	2 668	1	419	178	440	-10	-123	39
Port Invest Ltd.	1 600	1 600	1 600	6 437	6 156	5 837	4 430	4 539	4 543	485	816	1 018
Port Bimas Ltd.*	100	-	-	-	-	-	-	-	-	-3	-	-
Varnaferry Ltd.	10 114	10 114	10 114	6 194	7 574	8 659	3 894	4 451	6 672	-3 906	-1 155	-2 466
VTC Ltd.	1 100	1 100	1 100	5 286	5 629	5 878	6 071	5 973	6 705	1 923	1 759	2 011

\*newly established company

Nowadays Bulgarian River Shipping J.S.Co is the biggest Bulgarian river carrier on the Danube River and has the leading position in the transport of common mass cargoes in bulk as coal, fertilizers, ores, coke, grains, etc., as well as general cargoes like containers, heavy parcels and project cargoes.

Bulgarian River Shipping J.S.Co is in successful partnership with many small and large companies all over Bulgaria and Europe.



Office-building, Rousse



Port Terminal Nikopol

## VTC S.A.

VTC S.A. (hereinafter referred to as VTC) is an associate of Bulgarian River Shipping J.S.Co. The company is founded in 2005. The authorized capital of VTC amounts to EUR 560 thousand, Bulgarian River Shipping J.S.Co owns 41% voting rights and the sole capital of VTC.

The company's main activities are maritime and navigation services; towing activities, incl. Performing port service harbour towage, towing or pushing of ships; agency services; chartering and freighting of ships; handling of ships and ships' supplying; bunkering; forwarding and comprehensive transport activity in Bulgaria and abroad; representation services of local and foreign persons and legal entities; consulting and expertise in the area of maritime transportation; calculation of maritime cargoes; management of the entire main activity, as well as performing any other services, related with shipping.

VTC is performing its main activity /towing and mooring services/ in all ports within the jurisdiction of Executive Agency "Maritime Administration", Directorate Varna: Varna East, "Petrol", Odessos

Shiprepair Yard S.A., Bulyard Shipbuilding Industry AD, "Maritime Antipollution Enterprise" J.S.Co, Port Odessos PBM, Port Lesport S.A., MTG Dolphin Shipyard, TPP Varna EAD, TEREM - KRZ FLOTSKI ARSENAL VARNA EOOD, Varna west and Port Balchik. The main activity – towage and mooring services – includes berthing, re-birthing, towage, shifting of ships from one berth to another, mooring and unmooring of ships, as well as transport of people, supplies and equipment to/from ships, located in the sea.

The tug boats of the company perform also regular sea towages between Varna and Bourgas, as well as between Varna and Constanta.

The company owns 4 tugboats which assist VTC in performing company's main activity. Three of the tugboats "SANMAR XII", "SANMAR XIII" and "SANMAR XIV" have ship's particulars as follows:

- » Year of built – 2003 ;
- » Place of built – Tuzla, Istanbul;
- » LOA – 18,28 m;
- » Breadth – 6,70 m;
- » Draft – 3,20 m;



Tug boats: "SANMAR XII", "SANMAR XIII" and "SANMAR XIV"



Tug boat "SANMAR"

- » Main engines – CATERPILLAR 2 x 746kW (2 x 1014BHP);
- » Bollard Pull /Тяга на гака/ - 27 t.

In 2018 VTC acquired a new tugboat, type RApport 1600-SX, specially developed for VTC by the leading tugboat designer Robert Allan Ltd. Canada and built by the leading tugboat constructor Sanmar Shipyards, Turkey. The ship's particulars of the tugboat "TICHA" are as follows:

- » Year of built – 2018 ;
- » Place of built – Tuzla, Istanbul;
- » LOA – 16,30 m;
- » Breadth – 7,40 m;
- » Draft – 2,70 m;
- » Main engines – CATERPILLAR 2 x 651kW (2 x 885BHP);
- » Bollard Pull /Тяга на гака/ - 21 t.

Customers and partners of VTC are leading shipping companies, such as Agrotrade Ltd., Bulgarian Shipping Company J.S.Co, Bon Marine Agency Ltd., Bulyard Shipbuilding Industry AD, Zodiac Maritime Agencies Ltd., Cargill Bulgaria Ltd., Odessos Shiprepair Yard S.A., Neft Oil Ltd., Oliva J.S.Co, Navigation Maritime Bulgare (NAVIBULGAR®), Sea

Partner Shipping Ltd. and many others.

VTC is the undisputable leader among the market of towage services in ports Varna and Balchik . In 2021 the company has generated revenues from sales, amounting to EUR 3.10 million. Net operating profit after tax for 2021 amounts to EUR 983 thousand.

### Gross operating incomes of VTC are, as follows:

- » for 2006 – EUR 1.06 million;
- » for 2007 – EUR 2.43 million;
- » for 2008 – EUR 1.24 million;
- » for 2009 – EUR 3.64 million;
- » for 2010 – EUR 1.86 million;
- » for 2011 – EUR 2.29 million;
- » for 2012 – EUR 2.29 million;
- » for 2013 – EUR 2.73 million;
- » for 2014 – EUR 2.66 million;
- » for 2015 – EUR 2.97 million;
- » for 2016 – EUR 2.88 million;
- » for 2017 – EUR 3.05 million;
- » for 2018 – EUR 2.93 million;
- » for 2019 – EUR 3.43 million;
- » for 2020 – EUR 3.05 million;
- » for 2021 – EUR 3.10 million;

## Mayak - KM JSC

Mayak - KM JSC was founded in 1968 at the industry zone of the town of Novi Pazar, located 70 kilometers to the West from the city of Varna close to the "Hemus" motorway.

The company was initially transformed into a jointstock company in 1966 and since 2006 is a fiduciary company of Bulgarian River Shipping J.S.Co.

The company is occupying 90 acres, 15 of which are closed manufacturing areas.

The core manufacturing is performed at a building with dimensions 96x130 meters, as well as in a preparatory workshop with dimensions 48x60 meters. The plant is designed to produce machine building products and metal constructions for the construction of ships and the energy sector.

### Production capacities:

- » digital machines for gas and plasma cutting of sheets with dimensions 2.5x8 m and thickness up to 100 mm;
- » guillotines for cutting and partitioning of sheet metal up to 20 mm thick;
- » presses up to 2 000 tons;
- » abcant presses with load up to 200 tons;
- » bending machines for sheet metal up to 25 mm thickness;
- » Hobel milling machine with table dimensions 1000 x 5400 mm;
- » carousel lathe with plan washer 2200 mm;
- » coordinate drilling CNC machines;
- » the assembly workshops are equipped with cranes for loads up to 12.5 tons, welding equipment from ESAB for semiautomatic welding, ovens for thermal treatment of welded constructions, radial and column drilling machines, stands and welding equipment, section for hydraulic density testing;
- » section for jet cleaning up to degree Sa 2.5;
- » painting section.

The company had 70 employees in 2019, 16 of which have higher education degrees. The latter are highly qualified experts with numerous years of practice and have the required knowledge of the requirements that the production shall meet. All of the welding personnel have updated certificates of welding and some of them are certified by TUF NORD as well.

### During the years the company produced:

- » ship cranes with load carrying capacity up to 40 tons by license from the Swedish HAGGLUNDS;
- » ship life rescue devices and mechanisms;
- » grips of all sorts and sizes;
- » metal constructions for the fifth block of the KOZLODUY NPP and technological lines for the TPP Maritza Iztok.

During the last few years, Mayak - KM JSC produces hydraulic system components for propulsion and guiding of sea ships and floating vessels. After the year 2000, the fundamental

customer of Mayak - KM JSC is Rolls-Royce Marine Companies - Finland. For Rolls-Royce the company has delivered: cisterns of different volume and purpose; fundamentals of pump aggregates; protectors for pumping screws and others as the total amount of items ordered reaches up to 12 thousand per year.

As a result from the successful performance of the orders for Rolls-Royce, the company gained some new customers – Polarteknik, Fluid House Bosch Rexroth and Cemnia. The sales for Rolls-Royce, Polarteknik, Fluid House and Bosch Rexroth produced around 90% of the total capacity of Mayak - KM JSC.

In 2010 a pilot order for Rolls-Royce Marine AS – Norway was performed and approved by the customer and in

the fourth trimester of 2010 Mayak - KM performed the first regular orders. In 2011 some pieces went to a new Norwegian customer –Tingstd.

Thanks to the active price policies in the conditions of crisis in the month of June, year 2013, the company managed to perform a pilot order for PMC GROUP AB Sweden.

Since the beginning of 2018 the organization has been working with a new company from Finland – Tana Oy. Since April 2019 Rolls-Royce has been bought by Kongsberg Maritime Finland which stays a main client of the company. New client is Hidroline Oy.

### PRODUCED OUTPUT

#### Manufactured production for the external market in 2021 is as follows:

- » Kongsberg Maritime Finland – 1256 000 BGN
- » Fluid House - 195 000 BGN
- » Tana Oy – 353 000 BGN
- » Hidrolain Finland – 62 000 BGN
- » Senmia Finland – 87 000 BGN

#### Manufactured production for the external market in 2020 is as follows:

- » Kongsberg Maritime Finland – 841 000 BGN
- » Fluid House - 256 000 BGN
- » Tana Oy – 245 000 BGN
- » Hidrolain Finland – 57 000 BGN
- » Senmia Finland – 207 000 BGN
- » Tingstd – Norway – 12 000 BGN

#### Manufactured production for the external market in 2019 is as follows:

- » Kongsberg Maritime Finland – 995 000 BGN
- » Fluid House - 235 000 BGN
- » Tana Oy – 212 000 BGN
- » Hidrolain Finland – 35 000 BGN
- » Senmia Finland – 825 000 BGN
- » Tingstd – Norway – 22 000 BGN
- » Kitoterminal Finland – 62 000 BGN

#### Manufactured production for the external market in 2018 is as follows:

- » Rolls-Royce Finland – 884 000 BGN
- » Fluid House - 191 000 BGN
- » Tana –29 000 BGN
- » Senmia Finland - 581
- » Tingstd – Norway – 23 000 BGN

#### Manufactured production for the external market in 2017 is as follows:

- » Rolls-Royce Finland – 1 133 000 BGN
- » Fluid House - 174 000 BGN

- » Senmia Finland - 799

#### Manufactured production for the external market in 2016 is as follows:

- » Rolls-Royce Finland – 1 435 000 BGN
- » Polarteknik - 9 000 BGN
- » Fluid House - 101 000 BGN
- » PMC GROUP AB Poland –25 000 BGN
- » Senmia Finland - 104
- » Tingstd – Norway – 23 000 BGN

#### Manufactured production for the external market in 2015 is as follows:

- » Rolls-Royce Finland – 2 529 000 BGN
- » Polarteknik - 74 000 BGN
- » Fluid House - 47 000 BGN
- » PMC GROUP AB Sweden – 87 000 BGN
- » PMC GROUP AB Poland – 225 000 BGN.
- » Senmia Finland - 39
- » Rolls-Royce Norway– 17 000 BGN
- » Tingstd – Norway – 12 000 BGN
- » Spare parts for ships – 84 000 BGN

#### Manufactured production for the external market in 2014 is as follows:

- » Rolls-Royce – 3 516 000 BGN
- » Polarteknik - 748 000 BGN.
- » Fluid House - 25 000 BGN
- » PMC GROUP AB Sweden – 12 000 BGN
- » PMC GROUP AB Poland – 30 000 BGN
- » Senmia Finland - 25
- » Kumera – 5 000 BGN

#### Except the deliveries for Kongsberg Maritime Finland the following more noticeable items are being produced:

- » grips for harbor and industrial needs;
- » metal constructions for the new grain terminal of Port Balchik;

- » emergency ladders for public buildings;
- » metal constructions for reconstruction of river floating vessels.

The company registered income not only from its regular activity – production of metal items, but also from the rendition of services – mainly equipment repair, as well as income from the sale of scrap metal and other materials.

#### REALIZED INCOME

##### Income for 2021:

- » Sale of export goods – 1953 000 BGN
- » Sales of products on the domestic market – 365 000 BGN
- » Other income – 2299 000 BGN
- » Financial revenues – 48 000 BGN

##### Income for 2020:

- » Sale of export goods – 1618 000 BGN
- » Sales of products on the domestic market – 110 000 BGN
- » Other income – 139 000 BGN
- » Financial revenues – 43 000 BGN

##### Income for 2019:

- » Sale of export goods – 2 386 000 BGN
- » Sales of products on the domestic market – 90 000 BGN
- » Other income – 124 000 BGN
- » Financial revenues – 36 000 BGN

##### Income for 2018:

- » Sale of export goods – 1 708 000 BGN.
- » Sales of products on the domestic market – 106 000 BGN
- » Other income – 190 000 BGN
- » Financial revenues – 42 000 BGN

Mayak-KM JSC has an ISO 9001:2015 certificate and a licence for carrying out activities with high-risk equipment issued by the State agency for metrological and technical surveillance.

##### Income for 2017:

- » Sale of export goods – 2 106 000 BGN
- » Sales of products on the domestic market - 26 000 BGN
- » Other income – 455 000 BGN
- » Financial revenues - 46 000 BGN

##### Income for 2016

- » Sale of export goods – 1 697 000 BGN
- » Sales of products on the domestic market - 38 000 BGN
- » Other income – 315 000 BGN
- » Financial revenues - 97 000 BGN

##### Income for 2015

- » Sale of export goods – 3 114 000 BGN
- » Sales of products on the domestic market - 54 000 BGN
- » Other income – 85 000 BGN
- » Financial revenues - 107 000 BGN

##### Income for 2014

- » Sale of export goods – 4 361 000 BGN
- » Sales of products on the domestic market - 98 000 BGN
- » Other income – 49 000 BGN
- » Financial revenues - 128 000 BGN

## Varnaferry OOD

The joint-stock shipping company Varnaferry OOD has been established with the view to provide ferryboat carriage on the line Varna-Kavkaz. By running the ferryboat Varna, it is our obligation, as a Bulgarian marine carrier, according to the Bulgaria-Russian agreement to organization the ferry service between port of Varna and port Kavkaz.

This ferry-line has been officially opened up on 03.03.2009 and it is the first direct transport line between Bulgaria and Russia. It saves the distance up to 800km between the two countries. As a direct transport connection, it gives priority to the business and provides opportunity for sparing financial means, time and transit fees.

Varna Ferry Complex, where the vessel is loading and discharging is situated at the west coast of Beloslav lake by 30km from Varna and it is only place in the Black Sea region with possibility to change the rail car bogies from European (1 435 mm) to Russian standard (1 520 mm). This is a unique advantage of this terminal offering one of the shortest and cheapest routes for the cargo traffic between Europe and Asia.

The ferry terminal Varna has two shipping places at its disposal which are equipped with lifting bridges having 5 tracks in one wheel-gauge (1 520mm).

With the start of its operations the new Bulgarian ferryboat vessel “Varna”, managed by Varnaferry OOD, will increase the volume of the cargo traffic and the profitability of the ferry line. It’s capacity is 43 railwagons /51 cisterns on an upper deck and 24 heavy-trucks on a lower deck. The ferry has luxury cabins for the crew and the truck drivers. On average the line will service once a week. The distance between the two ports is 420 nautical miles and can be covered in less than 2 days. The annual turnover of m/f “Varna” for 2019 69 692 tons in 78 voyages.



Varna ferry-boat, designed for the line Varna - Port Caucasus BRP building, Rousse

## “PORT LESPORT” S.A.

Port Lesport S.A. – Varna was established on 15-th of March 2005 with Resolution of Varna county court. The company has a capital of BGN 15 million, divided into 4000 shares with nominal value (issue) BGN 3750. Major shareholder is Chimimport JSC which possesses 99% of the capital and Invest Capital JSC possesses 1 %.

On 8-th of June 2005 has been signed Concession contract for 40 years period between “BM PORT” S.A. (new name “Port Lesport” S.A.) – Varna (a “Concessionaire”) and the Republic of Bulgaria, represented by the minister of transport and communications (a “Conceder”) of Port terminal Lesport, part of port Varna – a public port of national importance. The Concession contract comes into force on 30-th of May 2006.

### GENERAL INFORMATON

Port Lesport is located on the northern shore of Lake Varna, at a distance of about 8 km from the lighthouse "St. Nikolay ". Due to its location, the port is protected from wind and is accessible all year round. The port is connected to the national railway network via Ezerovo station and to the national road network through the exit of the highway Sofia - Varna.

The total area is 124 000 m2. The port has 3 berths with a total length of 450 m There are six indoor warehouses with a total area of 2338 m2. The open warehouse area is 69 195 m2 which are under Customs regime.

"Port Lesport" S.A. has 5 port cranes "Kirovets" with 10 t load capacity, gantry crane "ABUS" – 10 t and 2 modern "SENNEBOGEN" diesel cranes with load capacity of 10 t. The company owns also modern lifting equipment and wheel loaders "Svetruck", "Daewoo", "Linde", "Bobcat" and "Volvo" for handling the port cargoes.

"Port Lesport" S.A. is a holder of an Operational Certificate for handling general, bulk and ro-ro cargoes and vegetable oils. In 2016 Port Lesport developed new technological cards for handling of open top, refrigerated and ISO standard containers, municipal waste containers and drilling waste containers, also cargoes under IMDG Code

– explosives, sources of ionizing radiation for civilian purposes, types of flammable gas and flammable liquids; caustic soda in bags of 25 kg on pallets and cargo baskets; fuel - container tanks; Gas cylinders for maintenance in containers; Ammonium nitrate in big bags; vegetable oils.

"Port Lesport" S.A. meets the requirements of European Quality Standard ISO 9001:2015 for port activities, including stevedore operations, storing and other parallel cargo handling. The certificate is issued by Bureau Vertias.

In order to improve working conditions and quality of work, increase labor productivity of employees and competitiveness of the company by reducing the risk of accidents, incidents and health damage in the working environment, in 2014 a System for Management of Health and Safety at Work is developed, which is certified according to the international standard ISO 45001:2018. The certificate was issued by Bureau Vertias.

"Port Lesport" S.A. meets the port compliance requirements of the International Ship and Port Facility Security Code (ISPS Code). The port operates in accordance with an approved security plan.

A technical and organizational facility for maintenance and repair of the port mechanization has been established in the port area. On the territory of the port there is BG Lesport 2006 Customs checkpoint, Border Police checkpoint and an office of the National Plant Protection Service, allowing full servicing of import-export and transit cargoes.

### ACTIVITY

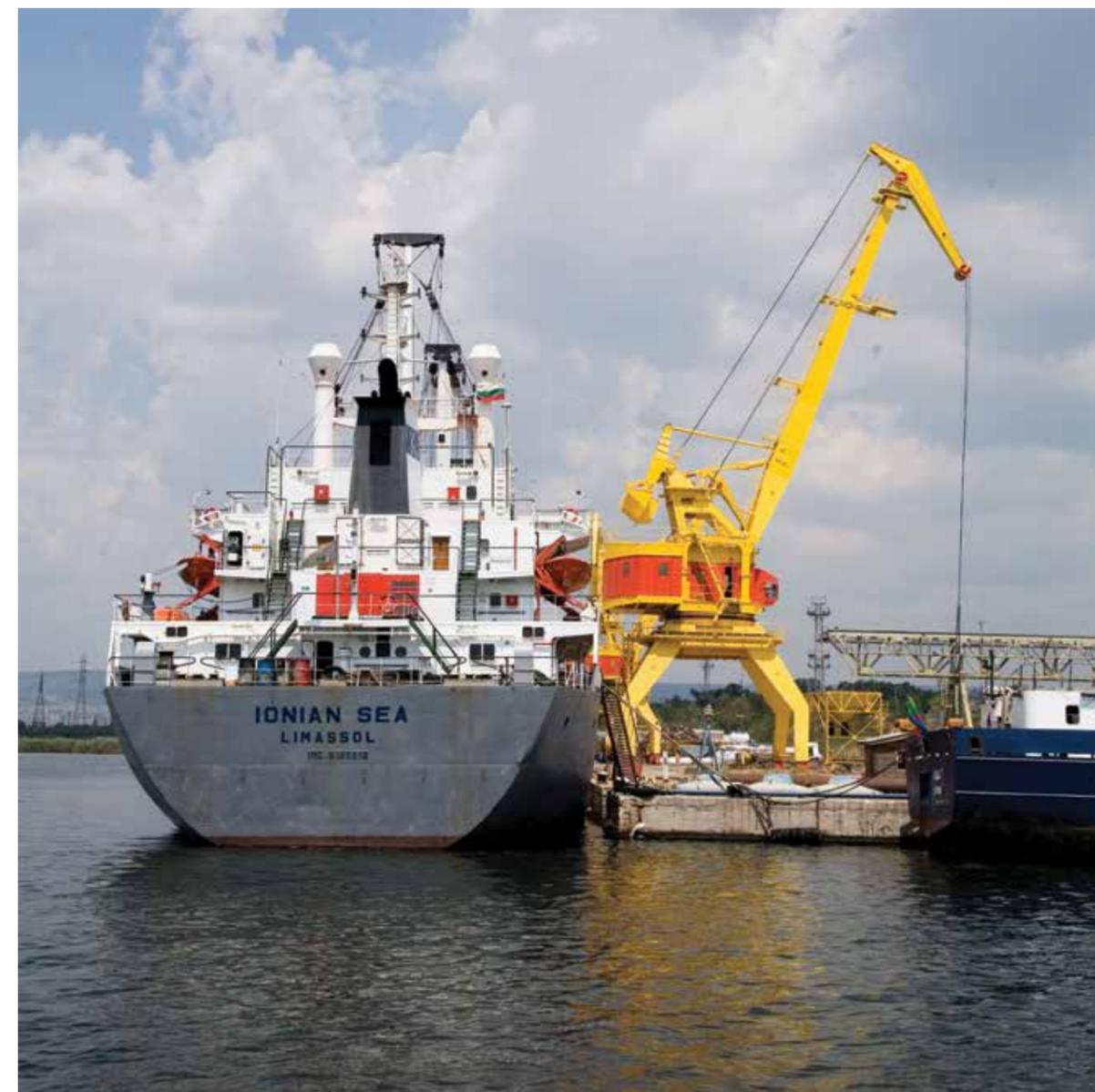
**As a company managing multifunctional port equipment, Port Lesport S.A. provides the whole spectrum of port services in compliance with the Concession contract:**

- » Reception, storage and dispatch of cargo
- » Loading and discharging cargo from vessels, railcars and trucks
- » Cargo lashing, unlashng and cargo weighing
- » Supplementary services- cargo sorting, wagon fumigation, container stuffing and unstuffing, etc.

The port has established itself on the market as a reliable partner of grain, timber, and scrap exporters as well as ferrous metals and aluminum importers.

### Total Project

In 2015 “Port Lesport” S.A. has started its participation in a project of national importance to Bulgaria – the first oil and nature gas deepwater exploration in the exclusive economic zone of the Republic of Bulgaria in the Black Sea, according to a tender announced by Total E&P Bulgaria B.V. for the provision of integrated logistic services for 1-21 Han Asparuh Block. Shore base is located on the territory of port terminal Lesport and its official opening was in the beginning of 2016. Under contract with successful bidders Bon Marine in consortium with the Spanish company Geodis Wilson Spain SLU, "Port Lesport" S.A. provided port and storage services, ensuring the realization of the project.



On the territory of the shore base were stored pipes, materials, equipment and supplies needed to supply the drilling vessel and carrying out deep-sea exploration.

In the period 2016-2018 three drills were carried out under the Total project

The drilling ship was being served by platform supply vessels (PSV), calling at Port Lesport. The shore base includes offices, where is positioned Executive leadership team of the project.

"Port Lesport" S.A. provided additional resources in the face of labor and port equipment.

The decision of Total E&P Bulgaria is expected for the further strategy towards their next steps and investments in Bulgaria.

#### Shell Project

In 2018 Port Lesport S.A., as a subcontractor of Bon Marine Ltd., has won a second tender procedure for the implementation of a new drilling project for oil and gas exploration in the Khan Kubrat Block, located in the exclusive economic zone of the Republic of Bulgaria in the Black Sea with Contracting Authority of Shell International Exploration & Development Italy SPA - Branch Bulgaria.

In 2019 the first drilling was carried out on this project and the logistics base was again on the territory of Port Lesport.

By winning the Total and Shell projects for drilling, Port Lesport AD is proving to be the only Bulgarian seaport providing a logistical base for deep-sea oil and gas exploration projects in the Black Sea. This way, the company affirms itself as a reliable and experienced partner of the world's energy companies.

#### INVESTMENTS, TURNOVER AND GROSS OPERATING INCOME

Current investments of "Port Lesport" S.A. are BGN 17 790 276,02 and the company has paid concession payments of BGN 26 931 371,52. Planned investments are 50 million BGN.

The company has invested funds in the rehabilitation of public state property and the purchase of new reloading equipment.

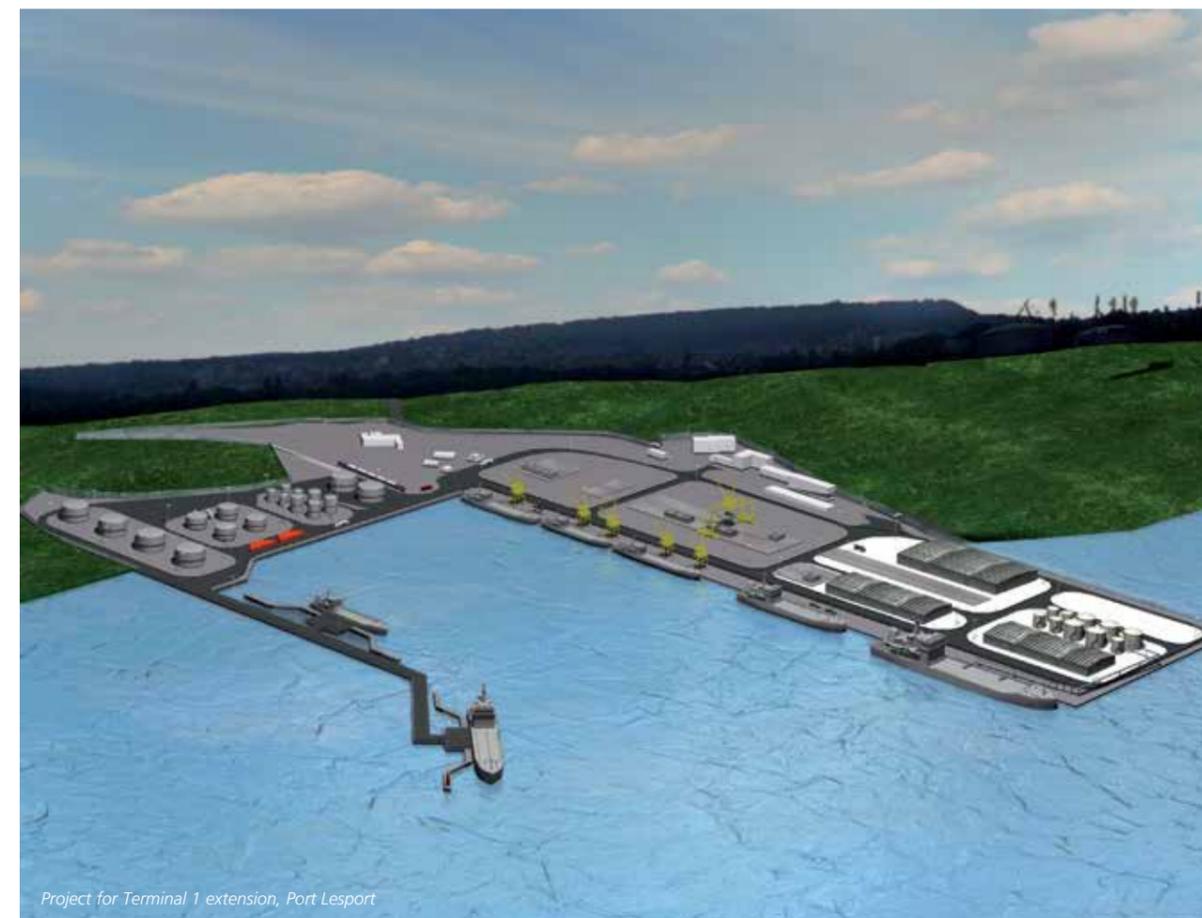
Since the start of the concession, more than 7 000 000 tonnes of cargo have been handled at the Port of Lesport and over 3000 ships visits have been recorded.

#### Gross earnings of "Port Lesport" S.A. are the following:

- » for the financial year 2006 – 2,13 million BGN
- » for the financial year 2007 – 3,47 million BGN
- » for the financial year 2008 – 4,45 million BGN
- » for the financial year 2009 – 5,68 million BGN
- » for the financial year 2010 – 5,22 million BGN
- » for the financial year 2011 – 5,44 million BGN
- » for the financial year 2012 – 5,92 million BGN
- » for the financial year 2013 – 7,75 million BGN
- » for the financial year 2014 – 5,91 million BGN
- » for the financial year 2015 – 4,03 million BGN
- » for the financial year 2016 – 9,15 million BGN
- » for the financial year 2017 – 5,87 million BGN
- » for the financial year 2018 – 5,15 million BGN
- » for the financial year 2019 – 5,43 million BGN
- » for the financial year 2020 – 4,19 million BGN
- » for the financial year 2021 – 3,52 million BGN

#### Lesport Project Management Ltd.

Lesport Project Management Ltd. is 100% owned by Port Lesport S.A. It is established to assist Port Lesport S.A. in the design, logistics and port facility building of Lesport port terminal.



## Port Balchik "Plc

"Port Balchik" Plc is a limited company registered in July 2005. The company has a capital of 2 million leva.

From May 25, 2006 "Port Balchik" Plc is the concessionaire of the "Port Terminal Balchik" - territorial area of the port for public transport of national importance Varna. The concession contract was signed between the Republic of Bulgaria, represented by the Minister of Transport, Information Technology and Communications as grantor, and "Port Balchik" Plc concessionaire. The term of the concession is 25 years.

### GENERAL INFORMATION ABOUT PORT

Port terminal Balchik is situated in the region of the northern coast in the central part of the town of Balchik within regulation.

Balchik port terminal is part of a public transport port of national importance Varna. The port terminal is built and operated since 1969 ranks as the thirdplace among the largest ports on the Black Sea coast. Implemented under the

scheme is single walled mall (so Balchik breakwater). The total area is 11,338 km. m. It has two berths with a total length of quay wall 164 meters. It is equipped with two 10-ton overhead cranes and all necessary mechanization quay for handling general, bulk and liquid cargo plant. In the port terminal can be processed simultaneously by two small vessels (ie 3000-4000) in permissible draft 8 m.

The port terminal has a 4,000 sq m outdoor storage areas. The territory has established a border checkpoint, customs office, post phytosanitary control and others. Cargoes to and from the port terminal is transported by road. The port terminal is designed for handling import and export of general, bulk, liquid vegetable cargo and mail.

In execution of the concession contract "Port Balchik" Plc build in Balchik port terminal "Complex for storage, transportation and loading of bulk / grain /" with loading capacity of 2000 tons.

Silo complex consists of two silos with a loading capacity of 1,000 tons each, made of rings made of galvanized steel sheet, the size of the silos: diameter

- 11.45 m; height of the cylinder with the roof - 15.84 m and single volume - 1385 cubic meters / total volume of 2770 cubic meters /. The silos are fitted with everything you need for temporary storage of grain in them as parameters of grain is controlled by the control system parameters, and the regulation itself is performed by venting the wheat from the ventilation system, which is installed on each silo. Overall clearing silos to empty the grain from them is carried out by sweep auger, with capacity of 80 t / h, installed in each.

Producer of the grain complex is a world leader in this type of equipment "Cimbria Unigrain" A / S - Denmark and the contractor of the works is "Stimex" Plc.

### The work of the grain complex is carried out in several technological options:

- » tovarene ship from silo - this type of grain silos in a system of grain transporters, elevators, conveyors and machine korabotovarna cargo ship. Loading productivity in this version of the work is 300 tons / hour;
- » loading of grain from car-Grain in silo - when this option grain poured into the car unloading, where a system of grain transporters, bucket elevators transported to fill the silos. Productivity in this version of the work is 150 tons / hour. The auto has the following dimensions: length 11 meters and width - 3 m with opportunities for the adoption of cars with side and rear dump;
- » loading a ship from car-Grain - this type of work grain poured into the auto, which through a system of grain transporters, elevators, conveyors and machine korabotovarna cargo ship. Productivity in this version of the work is 150 t / h;
- » loading of vehicles from grain-silo - this type of work from grain silos in a system of redlers and bucket elevators transport loading car-grain. Loading productivity is 150 tons / hour.

Silo complex is equipped with special equipment, so called korabotovarna machine, which is unique in the Republic of Bulgaria to implement loading of bulk / grain / ship. It is a self-propelled unit slidably movable along the quay wall to carry out the loading of the ship cargo plan approved. Through opportunities for lowering, lifting and rotating the nozzle of the tube loading of 3600, with the ability to drive the entire system of 300 left and right in localized position at a

time of loading time filling all volumes in ship compartments.

The work of the complex is monitored by a system of sensors and implemented and monitored by avtomatizirirana computer system. The amount of grain loaded onto a ship and current output loading of the complex reported by electronic belt scale.

The value of the constructed complex is 3 096 389.90 / three million ninety-six thousand three hundred eighty-nine leva and 90 cm /.

### "PORT BALCHIK" PLC HOLDS:

- » loperability certificate №11012 for handling general, bulk and liquid cargo plant and mail valid until 25/05/2031
- » ICertificate of compliance with the requirements of European quality standard ISO 9001: 2008 for port activities and cargo handling, issued by SGS United Kingdom Ltd .;
- » ICertificate of conformity to the international port facility security code ships ISPS Code valid until 12.03. 2025 and approved security plan.

The company "Port Balchik" Plc is a business of port services of loading, unloading, stacking, storage, repackaging of different types of loads, intra / terminal / cargo and mail in public ports, sea-technical services to which requires the use of port territory and / or port facilities - supplying ships with water, telephone and electricity mooring.

### DEVELOPMENT OF THE COMPANY

During the period of concession "Port Balchik" Plc strives to bring the port terminal in accordance with the highest standards at European ports and in accordance with best international practice by reconstruction, modernization and construction of new infrastructure on the territory of the port terminal.

With the signing of the concession contract is accepted and investment program for the implementation of "Port Balchik" Plc. The total investment for the entire duration of the concession amounted to 3,474,800 / three million four hundred and seventy-four thousand eight hundred / leva, for the first ten years





implementation must amount to 2,851,700 / two million eight hundred and fifty-one thousand and seven hundred / leva. The total amount of investments made by recognized investment programs from the beginning of the concession period to 31 December 2018 amounted to 4 584 033 / four million eight hundred and thirty-three thousand and thirty-three leva/.

**The cargo turnover from "Port Balchik" Jsc from the concession beginning is:**

- » between may 25th and December 31st 2006 - the 50 ships and 139,058 tons cargo;
- » between January 1st and December 31st 2007 - 67 ships and 201,667 tons cargo;
- » between January 1st and December 31st 2008 - 60 ships and 191,530 tons cargo;
- » between January 1st and December 31st 2009 - 69 ships and 228,848 tons cargo;
- » between January 1st and December 31st 2010 - 48 ships and 168,641 tons cargo;
- » between January 1st and December 31st 2011 - 44 ships and 143,335 tons cargo;
- » between January 1st and December 31st 2012 - 62 ships and 261,479 tons of cargo.
- » between January 1st and December 31st 2013 - 98 ships and 409,115 tons of cargo
- » between January 1st and December 31st 2014 - 76 ships and 296,096 tons of cargo
- » between January 1st and December 31st 2015 - 53 ships and 204,584 tons of cargo
- » between January 1st and December 31st 2016 -

- 40 ships and 184,575 tons of cargo
- » between January 1st and December 31st 2017 - 70 ships and 318,009 tons of cargo
- » between January 1st and December 31st 2018 - 62 ships and 304,358 tons of cargo
- » between January 1st and December 31st 2019 - 89 ships and 380,737 tons of cargo
- » between January 1st and December 31st 2020 - 83 ships and 345,466 tons of cargo
- » between January 1st and December 31st 2021 - 74 ships and 219,620 tons of cargo

**Gross operating income of "Port Balchik" AD are as follows:**

- » the financial year 2006 - 847 200 leva;
- » the financial year 2007 - 1.209 million leva;
- » the financial year 2008 - 1,177,400 leva;
- » the financial year 2009 - 1,355,200 leva;
- » for the financial year 2010 - 1,043,500 leva;
- » for the financial year 2011 - 814 074 leva;
- » for the financial year 2012 - 1,464,083 leva;
- » for financial 2013 - 2,429,777 leva;
- » for financial 2014 - 1,752,896 leva;
- » for financial 2015 - 1,129,971 leva;
- » for financial 2016 - 1,090,659 leva;
- » for financial 2016 - 1,090,659 leva;
- » for financial 2017 - 1,890,700 leva;
- » for financial 2018 - 1,776,719 leva;
- » for financial 2019 - 2,231,493 leva;
- » for financial 2020 - 1,108,000 leva;
- » for financial 2021 - 1,312,000 leva;

**Port Pristis Ltd**

Port Pristis Ltd. is registered in September 2010 as a limited liability company with registered offices and head office: Bulgaria, Rousse 7000, 2 Otetz Paisiy Sq., floor 8.

The capital of Port Pristis Ltd. amounts to 100 000 BGN, consisting of 10 000 shares, each of 10 BGN and divided among the shareholders as follows:

- » Bulgarian River Shipping JSC – 55%
- » Balkantours Ltd. – 15%
- » Galaxy Power Ltd. – 15%
- » DD Logistica Ltd. – 15%

**THE BUSINESS OBJECT** of Port Pristis Ltd. is providing services with commercial character in a port.

In November 2010 Port Pristis Ltd. won a contest for port operator and concluded a Contract with Rousse Municipality for providing port services in a port for public transport of regional importance "Pristis" - Rousse. On 04 January 2018 Port Pristis Ltd. signed with Municipal Council of Rousse a Concession contract for port "Pristis". The concession contract is for a period of 35 years and enter into force on April 2019.

Port Pristis Ltd. has been inscribed in the Register of port operators in Bulgaria, kept by the Maritime Administration Executive Agency, under serial № 24, page 201. The company owns Certificate № 72/12.03.2012 for registration as a port operator at the port of public transport "Pristis".

A Quality Management System with the scope "Operation of a river port" has been implemented at Port Pristis Ltd. Its compliance with the International standard **ISO 9001:2015** is certified by TUV NORD CERT GmbH.

Port "Pristis" falls within the scope of the central coastal zone of the city of Rousse and is covering an area of 32 618 m2, situated on the right coast of the Danube river between km. 493.800 and km. 495.500 according to Danube mileage.

Port "Pristis" is registered in the Register of the ports of the Republic of Bulgaria, kept by the "Maritime Administration" Executive Agency in Section "Public transport ports" under serial № 14, p. 173-176.



The port is in a serviceable state, for which a Certificate for serviceability has been issued by the Ministry of Transport, Information Technologies and Communications under № 23035 from 21.01.2021.

**Port "Pristis" is specialized** in handling passengers, stay of ships and their supply, ship bunkering and disposes of 11 berths. On the territory of the port are provided maritime-technical services (mooring services, supplying ships with water, electricity and communication, ship bunkering etc.); services on handling passengers – embarkation and disembarkation of passengers, loading, discharging and storage of luggage; additional activities (sports and leisure activities, agency-forwarding services, restaurant and commercial services etc.).

From 2011 to the end of 2021, the number of the handled ships in port "Pristis" exceeds 11 800. The number of passengers who have visited the port exceeds 306 000.

#### ***Ships and passengers that visited Port "Pristis" by years:***

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
1. Arrivals of ships, number:	1 292	1 100	1 074	1 092	1 258	1 296	1 181	1 114	981	630	788	<b>11 806</b>
1.1. Passengers ships:	169	189	230	283	201	236	243	246	331	16	107	<b>2 251</b>
1.2. Commercial ships:	1 123	911	844	809	1 057	1 060	938	868	650	614	681	<b>9 555</b>
2. Passengers, number:	20 654	25 282	32 139	39 443	27 556	30 816	34 541	36 482	47 252	1 582	10 665	<b>306 412</b>



## **Port Invest Ltd.**

Port Invest Ltd. has been registered as a private limited liability company with its registered office at: 7000 Ruse, 2 "Otets Paisiy" Square. It has been entered in the Commercial Register in 2012 with a registration act № 20121102153848.

The capital of Port Invest Ltd. amounts to 1 600 000 leva, divided into 16 000 shares each of 100 leva. The sole shareholder of the company is Bulgarian River Shipping JSC – a public joint stock company. Port Invest Ltd. hasn't had any branches registered under the Commercial Act.

#### **THE PRINCIPAL ACTIVITIES** of Port Invest Ltd.

include carrying out activity as a port operator, provision of port services, chartering and transport-forwarding activity; commercial navigation on river, sea and related inland waterways, including carriage of goods by waterway and combined transport; transportation of passengers and luggage; rental and leasing of ships, other vessels and other means of transport; towing and pushing of vessels and cargo; ship supply, carrying out of river, marine services and other ancillary commercial and technical activities and operations associated with the Merchant Navy; commercial representation, brokerage and ship agency; home and foreign trade; ship repair for own and other needs; investment and engineering, research and development; training and qualification of personnel; other types of business for which there is no statutory prohibition.

By Decision № 49 of 24.01.2013 of the Council of Ministers of the Republic of Bulgaria, Port Invest Ltd. has been determined as a Concessionaire of the "Port Terminal Lom" (Port Lom), part of the port for public transport Lom. Under the concluded concession contract, Port Invest Ltd. has acquired rights of a sole port operator for the Port of Lom.

**Port Lom** is situated on the right bank of the Danube river from river km. 742.000 km to river km. 742.500 in the central part of the town of Lom, district of Montana, northwestern Bulgaria. It stands 162 kilometers north of Sofia, 56 km. southeast of the city of Vidin, 49 km. north of the city of Montana and 42 km. west of the town of Kozloduy. Lom is an administrative and economic center of the municipality of Lom. The population of the town at the end of 2021 was 18 593 inhabitants and it is the second largest location in the district. Its development

as a major river port center, second in importance for Bulgaria after Rousse is determined by the fact that it is the port situated nearest to the capital.

Port Lom has a total area of 371 129 sq. m. The main port infrastructure and facilities are built on an area of 302 379 sq. m. The port is connected to the national railway network and to the national road network. The city Montana liaises with the international route E 79.

#### **Infrastructure, technological and technical security of the Port of Lom:**

- » Piers and berths: The port covers 5 piers and 13 berths, three of which (1, 2 and 3) are located on the open Danube river, and other 10 - in the indoor - firth pool.
- » Indoor and outdoor warehouses: Monolithic warehouses and sheds with a total area of 11 547 sq. m. and outdoor warehouses with a total area of 117 921 sq. m.
- » Cranes and handling equipment: The main facilities for cargo handling are 18 el. port gantry cranes with a capacity of 5 to 20 tons. The port has parking areas for cars, as well as an internal port railway network. The port fleet comprises 1 pusher servicing the port aquatic area and the adjacent raids.

On the territory of the terminal there are built border checkpoint, customs office, phytosanitary control point etc. Cargoes to and from the port are transported by road, railway and waterway. The port terminal is designed for handling of import and export cargo. Both the outdoor and indoor warehouses located in the terminal, as well as the loading and unloading facilities and the engineering infrastructure for water supply, power supply and the specialized equipment for cargo handling and lighting ensure the provision of port services typical for a port of a universal type.

"Port Terminal Lom" is registered in the Register of the ports of the Republic of Bulgaria, kept by the Maritime Administration Executive Agency under serial № 1, p. 1-4.

Port Invest Ltd. has been inscribed in the Register of port operators in Bulgaria under № 13, p. 49-52. The company owns Certificates № 41001/25.06.2020 and



Nº 42007/11.03.2021 for registration as a port operator at the port terminal of Lom, part of the port of Lom.

The port terminal is in a serviceable state, for which a Certificate for serviceability has been issued by the Ministry of Transport, Information Technologies and Communications under Nº 14017 from 29.01.2021 for the handling of general and bulk cargo and ship supply.

In carrying out its activities, Port Invest Ltd. is guided by the best European practices, existing legislation and the Quality management and control system introduced by the company. Proof of this are the company held:

» Certificate Nº P112/04.02.2015 on the entry of the company in the register of the State Agency for Metrology and Technical Surveillance of the entities performing activities on maintenance, repair and

modification of high-risk facilities, as an entity that performs maintenance, repair and overhaul of hoisting cranes; hoisting electric carts running on overhead tracks that are not mounted on hoisting cranes; electric hoists that are not mounted on hoist cranes; excavators designed to work with a hook, grab or an electromagnet; lifting accessories; hanging baskets for lifting persons; mobile workstations.

» Certificates for handling of bulk and general cargo, preparation of transport documents, repair and provision of port services, issued by "TUV NORD CERT" GmbH as follows: ISO 14001:2015, ISO 9001:2015, ISO 45001:2018.

In 2021 within the territory and operational water area of the port there were processed 554 465 t. of cargo, of which the largest share by type of cargo was that of the cereals, followed by metals chemical fertilizers.

**Types of the cargo handled in 2021 at the Port Lom:**

Types of cargo	Quantity (ton)	Share (%)
Cereals	258 928	47
Metals	176 965	32
Chemical fertilizers	63 573	11
Ores and Concentrates	43 608	8
Coke	7 065	1
Others	4 326	1



Port Lom

### Trans Intercar Ltd.

Trans Intercar is a company, which is a part of Chimiport providing automobiles on operative leasing. The company disposes with an automotive park with more than 100 automobiles, which are part of its activity. Some of the main customer-companies are participants in Chimiport, as well as some external customers.



### M Car Group

During the same year Invest Capital launched a new project – namely for the construction of two service stations in Sofia and Varna. Their purpose is to provide quality and all-round service for the customers of Insurance Stock Company Armeec, as well as for all the companies participating in the holding.

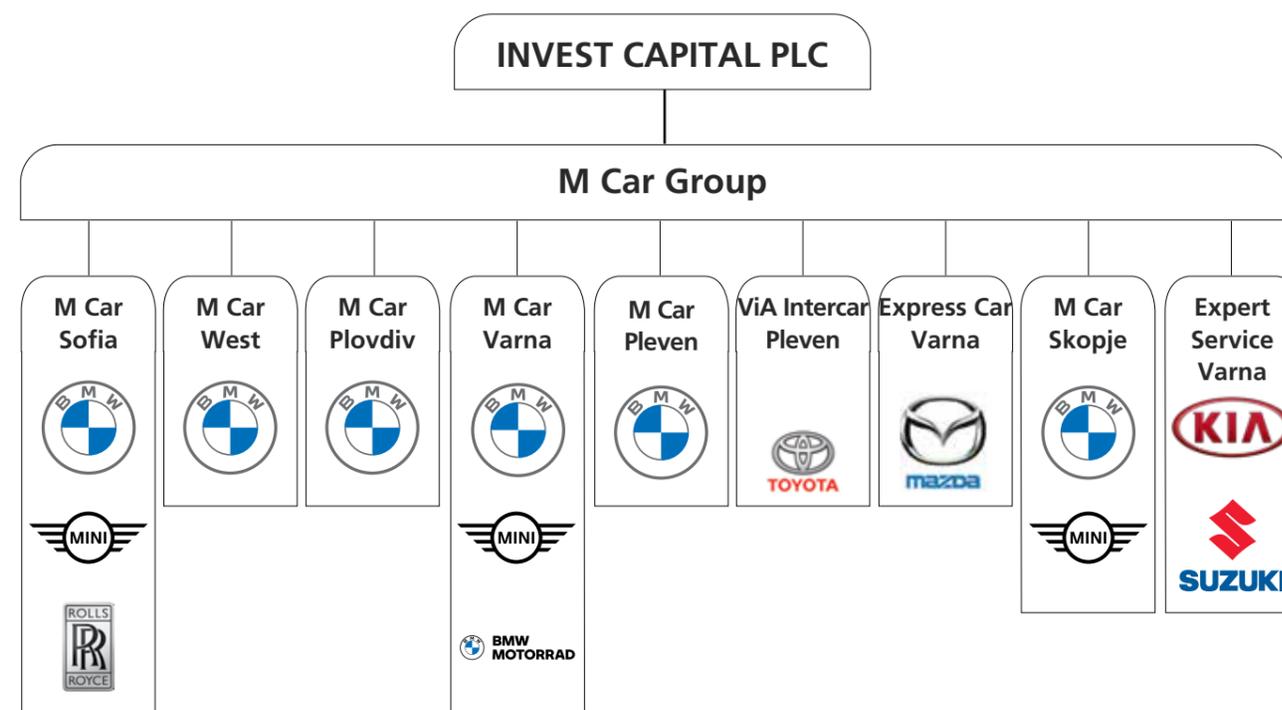
In the end of the year 2014, Invest Capital with the aid of a fiduciary company acquired the facilities of the importer of BMW and MINI in Skopje from April 2015, after complete reconstruction in compliance to the latest standards and the requirements of the German manufacturer, M Car Skopje became the official dealer of the brands BMW and MINI for Macedonia and Kosovo. In 2015 the new showroom in Varna opened for business over 1000 square meters presenting Kia and Suzuki automobiles. In 2016, following its marketing strategy of implication and population of the brand M Car, two of the dealerships of BMW Varna Cars and ViA Intetrcar

have been renamed correspondingly to M Car Varna and M Car Pleven. During the same year M Car Varna performed an overhaul and reconstruction of the BMW showroom while complying with the standards and the requirements of BMW AG and opened the second showroom of the BMW Motorrad for the territory of Bulgaria.

In 2017, the largest dealership of BMW and MINI in Bulgaria, Sofia opened the doors.

In 2018, the company was authorized for official Rolls-Royce service by Rolls-Royce Motor Cars Ltd.

The Complex strategy of Invest Capital, with the aid of its fiduciary company M Car Group is to expand, in the future, its activity in the automotive tier as it acquires new dealerships, expands its activity over the available and to increase the quality of the newly opened service centers.





## M Car Ltd. – an authorized representative of BMW for Southeast Bulgaria

M Car is an authorized representative of BMW for Southeast Bulgaria. The company is registered in 2001 as from the very beginning of its activity is a dynamic tempo setter and therefore takes the leading position in the premium automobiles sales segment.

The high level of professionalism, the flexible and creative company policies are all set and developed in the attitude of M Car towards the customer which leads to high performances with respect to satisfaction and to the increase of the customers beyond the limits of Southeast Bulgaria.

M Car incorporates the sale of new and used BMW automobiles in its activity, as well as the offering of after sale servicing of BMW and Mini. The M Car team passes a number of professional trainings every year, which in turn leads to constant increase of the qualification and to the possibility of adequate

reaction to the needs of the market, as well as to the individual customers.

The automotive complex is spanning over 2 203 square meters, disposes of a modernly equipped service base, covering entirely the high standards of BMW, and a presentation showroom, located on 448 square meters. M Car has 47 qualified employees as the company structure is harmonized entirely with the management practices of the automotive factor BMW and the imposed highly effective principles of work.

During 2014 the showroom was renovated completely according to the latest standards and requirements of the German manufacturer. As a good testimony for its work, during the past few years, M Car Plovdiv has won numerous prizes for automobile sales, servicing, accessories and lifestyle products.





**M Car Sofia Ltd. – authorized dealer of BMW and MINI, as well as authorized service of Rolls-Royce**

M Car Sofia is the flagship according to the sales and corporate policy and perfectly corresponds to the urban environment and regulatory territory requirements. The dealership also meets the requirements for sustainable and green building.

The company is located in residential complex "Hladilnika", city of Sofia. It consists of two separate showrooms of BMW and MINI, service area, front office, parking lots and underground garage, body and paint workshop, a car wash and a storage for wheels.

There is an authorized service center of Rolls-Royce Motor Cars and a VIP reception for the brand.

The BMW showroom is designed on three levels – ground floor, second and third floor, integrated into the main facility.

The MINI showroom is constructed on one level with a

MINI hub for customers, according to latest MINI standards.

When entering the building, the customers are welcomed at the reception desks. Regarding their needs they are redirected to Sales advisors for new/premium selection cars or to the Service advisors.

There are Lifestyle, accessories and spare parts shop, Izetta bar and customer waiting area. The service area has spare parts storage, mechanic service area, active service area, storage for wheels, body and paint shop and a carwash.

There are 55 parking places outside the building, and one of these parking lots is for people with disabilities. There are 71 parking lost in the garage for new cars.

The total area of the building is 10 864 m2 and its grand opening was in October, 2017.





**M Car Varna Ltd. – authorized dealer of BMW, MINI and Motorrad**

The activity of M Car Varna started during the second half of the year 2002 as the company signed a contract for dealership, automobile sale and spare parts sale, as well as warranty and post-warranty servicing of BMW for Northeast Bulgaria.

At the end of the year 2006 M Car Varna signed a new contract for dealership directly with BMW AG Germany. During the month of October of the same year, the company signed for the servicing of MINI. Currently the company delivers the full spectrum of service and repair options for both BMW and MINI automobiles.

In the early 2009 the center of demonstration and sale of used automobiles following the BMW Premium Selection program was built over 700 square meters.

M Car Varna was announced as the best BMW dealer

in Bulgaria in both sales and after sales service for 2011.

In 2014, M Car Varna became the official representative of MINI for the region and opened the first standalone showroom of the brand in Bulgaria.

In the desire to satisfy the ever growing desires of its customers, M Car Varna started a general reconstruction of its automotive saloon in 2015 while adhering strictly to the latest requirements and standards of BMW. In 2016 the reconstruction was a fact as the exhibition space for BMW increased by almost 75 square meters, which provides space to show up to 8 more automobiles and the second floor over 140 square meters a showroom for motorcycles and accessories of the brand BMW Motorrad was built.





### M Car Pleven Ltd. – authorized dealer of BMW in Northwest Bulgaria

ViA InterCar is a company started in 1997. Initially the company excelled in selling original spare parts for the brands BMW, ROVER and LAND ROVER, as well as offering repairs for the latter three. In 2004, ViA InterCar became an official representative of BMW for Northwest Bulgaria. The main activity of the company became the sale of automobiles, original spare parts and accessories with the brand BMW, as well as the after sales service. In 2008, ViA InterCar opened a new showroom combined with a service station in the city of Pleven, which corresponded to all the requirements and standards of the BMW brand.



### ViA InterCar 2007 Ltd. – authorized dealer of Toyota for the region of Pleven

The company started its operative activity after the opening of a new automotive complex in 2007. Between 1997 and 2007, ViA InterCar 2007 sold automobiles, spare parts and performed the full spectrum of servicing operations. In the end of 2004, the company signed with Toyota Balkans and became an official representative in sales and after sales servicing of Toyota automobiles.

For the construction works and the equipment of the new TOYOTA complex, an investment of over EUR 770 thousand was made. The new facility spans over 115 square meters and offers new TOYOTA automobiles, spare parts, consumables and accessories for the automobiles, servicing and repairs – automotive mechanics, bodyworks and painting, as well as sale of used TOYOTA automobiles. The service station is equipped with the latest state of the art for diagnostics and repairs.





### Express Car LTD – authorized dealer of Mazda for the Varna region

In 1999, Express Car signed a dealership contract with Summit Motors Bulgaria LTD and became the authorized dealer of Mazda for Northeast Bulgaria.

In 2003 a new showroom in Varna downtown was open. After the good results, amongst which the prize for best dealer of Mazda for three consecutive years, the company opened another sales-service center in 208, which was in accordance with all requirements and standards of the Japanese manufacturer.

The new complex disposes of a showroom with area of 379 square meters and a service station of 364 square meters.



### M Car Skopje – official importer of BMW and MINI for the territory of the Republic of North Macedonia and Kosovo

M Car Skopje – official importer of BMW and MINI for the territory of the Republic of North Macedonia and Kosovo.

M Car Skopje was started in December 2014. Since 2015 this company is the official importer of the brands BMW and MINI for the Republic of North Macedonia and Kosovo. The modern sales-service complex is located at one of the main road arteries of the city of Skopje where one can find most of the automotive dealerships and takes the total area of 5 500 square meters as it offers all the services, related to the sale and servicing of the German brands.

The BMW showroom is one of the largest in the country where over 1000 square meters one can review the full range of BMW, as well as a large number of accessories. The MINI showroom takes 300 square meters and is constructed according to the latest requirements of the German manufacturer.

M Car Skopje disposes with the largest and most contemporary bodyworks and painting shop at the Macedonian market. Spanning over 1600 square meters, the company offers a full package of service and repair options for warranty and post warranty cases. Due to the excellent infrastructure of the flawless products, as well as thanks to the professional and well trained team, M Car Skopje aims to restore its leader position at the premium tier of the Macedonian market during the very next year.





## Expert Service – official distributor of the brands KIA and SUZUKI as well as trusted service station for Insurance Stock Company Armeec for the city of Varna

Expert Service Ltd. started out in 2015 as a certified service station for the automotive brands KIA and SUZUKI. A team of highly qualified experts offers the full range of automotive repairing services according to the standards, technologies and technical requirements of the manufacturers.

The company also offers servicing for post warranty repair of all brands: diagnostics, warranty and post warranty servicing, engine overhauls, gearbox repairs, chassis repairs, electrical circuits and equipment, replacement of spare parts, bodyworks, restoration, repairs and painting of damaged parts of the automobile coupe.

Expert Service is also a “trusted service station” for bodyworks at the Insurance Stock Company Armeec.

In 2015 Expert Service became the official representative of KIA and SUZUKI for the city of Varna. In the showroom each and every customer will get professional and competent collaboration in the choice of an automobile, motorcycle or off-road vehicles of the corresponding brand.

In its capacity of authorized service station, Express Service has the chance to deliver the full package of service activities and repairs for the KIA and SUZUKI automobiles.



### „MVB Truck and Bus Bulgaria“ ЕАД

MVB Truck and Bus Bulgaria EAD е единственият официален представител и вносител на продуктите на германския концерн MAN Truck & Bus SE в България.

Компанията MAN Truck & Bus SE е основана през далечната 1915 г. и към момента е водещ европейски производител на индустриални превозни средства, отдадена на качествено инженерство и технологично съвършенство.

#### ИСТОРИЯ В СЪПКИ

- » 2012 г. - MVB основане
- » 2012 г. - Договор MVB & MAN
- » 2013 г. - Откриване MAN Center Sofia

- » 2014 г. - Награда Best market MAN
- » 2015 г. - Пазарен дял на MAN над 20%
- » 2018 г. - Откриване MAN Center Plovdiv
- » 2020 г. - Представяне нова продуктова гама MAN TG Generation

Договорните отношения на двете компании стартират от 2012 година. MVB Truck and Bus Bulgaria EAD е оторизирана да предлага на българския пазар продуктите от тежкотоварната серия, вановете и автобусите – нови и употребявани MAN Top Used автомобили с гарантирана от производителя сервисна история, да извършва гаранционно и следгаранционно обслужване и ремонти, както и да търгува с оригинални резервни части и смазочни материали MAN.



## ПОСТИЖЕНИЯ И ЦЕЛИ

Фирмата стартира с 30 служители, локализирана в София, бележи зашеметяващ растеж и за краткия срок от две години е отличена от концерна MAN Truck & Bus SE с високия приз Best Market 2014 (Най-добър пазар 2014), а 2015 постига забележителен пазарен дял на марката за България от над 20% и е номинирана за най-добър сервизен партньор на производителя. През следващите години MVB Truck and Bus Bulgaria EAD развива, поддържа и отстоява отличното си представяне. Постига това като комбинира дългогодишния опит на екип в спецификите на индустрията, иновативните методи за анализ и адекватен отговор на нуждите на своите клиенти.

Към 2023 г. служителите на компанията наброяват 100 души, между които има както опитни, високо квалифицирани кадри, така и млади хора, които навлизат в сферата на търговията или сервизната поддръжка. Добрата професионална форма на всички се поддържа благодарение на перманентния достъп до специализирана техническа литература и периодични обучения, предоставяни от производителя MAN Truck & Bus SE. Към момента компанията разполага с 3 търговско-сервизни центъра в страната, позиционирани в София, Пловдив и Варна. Базите в София и Пловдив са изградени, оборудвани и отговарят на най-високия стандарт А на концерна MAN Truck & Bus SE. Базата във Варна е в процес на развитие и предстои също да бъде сертифицирана. Цел на MVB Truck and Bus Bulgaria EAD и в бъдеще да запази позицията си на предпочитан и надежден партньор за доставка и сервизиране на пътно-транспортна техника на българския пазар.

## ОСНОВНИ КОМПЕТЕНТНОСТИ

- » Справяне с трудни ситуации и намиране на решения за необичайни проблеми
- » Създаване на трайни партньорски взаимоотношения с доставчици и клиенти
- » Добре обучени и опитни професионалисти в търговския и сервизния екип
- » Уникални продукти с добавена стойност
- » Отговор на нуждите на клиентите чрез предоставяне на дългосрочни, стабилни решения

## УСЛУГИ

- » MAN Обслужване и ремонт
- » MAN Оригинални резервни части, смазочни материали и аксесоари
- » MAN MOBILE 24 - асистенция в чужбина
- » MAN DigitalServices – дигитална асистенция
  - DriverApp
  - ServiceCare
  - MAN NOW
- » MAN ProfiDrive - обучение за експлоатация на техниката

## ЛОКАЦИИ

- » 01 — Sofia MAN Center
- » 02 — Plovdiv MAN Center
- » 03 — Varna MAN Center



## M LEASING EAD

Company with more than 15 year of market presence.

The company, established in 2018 as part of Eurobank Bulgaria, EFG Groupe is a successor of ERB Leasing. (ERB Leasing was established in 2004 as the leasing arm of Eurobank Bulgaria).

In November 2018, insurance company Armeec acquired ERB Leasing from Eurobank Bulgaria renamed it as M Leasing.

M Leasing EAD is a financial institution providing finance and operate lease to corporate clients, small and medium enterprises and individuals.

The company is managing a portfolio of over BGN 18 mln of both finance and operate lease as of FYE2022.

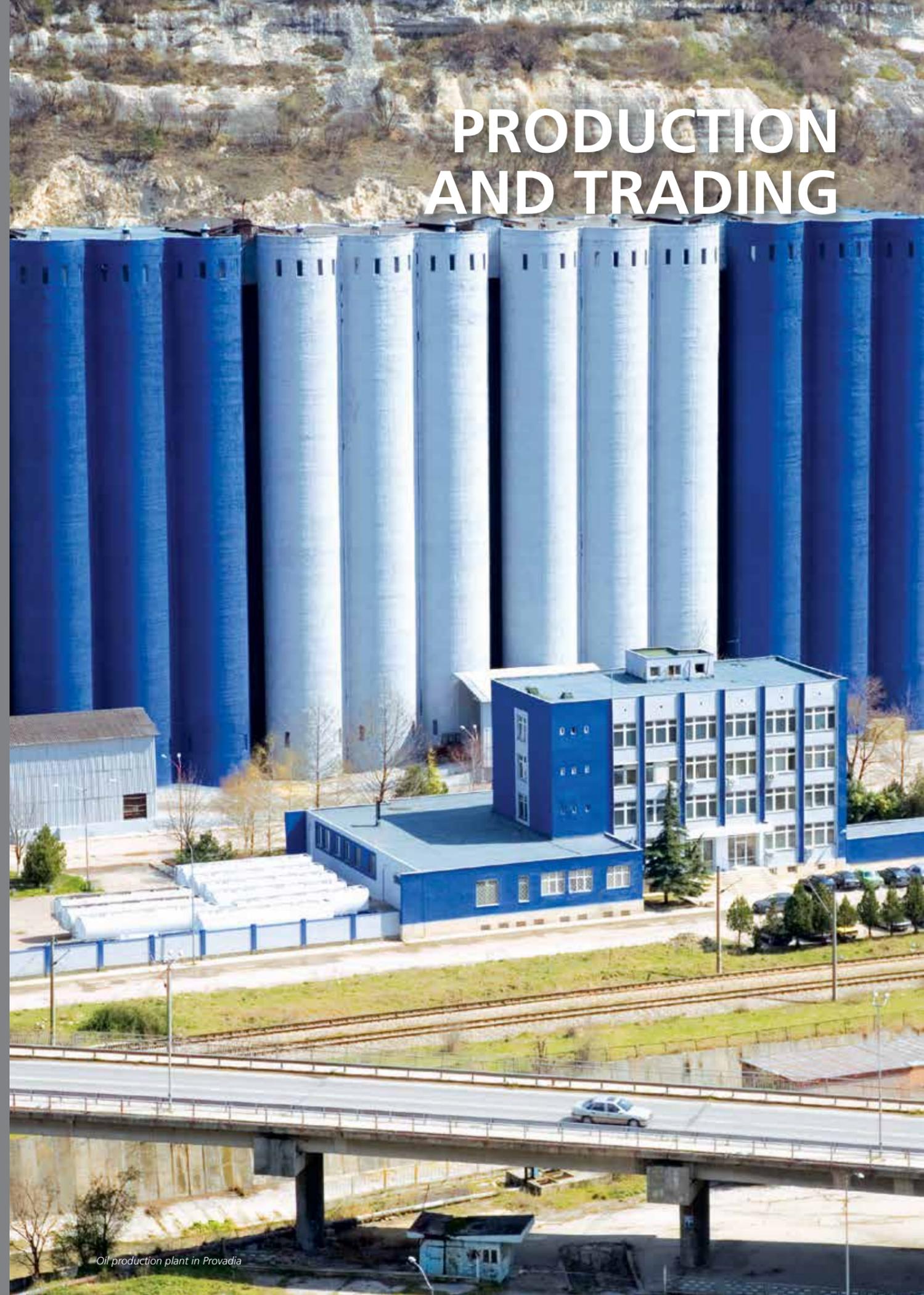
Assets under finance and operate lease are cars, transport vehicles, machines and equipment. The company's fleet consist of more than 386 leasing contracts with 394 financed assets.

Acquired in 2019 by M Car Group, the largest car dealer in Bulgaria, the company strengthens its position on the car financing market. That allowed M Leasing to provide high end service and cross selling to its customers within the group dealerships.

The company provides high level services to its clients through the HQ in Sofia, representative offices in Plovdiv, Pleven and Varna, located in the premises of M Car and registered branches in 9 cities in Bulgaria – Stara Zagora, Veliko Turnovo, Burgas, Rouse, Gabrovo, Blagoevgrad, Sliven, Haskovo, Shumen and Pazardzhik.

With its over 15 years of experience the company has proven itself as a reliable partner delivering high level of service and customized approach to its clients.

# PRODUCTION AND TRADING



*Oil production plant in Provadia*

## Zarneni Hrani Bulgaria JSC

Zarneni Hrani Bulgaria JSC is at the top of the Bulgarian market as far as the purchase, storage and trading with oilseeds, as well as in the production and the sale of vegetable oils.

With the opening of the largest and most contemporary plant, up to the present day, for the production of biodiesel in Bulgaria, Zarneni Hrani Bulgaria JSC has successfully entered into this branch as well.

Zarneni Hrani Bulgaria JSC is a joint stock company, founded on the 26.11.2007 by the merger of the following eight companies: Sun Rays Bulgaria PLC, city of Sofia (a public limited company by the meaning of the Law of Public Offering of Securities), Zarneni Hrani Trade JSC, city of Sofia, Back International JSC, city of Sofia, Zarneni Hrani – Valchi Dol JSC, city of Sofia, Zarneni Hrani Balchik JSC, city of Sofia, Zora JSC, city of Ruse, Prima Agrochim LTD, town of Dobrich and Chimiport Agrochemicals LTD, city of Sofia. As a result of that merger, all assets and liabilities of the said companies were passed on to the newly created entity Zarneni Hrani Bulgaria JSC which is thereby their universal successor. With the aid of the vertically integrated business model of the company, which in turn covers all the stages from the manufacturer to the end user, including transport and harbor activities is achieved through the uniting of the agricultural business of Chimiport.

In 2012 a Contract of Transformation via merger of Chimiport Group JSC into Zarneni Hrani Bulgaria JSC was signed, due to which the company became the universal successor of the assets and liabilities of the so transformed entity.

As a result of the so made merger the Group has the following entities:

**Sun Rays Provardia JSC** – subject of activity: manufacturing and trading with biodiesel, trading with vegetable oils, purchase and storage of oil production raw materials, refinement, harvesting and storage of oil raw materials, refinement and harnessing of vegetable, nutritive and technical oils, brislings and pomace.

**Port Balchik JSC** – subject of activity: rendition of harbor services of loading, unloading, stacking, storage, and repacking of different types of cargos,

intra-harbor /terminal/ transportation of loads and mail in the public transportation harbors /in the case of concession/, performance of additional activities.

**Zarneni Hrani Grain LTD** – subject of activity: trading with grain and its derivatives within the country and abroad, trading with agricultural products, purchase of goods and other items with the purpose of sale in initial, processed or refined states – within the country and abroad.

**IT Systems Consult LTD** – subject of activity: web design, graphics design, development, commissioning and maintenance of software products, development, implementation and maintenance of computer networks, web hosting.

**Omega Finance LTD** – subject of activity: accounting services, wholesale, financial consultations and investments.

**Химцелтекс ООД, ЕИК 130434434** – предмет на дейност: вноси и износ, реекспорт и други търговски операции с химически продукти, целулоза и целулозни продукти, суровини за текстилната промишленост.

**Bulchimtrade LTD** – subject of activity: trading within the country and abroad with pharmaceutical substances, veterinarian medicaments, chemicals, reagents, gases, lacquer and painting products, pigments and paints, artificial threads, oil, fuels, petrochemical products; external trading, exchanges, barter, compensation and other types of affairs

**Орзахим трейдинг ООД, ЕИК 130430418** – предмет на дейност: търговска дейност в страната и чужбина с фармасубстанции, ветеринарни препарати, химикали, реактиви, газове, лакобояджийски продукти, пигменти, багрила, изкуствени влакна, химически и други стоки и продукти.

**Рабър Трейд ООД, ЕИК 130430425** – предмет на дейност: външнотърговска и вътрешнотърговска дейност, обменни, бартерни, компенсационни и други сделки.

**Texim trading JSC** – subject of activity: trading with goods and services, import and export, services in the

construction works, transportation and tourism sectors, financial and fiscal consulting.

**Диализа България ООД, ЕИК 131084129** – предмет на дейност: осъществяване на лечение, рехабилитация и наблюдение на болни с хронична недостатъчност в диализни центрове.

**Oil and Gas Exploration and Production PLC** – subject of activity: prospecting, exploration, production and marketing of crude oil and gas, prospecting, exploration and production of fields of thermal, mineralized and underground water for human consumption, household and industrial purposes, prospecting and exploration of geothermal

energy fields, wild cat, exploration and production well drilling for oil and gas, as well as underground water and geothermal energy, all types of service activity related to the main activity.

**Asenova Krepost JSC** – subject of activity: production and marketing of polymer packaging and materials, distribution, trading, import and export, tourism, management, marketing, entrepreneurship, mediation and agency, services of acquisition, management and assessment and sale of participations in local and foreign enterprises; investments in securities of other emitters; signing of other commercial affairs, related directly to the former activities.



Facilities for the production of biodiesel

Facilities for the production of biodiesel



През 2013 г. с договор за покупко-продажба на акции между Зърнени храни България АД и Нефтена търговска компания ЕООД са продадени 50 000 броя акции, представляващи 100% от капитала на Петрохим трейд ЕАД.

На 23 август 2013 г. в Търговския регистър към Агенция по вписванията е вписано прехвърлянето на дяловете на Медицински център Хелт Медика ООД. Дяловете са прехвърлени на Българскиан еъррейз груп ЕАД.

In 2014 the company sold 28% of its control package at the subsidiary company Port Balchik JSC, thus reducing it from 95% to 67% of all the shares.

On the 13th of January 2014 the newly founded company **Techno Capital JSC** was registered. Its share capital is comprised of 1 000 000 ordinary registered shares with par value of 1 BGN each as the group is the holder of 59.4% of all the shares.

The main subject of activity for the so created

company is to act as a system integrator of information systems, preparation and management of projects, contracting with vendors and contractors, management of human resources, contracting, selection and management of technical infrastructure for work of information systems of all sorts and designation; implementation and commissioning of information systems, selection and assembly of hardware, information systems administration; outsourcing and management of information services, as well as all sorts of activities not prohibited by the law.

През 2014 г. Групата придобива допълнително дялово участие (40%) в своето дъщерно дружество Химцелтекс ООД, като по този начин увеличава своето контролиращо участие от 60% на 100% и става едноличен собственик на капитала. В резултат на извършеното придобиване Групата увеличава дела си в дъщерното дружество на Химцелтекс ЕООД – Арис 2003 ЕООД също на 100%.

Denomination of the subsidiary	Denomination of the subsidiary
Oil and Gas Exploration and Production PLC	51.22
Sun Rays Provadia JSC	100
Asenova Krepost JSC	70.96
Port Balchik JSC	67
Bulchimtrade LTD	66
Rubber Trade LTD	60
Chimtselteks LTD	100
Zarneni Hrani Grain LTD	100
IT Systems Consult LTD	100
Bulgarian Petrol Refinery LTD	51
PDNG – Service LTD	51
Sitnyakovo Project Estate LTD	51
Chimoil BG LTD	51
Golf Shabla JSC	33
Editing House Geology and Mineral Resources LTD	36
Imoti Aktivitis-1 LTD	100
Dobrich Fair JSC	59.97
Kavarna Gas JSC	35

На 11 февруари 2015 г. в Търговския регистър към Агенция по вписванията се вписва откриване на производство по ликвидация на „Диализа България“ ООД. На 15 септември 2015 г. Общото събрание на съдружниците решава да се извърши заличаване на дружеството в Търговския регистър към Агенция по вписванията.

In 2016 a new subsidiary company named Sitnyakovo Project Estate LTD was established. The company capital is in the amount of EUR 3 331.07 thousand and is formed by a kind contribution of real estate by the sole owner Oil and Gas Exploration and Production PLC.

Subject of activity of Sitnyakovo Project Estate: management and rental of real estate; purchase of real estate; construction of buildings; sale of real estate – offices and flats. In 2018, with the purchase and sale of shares, 389 ordinary registered shares were acquired, representing 19.99% of the capital of Dobrich Fair JSC.

През 2019 г. е създадено дружеството Имоти активитис-1 ЕООД, еднолична собственост на Зърнени храни България АД, чрез апортна вноска на недвижими имоти и движими вещи, находящи се на територията на гр. Тервел и с. Долно Церовене, обл. Монтана. На 09 април 2019 г. дружеството е вписано в Търговския регистър.

На 11 август 2015 г. в Търговския регистър към Агенция по вписванията се вписва откриване на производство по ликвидация на „Химойл трейд“ ООД. На 10 октомври 2016 г. с протокол от извънредно Общо събрание на съдружниците на „Химойл трейд“ ООД се приема баланса на Дружеството към датата на приключване на ликвидацията – 11 август 2016 г. и Общото събрание на съдружниците взема решение да се извърши заличаване на дружеството в Търговския регистър към Агенция по вписванията.

На 15 Март 2018 г. с договор за покупко – продажба на временно удостоверение са продадени всички притежавани от Групата акции

от капитала на дъщерно дружество „Химимпорт фарма“ АД.

На 20 Април 2018 г. с договор за покупко-продажба на акции са придобити 389 броя обикновени поименни акции, които представляват 19,99% от капитала на Добрички панаир АД.

Initially the capital of Zarneni Hrani Bulgaria is in the amount of EUR 87 320.98 thousand, divided into EUR 87 320.98 thousand simple shares with the right to cast a vote and par value of 1 BGN each. As a result from the transformation, the capital of the accepting company Zarneni Hrani Bulgaria JSC has increased to EUR 100 039.37 thousand with the emission of EUR 12 717.87 thousand simple shares with the right to cast one vote and par value of 1 BGN each.

Zarneni Hrani Bulgaria JSC is a public joint stock company by the meaning of article 110 of the Law of Public Offering of Securities by the virtue of resolution of the Commission of Financial Supervision from the 30th of November 2007.

#### The fundamental business areas of the company are:

- » manufacturing of vegetable oils; production of biodiesel; refinement and harnessing of technical oils; raw oil production and prospecting for natural gas; refinement of oil and condensate, manufacturing of oil products, polymers and synthetic threads; manufacturing of low voltage electric apparatuses; refinement and trading with plastics; manufacturing and trading with polyethylene products;
- » trading with grains, vegetable oils, pharmaceutical substances, veterinarian medications, chemicals, reagents, gases, lacquer and paint products, pigments and paints, synthetic threads, oil, fuels, petrochemical products;
- » warehousing grains, renting of real estate and rendition of harbor services and others.

The manufacturing activity of refined oils is performed by the company in an Oil Production Plant, located in the town of Provadia where in the integrated installations, the company disposes of capacity to manage the full cycle of manufacturing – from the seed squashing to the bottling of the done production. The Oil Production Plant located in the town of Provadia has a fully integrated technological system for the production of vegetable oils and is registered as site № 03030001, as a plant for the

production of oils with vegetable origin.

The plant has been certified as compliant with the standards for quality management systems as defined in ISO 9001:2008 and ISO 22000: 2006.

The refined oils are branded with the reserved name Sun Rays, which name is registered with the State Registry of Brands, as maintained by the Bulgarian Patent Office.

The plant disposes of completely automated oil refinement line with 100 tons capacity for refined oils for feeding purposes and 300 tons neutralized oils for technical purposes each 24 hours. The equipment is delivered by the Italian company De Smet Ballestra oil.

In 2008 a new automated bottling line with capacity 6000 bottles per hours (1 liter each bottle) was delivered by the English company Intercaps.

In 2016 a new installation for production of raw oils was introduced. The powers in the oil production workshop are 600 tons/24 hours for refinement for sunflower seeds or 500 tons/24 hours for different seeds.

Part of the available infrastructure in the town of Provadia is being used by the company (through its subsidiary Sun Rays Provadia JSC) as a fundament for the construction of the most contemporary (up to this moment) installation for the production of biodiesel in the country. The plant, is built by the world leader from Italy De Smet Ballestra oil based on modern

technologies and is with annual production capacity of 100 000 tons as it could be powered by different raw materials for the purpose of diversity of arbitration between the prices of the raw materials and the done production. This manufacturing process is ecological – the only waste is glycerin with degree of pureness 80%, which is highly applicable in many industries and all refinement processes are automated and almost human factor free. At the plant there are also storage units of 6 000 square meters for storage of biodiesel and 2 000 square meters for the storage of neutralized vegetable oil with total value of 15 million euro. The so produced biodiesel is being sold on neighboring external markets.

**The plant also disposes of the following warehousing facilities:**



- » reservoirs for storage of refined oil with total capacity of 2 300 tons;
- » reservoirs for storage of raw sunflower oil with total capacity 11 000 tons;
- » silo for sunflower seeds with capacity of 25 000 tons.

The quality of all the goods produced is controlled by own laboratory, accredited by BDS EN ISO/IEC 17025: 2006, with scope: for oil seeds, vegetable oils, byproducts from oil seeds and biodiesel.

In relation to its activity involving agricultural production, the Company owns and operates with 25 grain bases, which makes the largest network in the country, representing 35% of the licensed and 17% of the general capacity of the country. The grain bases are located in the villages of Krushari, Kardam and Karapelit, the towns of Tervel, Nova Kamena, Dobrich, the villages of Dolno Tserovene, Gen. Kolevo, Dve Mogili, the towns of Balchik, Valchi Dol, Staldzha, Dobrich, Strazhitza, the city of Burgas and others and have the total capacity of 802 000 tons of grain.

#### The fundamental competitive advantages of Zarneni Hrani Bulgaria JSC are:

- » водеща позиция в българския зърнен бизнес;
- » водещ производител на биодизел в страната;
- » добро име сред международните партньори („Нидера“, „Каргил“, „Луи Драйфус“, „Бунге“ и др.);
- » близък контакт с фермерите;
- » интегриран операционен модел (изкупуване, съхранение, преработка и продажба на реколта);
- » access to transport corridors and development of export activity, which is performed through its subsidiary company Port Balchik JSC out of which Zarneni Hrani Bulgaria owns 67% of the shares;
- » remarkable material base (the network of grain bases, the plant for biodiesel and so on);
- » belongs to the economic group of Chimiport which allows the exploitation of the synergies with the other companies: transport (Trans Intercar, Bulgarian River Shipping), crediting (Central Cooperative Bank JSC) and insurances (Insurance JSC Armeec), trading with fertilizers and so on.

#### The main goals for the company in the short run are related to:

- » expanding of the existing credit program for cooperation with farmers, related to the provision of packages for the growing of oil producing crops

- (seeds, chemicals, fertilizers, fuels, insurances). The program is supported by Central Cooperative Bank JSC and Armeec Insurance JSC;
- » development of an optimal logistics model, including modernization of grain bases;
- » utilization of the corridor Ruse-Danube-Constanca in conjunction with Bulgarian River Shipping for transportation of the production and cargos related to the activity of the company;
- » in the mid-term Zarneni Hrani Bulgaria will continue to analyze the possibilities for the acquisition of other companies from the branch or from related branches, as well as the possibilities for the entry in the agricultural manufacturing as element from the strategy for the higher deliveries security.

The economic group Oil and Gas Exploration and Production includes the following companies: Oil and Gas Exploration and Production PLC, Bulgarian Petrol Refinery LTD, PDNG – Service LTD, Chimoil BG LTD, Golf Shabla JSC and Publishing House Geology and Mineral Resources LTD and Sitnyakovo Project Estate LTD.

The economic group Himtselteks LTD includes the following companies: Himtselteks LTD and Aris 2003 LTD.

## Oil and Gas Exploration and Production PLC

Oil and Gas Exploration and Production PLC is the only Bulgarian company, performing the full scope of activities of survey, research, development and exploitation of oil and gas fields, as well as the processing of crude oil to final products for the market.

Oil and Gas Exploration and Production PLC was established in 1991. The company is the legal successor of the main geological, research and production companies and facilities that initiated the beginning of the Bulgarian oil industry with oil field Tyulenovo, discovered in 1951 in the area of the town of Shabla. The experts from Oil and Gas Exploration and Production PLC have many years of proven experience and achieved results both on the territory of Bulgaria and in performing petrol projects in Libya (Bulgarian petrol concessions NC-100 Gadames and NC-101 Morzuk), Syria, Iraq, etc.

The registered capital of Oil and Gas Exploration and Production is to the amount of EUR 6.25 million.

От септември 2002 г. дружеството е публично и акциите му са приети за търговия на Официалния пазар на „БФБ – София“ АД.

Since September 2002 the company is public and its shares have been accepted for trading on the Official Market of BSE - Sofia AD.

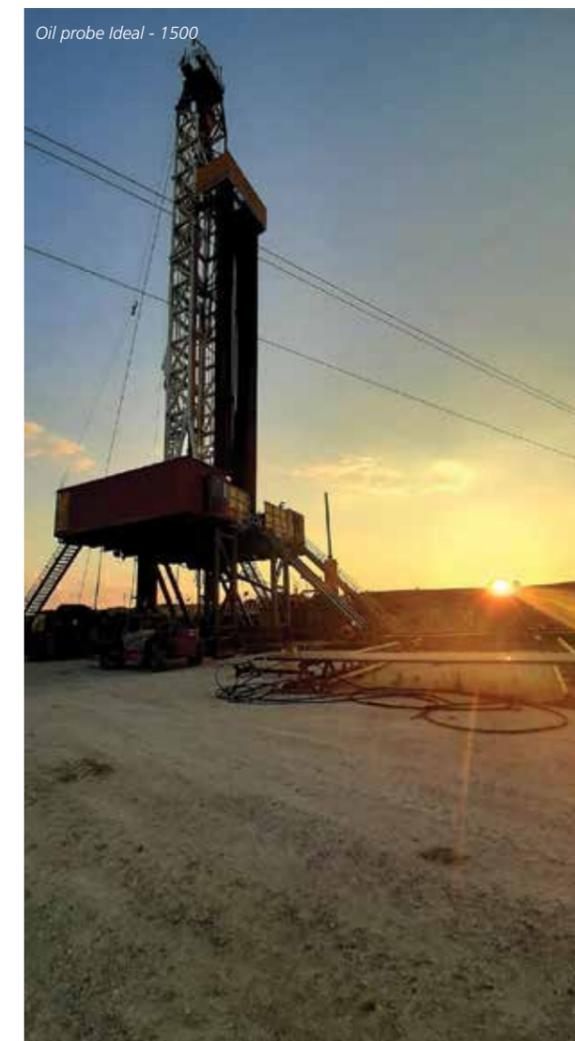
Oil and Gas Exploration and Production, through its exploration and production units and subsidiaries performs a wide range of specialized activities and services in all stages of the searching, oil and gas exploration and production, the research and exploitation of underground and mineral waters and geothermal energy.

#### The main activity of Oil and Gas Exploration and Production includes:

- » prospecting, survey, extraction and sale of crude oil and natural gas;
- » prospecting, survey and operating of thermal, mineral and underground waters for drinking, domestic and industrial purposes;
- » prospecting and survey of geothermal energy fields;
- » drilling of exploration, appraisal and production wells for oil and gas, underground waters and geothermal energy;

- » scientific researches and engineering activities within the country and abroad;
- » specific maintenance and foreign trade operations;
- » processing of oil and condensate;
- » geological and geophysical maintenance activities in the sphere of searching and exploration for natural resources in Bulgaria and abroad;
- » planning, production and maintenance activities in the sphere of geology and geophysics;
- » construction of oil and gas pipes and installing of facilities for work under pressure.

Oil and Gas Exploration and Production PLC is a concessionaire under 13 contracts for crude oil and/or gas extractions. The company extracts crude oil and natural gas from the following fields: Tiulenovo, Dolni Dabnick, Dolni Lukovit, Dolni Lukovit West,





Staroseltsi, Gorni Dabnick, Bardarski geran, Selanovtsi, Balgarevo, Marinov geran, Butan South, Durankulak and Iskar-West. The activities related to prospecting, survey and assessment of new oil and gas fields are carried out under the order and conditions of Mineral Resources Act.

After its acquisition by Chimimport PLC in 2004 Oil and Gas Exploration and Production PLC launched the implementation of wide range investment program for renovations in the specific geophysical equipment, operational facilities repair, improved work conditions, implementation of modern information systems for resource planning and management. This program's main goal is to improve the performance and financial results, to adapt the activities to the intensifying market and business environment both nationwide and abroad. In 2004 the company purchased the ultimate seismic equipment System Four manufactured by the American Input Output

company.

Oil and Gas Exploration and Production PLC disposes of various kinds of drilling equipment, suitable for different drilling projects- deep oil and gas wells and hydro-geological and engineering-geological surveys.

Since the end of 2010 the company started work with a new high-technology drilling rig- Ideal 1500 DC Land Rig, designed for drilling of exploration and production wells over 6000 m deep.

In the autumn of 2007 the company introduced integrated resource planning system DMERP designed by the Bulgarian company DataMax. Since late 2010 the company brought into operation newly purchased modern top class cyber-drilling equipment, which ensures high performance and technical safety in drilling deep exploration, appraisal and production oil wells.

Since the middle of 2012, Oil and Gas Exploration and Production PLC is successfully certified under ISO 9001:2008, by receiving a certificate from TUF Rheinland InterCert Kft., thus competing the last stage from project No.BG161PO003-2-1-08-0621-C0001 "Meeting internationally recognized standards." The project was based on contracted agreement between Oil and Gas Exploration and Production PLC and the Bulgarian Small and Medium Enterprises Promotion Agency concerning granting of financial aid No.DCM-02210/01.06.2011 under Operational Program "Development of the Competitiveness of the Bulgarian Economy 2007-2013". In connection with changes in the ISO standard since the middle of 2017, Oil and Gas Exploration and Production PLC successfully completed a recertification procedure under the new rules of the ISO 9001: 2015.

Since the middle of 2014 Oil and Gas Exploration and Production JSC has been successfully certified according to the BS OHSAS 18001:2007 and has received the certificate from "TUF Rheinland InterCert Kft."

In 2013, the "Well logging unit for openhole oil and gas wells" was successfully put into operation as a result of the implementation of Project BG161PO003-2-1-07-0102-C0001 "Well logging unit for openhole oil and gas wells" under contract between the company and General Directorate "European Funds for Competitiveness" of the Ministry of Economy and Energy, financed under the Operational Program "Development of the Competitiveness of the Bulgarian Economy 2007-2013".

In 2013-2014 Oil and Gas Exploration and Production PLC successfully implemented Project BG051PO001-2.3.03-0670 "Improvement of working conditions", financed under the agreement between the company and National Employment Agency, in its capacity of Intermediate Body on Human Resources Development Operational Program, on scheme BG 051PO001-2.3.03 "SAFETY WORK" of the Human Resources Development Operational Program at the Ministry of Labor and Social Policy.

„Проучване и добив на нефт и газ“ притежава мажоритарно участие в следните дружества: „Българска петролна рафинерия“ ЕООД (100% участие), „ПДНГ – Сервиз“ ЕООД (100% участие), „Химойл БГ“ ЕООД (100% участие), „Ситняково

проджект истейт“ ЕООД (100% участие), Издателство „Геология и минерални ресурси“ ООД (70% участие), „Голф Шабла“ АД (65% участие). Дружеството притежава и 35% от газоразпределителното дружество „Каварна газ“ ООД.

Oil and Gas Exploration and Production owns a major interest in the following companies: Bulgarian Petroleum Refinery Ltd (100% participation), PDNG-Service Ltd (100% participation), Chimoil BG Ltd (100% participation), Sitnyakovo Project Estate Ltd (100% participation); Geology and Mineral Resources Ltd Publisher (70% participation); Golf Shabla (65% participation). The company owns also 35% of the gas distribution company Kavarna Gas Ltd.

Bulgarian Petroleum Refinery Ltd owns a chemical laboratory, which is an accredited research laboratory for analysis of petrol, diluents, fuels and petroleum products in accordance with the requirements of Bulgarian State Standards ISO 9001, ISO 17025. The company is a licensed warehouse keeper for the production and storage of energy products under the Excises and Tax Warehouses Law, whereas the tax warehouse is located in the village of Disevitsa, Pleven municipality.

Oil and Gas Exploration and Production is the sole owner of the company PDNG-Service Ltd, established in 2006, which performs the external and internal trade activity in the area of supplying specialized equipment, spare parts and materials for the needs of surveying, oil and gas exploration and production.

The main partners of Oil and Gas Exploration and Production are Bulgartransgas Ltd, Pleven Municipality, Kavarna Municipality, Dolni Dabnick Municipality, Knezha Municipality and Shabla Municipality. The company maintains and develops good business relations with leading companies and suppliers in the oil industry from EU, USA, the Russian Federation and Ukraine.

The chief investment priority of Oil and Gas Exploration and Production is the realization of projects for prospecting, exploration research, development and putting into operation of new fields of crude oil and/or natural gas on the territory of the country and in the continental shelf and the exclusive economic area of Bulgaria in the Black Sea.

## Chimoil BG Ltd.

Chimoil BG LTD is a subsidiary company of Oil and Gas Exploration and Production PLC.

### The fundamental activity of the company is divided into several main areas as follows:

- » petrol stations management;
- » trading and distribution of energy products – light fuels, propane-butane, compressed natural gas to its own and to external petrol stations;
- » wholesale and distribution of energy products – light fuels, propane-butane, compressed natural gas, designated for both petrol bases and for the industrial sector;
- » development of a commercial chain – petrol stations branded CHIMOIL.

The company is present at the market of retail sale of energy products since 2011 as up to this moment it runs five sites – petrol stations branded CHIMOIL. Three of these five sites are in the region of the town of Dobrich and the remaining two are located in the town of Pavlikeni and in the city of Sofia. In the month of April, year 2016, in one of the three petrol stations, located in the region of Dobrich, the

retail sale of compressed natural gas (CNG) was introduced.

Even in the present moment the company focuses its main efforts into the sale of the highest quality fuels amongst all the competitors on the Bulgarian market, as well as on the rendition of good supporting items and services. While performing the so set accent, the team of the company aims to achieve high level of customer satisfaction from the use of the offered goods and services.

In the short run, the company plans are related to the maintenance of the trading and distribution of energy products, as well as the maintenance of the CHIMOIL brand with the aid of the already established petrol stations. Currently the design of a new petrol station for the city of Varna is in process.

The mid-term and long term plans of the company are related to the development of a trading chain of petrol stations branded CHIMOIL and the construction of petrol bases, located at the fundamental economical centers of the country.

## Accounting House HGH Consult Ltd.

The main subject of HGH Consult Accounting House is providing accounting services, labor and legal services, tax consulting and economic analysis. Chimimport Plc holds 59.34% of HGH Consult capital.

The company mission is to provide Chimimport Plc and its holding subsidiaries, as well as its external clients with professional and quality accounting services combined with prompt solutions, enabling the client to follow his enterprise in real time.

HGH Consult has qualified auditors, whose ambition is to see the company working in the highest management standards.

The company draws up the holding's budgets, analyses and drafts, and executes overall control on the financial flows in all holding companies.

The company draws up the taxation plans and provides tax protection to Chimimport Plc and its subsidiaries.

## Prime Lega Consult Ltd.

During the last decade Chimimport realized an investment program of a large scale to acquire shares and stakes in companies, part of which are branches of structural significance to the Bulgarian economy, requiring special legal knowledge.

In 2002, in the performance of this ambitious program, the management of Chimimport transformed the existing Legal Department into the legal company Chimimport Lega Consult with primary scope of business in the area of legal consultancy, management, finance, investment, privatization, intellectual property, contracts and commercial relationships.

At the end of 2008 Chimimport Lega Consult was renamed to Prime Lega Consult.

The combination between long years of experience in the classical legal branches and the accumulation of practical knowledge in the relatively new for the Bulgarian law stock-exchange and other financial operations, as well as the good language skills of the lawyers working in the company (English, French, Arabic and Russian) allows Prime Lega Consult to assist not only the typical business of Central Cooperative Bank Plc, Armeec Insurance JSC, Saglasie, CCB - Sila, Oil and Gas Exploration and Production, Bulgaria Air, Hemus Air and other subsidiaries of Chimimport, but also to provide legal services to local and foreign business entities outside the boundaries of Chimimport.



Chimoil gas-station

## Assenova Krepost JSC

Assenova Krepost JSC was established in 1964 with head office in Assenovgrad, Bulgaria, and scope of activity production and trade with polymer packages and materials. The company has more than 50 years of experience in the production of flexible, transport and consumer packagings, as well as different films for the agriculture and construction industries. With more than 20 years of traditions in the production of woven bags and flexible bigbags, the company has well established infrastructure, production capacities and experience.

**Technologically Assenova Krepost JSC closes the entire production cycle from raw polymers to final products, successfully applying the following processes:**

- » Extrusion of mono-layer and multi-layer films with different composition and properties – barrier, protective, UV stabilized etc.;
- » Extrusion coating and reinforcement; dry and wet lamination;
- » Multi-colour flexo printing;
- » Various kinds of conversion lines and final complete sets.

**Polymeric material production includes the following basic directions:**

- » consumer packaging;
- » transport packaging;
- » films and packaging for the agriculture.

**Main products are:**

- » woven containers – with main application for storage, transport of bulk goods: fertilizers, cement, polymers, etc.;
- » woven bags – for packaging of chemical products and construction materials, shrinkable films – for palletized goods in chemical, glass and food industries;
- » polyethylene films – wide range of products for agriculture and greenhouse productions;
- » polypropylene baler twine;
- » stretch film and polypropylene cast film.

Company Assenova Krepost JSC has an ISO certificate 9001-2008 and certificate for approval № SOF0208061 from Lloyd's Register, which is a guarantee for well organized quality control of the products. The company has an environmental management system certificate № EM – 00359 170

176 – BG from “TCS”. The company's production is well known on the local and international market.

**Some of the main customers in the country and abroad are:**

- » Factories for mineral fertilizers in Bulgaria (Agropolychim - Devnya, Neochim - Dimitrovgrad);
- » Agricultural associations and cooperatives, companies in the food and flavor industries (tobacco industries, meat industries, sugar plants etc.);
- » on the foreign market – companies for production and trade with mineral fertilizers from Russia, France, Norway, England, Greece etc.; for production of packagings and films for the agriculture in North Macedonia and Serbia.

### COMPANY DEVELOPMENT

During the last 5-6 years the company has made serious investments for the renovation of its assortment structure and technological equipment. In the field of woven fabrics the company has installed new equipment for woven bags, coating for woven products, new modern conversion lines for woven, valve type bags, designed for chemical and construction industries; significant part of the equipment for baler twine has also been renovated.

In the field of film production the company has established new capacities for the production of multilayer casings for sausages and expanded, and modernized significantly the production of conversion lines and multicolor flexo print of polymer film packagings. The total value of investments in the company for the past 6-7 years exceeds EUR 4.19 million.

**The company has carried out serious research and during the past year has made significant renovation of polymer films and woven products:**

- » A new three-layer blow-film line was brought into operation, which improves the parameters of packagings for the food industry providing better barrier properties or products.
- » The company has installed a production line including installation for tapes, looms and conversion line for woven products.

A research is being carried out for the delivery of new extruders for production of multilayer films for packagings, which have new technical applications, high capacity and lower power consumption; expansion of production capacities for multi colour art print and related supplementary activities.

This innovative activity ensures the company's priority objectives for increasing competitiveness, covering new market niches with modern polymer products, optimizing the production costs of the company and ensuring waste free production.



## Bulchimtrade Ltd

Bulchimtrade Ltd was established on November 17th, 2008 with the primary objective of concentrating and optimizing the activities of the subsidiary to Chimimport Group companies Rubber Trade, Orgachim Trading 2008 and Chimoil Trade.

Company's partners are Chimimport Group, holding 66% of the capital, as well as 13 private individuals.

**For the period of its existence the company realized primarily trade activities structured in two departments:**

- » Rubber Trade – trading mainly with various tire brands and models such Apollo Acelere, Quantum, Apollo Hawkz, Eskimo, Winter Sport, Winter Grip, Snowmaster, Dunlop as well as other rubber products;
- » Orgachim Trade – trading with various types of self-adhesive envelopes, veterinary and chemical products, including Macrolon and Novodur plastics, chemicals e.g. zinc sulphate;

„Булхимтрейд“ ще продължава да извършва основно търговска дейност като главен приоритет на дружеството е увеличаване на продажбите, завладяване на нови пазари и цялостно разрастване на дейността.

# REAL ESTATE



The real estate is one of the priority segments for Chimimport Plc. Significant funding has been invested in the real estate in the last few years, establishing the foundation and future development of the sector.

Chimimport has used the economic crisis period to develop and launch the construction of existing and new projects related to the group's real estate properties.

## REAL ESTATE PROJECTS

### Present:

- » The commercial real estates of the Group are allocated in the companies from financial and real estate sectors;
- » Sports Complex Varna (Stage I): construction of a stadium with a capacity of 22 000 seats, designed in cooperation with GMP International (also developed the project for the stadium in Cologne, Germany), on a plot of approx. 80 000 sq. m.; with additional facilities (for professional and amateur sports, restaurants, shops, etc.), with a GFA of 6 000 sq. m.; Planned investment - EUR 80 million;
- » Development of a network of industrial and logistic centers with national coverage using the know-how, location and facilities of already operating centers. Currently Chimimport owns two industrial and logistic centers in Sofia (GFA 52 500 sq. m), in Bourgas (GFA 84 200 sq. m), in Plovdiv (GFA 21 800 sq. m) and in Ruse (161 000 sq. m, including port on Danube river).

### Pipeline projects - in planning and pre-development phase:

- » Sports Complex Varna (Stage II): development of additional 120 000 sq. m of offices, retail area and residential area, 5-stars hotel;
- » Sports Centre Mladost (Varna): Chimimport has obtained a concession for 35 + 15 years for development of track and field with capacity of 5 000 viewers; shopping centre, hotel and offices;
- » Project Varna - South: construction of a shopping centre with total built-up area of 120 000 sq. m and completely new residential complex in Varna with GFA of approx. 1 000 000 sq. m;
- » Borovets complex: a plot of 19 000 sq. m, with a total GFA of 33 000 sq. m - planned sale after construction;
- » Golf Shabla (project of Par Fair): a plot of 1 265 000 sq. m; EUR 80 million planned investment;
- » Expansion of the network of industrial and logistic centers: development of five new industrial and logistic projects in Varna, Dobrich, Montana, Pleven and Vidin, as the relevant plots are already owned by the Group companies. As a result Chimimport Plc will own a network with a full national coverage, i.e. will be one of the major operators in the logistic market. The logistic segment is expected to stay attractive in the long term due to variety of factors - the exceptional geographical location of Bulgaria, as well as its political stability at national and European level.

## Sport Complex Varna

Sport Complex Varna is the largest modern project of its size located at the Bulgarian seaside. It includes a football stadium, training and fitness halls, parks for recreation and fun, residential buildings and commercial areas.

The major facility at the complex is a super-modern football stadium in accordance to the FIFA standards, including gymnastics and fitness halls, underground parking, a business club, conference rooms, offices and restaurants. The project aim is to provide a wide range of social and leisure activities and services in one of the most densely populated areas of Varna. The stadium has a capacity of 22 000 seats and underground parking of approx. 800 cars.

Sport Complex Varna will improve the existing surroundings and infrastructure of Residential complex Briz and Levski and Chaika neighborhoods. The location of the impressive project will enable the

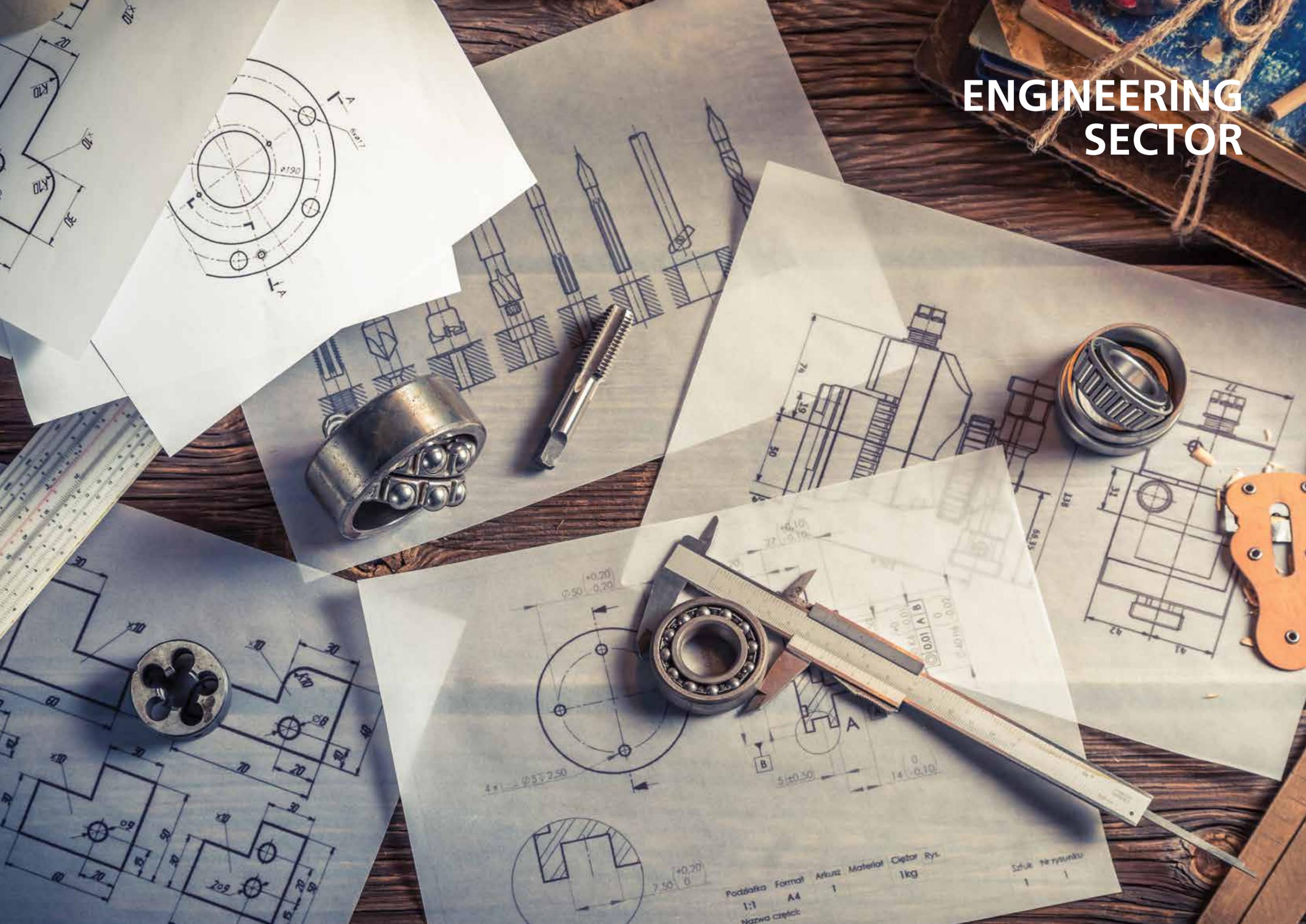
easy access of more than 140 000 residents from the surrounding districts. **Върху част от територията до комплекса ще бъде изграден магазин от веригата „Кауфланд България“.**

Shareholders of Sport Complex Varna are Chimimport JSC and Varna Municipality. Chimimport JSC owns 65% of the capital of the company; Municipality of Varna - 35%.

Sport Complex Varna JSC was established on the 26-th of May 2005 with a share capital of EUR 17 677.92 thousand, distributed in 34 575 name registered shares with voting rights, each with voting rights nominal value of BGN 1000. The contribution of cash of Chimimport JSC is EUR 11 490.77 thousand, and the one of Municipality Varna is EUR 6 187.14 thousand, secured with real estate. The total capital of the company is EUR 17 677.92 thousand.



# ENGINEERING SECTOR



Podziałka Format Arkusz Materiał Ciężar Rys.  
1:1 A4 1 1kg  
Nazwa części:

Szkic Narysunku  
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## Energoproekt JSC

Energoproekt is a company founded in 1948, and in its almost seventy-years of active work has strengthened its positions as a principal institute for scientific activities, progress and design in the field of power engineering. All energy projects in Bulgaria, from the smallest hydro power plant or thermal plant, to the largest hydro power plants, thermal plants, Nuclear Power Plant /NPP/ Kozloduy and electricity transmission grid, were designed by ENERGOPROEKT JSC. Currently in order to meet the market needs the company develops its activities in the field of civil and transport engineering, inspection of the technical characteristics of the buildings and project management.

Energoproekt is a primary design and consulting company within the structure of Chimimport Invest. Energoproekt JSC is in close cooperation with leading engineering companies from Canada, France, Germany, Russia, USA, Spain, the Netherlands, Austria, etc.

### Main services provided by Energoproekt Jsc:

- » Design in the field of Civil and Transportation Engineering - administration and residential buildings, airports, ports;
- » Construction management;
- » Prefeasibility and feasibility studies;
- » Inspection of buildings' technical characteristics;

- » Financial and economic assessments and business plans.

### Main scope of business of Energoproekt:

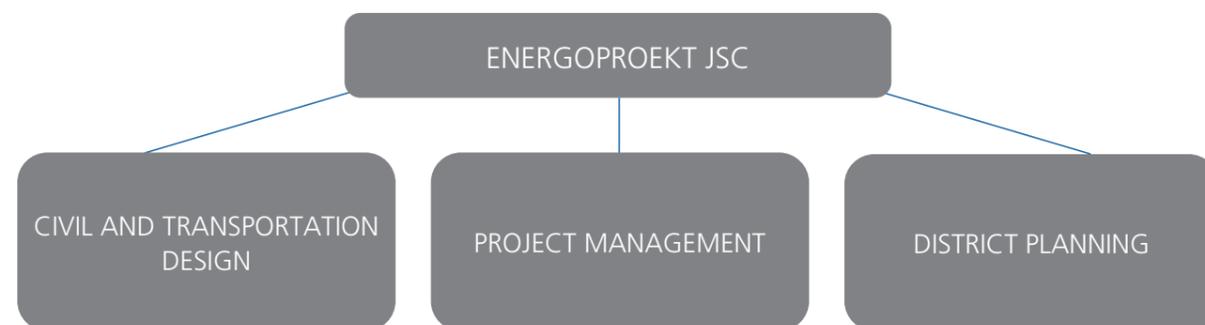
- » Civil and transportation design;
- » Project management;
- » District planning.

### TRANSPORTATION ENGINEERING

Energoproekt offers engineering and consultancy services in the sphere of transport systems, including civil airports, military airports and related facilities (hangars, hangar facilities, airport terminals, runways, taxiways and airport apron) sea and river ports and related infrastructure.

### The main projects implemented by Energoproekt in the field of transportation design are:

- » 3AF31015 "EXTEND AND MODIFY RUNWAY", 3AF31016 "PROVIDE PARKING PLATFORM FOR TRANSPORT AIRCRAFT" AND 3AF31017 "PROVIDE HOT CARGO APRON" on Bezmer Airbase from capability package CP 5A0062
- » "PROVIDE OPERATIONAL FACILITIES IN SEVEN NEW NATIONS" funded under the NATO Security Investment Programme (NSIP);
- » Feasibility study and project preparation and



Burgas Airport



Work design extension and reconstruction of International airport Kazan



Work design - reconstruction of Armeec Tower, Sofia



Word Design of car showroom and customers service for BMW and MINI, Sofia



Work design - reconstruction of Bulgarian culture and financial center, Moscow

- management for reconstruction and expansion of Kazan International Airport - Terminal 1A and Terminal 1B, Tatarstan, Russian Federation;
- » Detailed design for the rehabilitation of a runway at Varna Airport;
- » Project on Dividing Burgas Airport into "Schengen" and "non-Schengen" Zones;
- » Reconstruction of Hangar 1A for Repairing Aircrafts (C-check and D - check) and Project on new Hangar 2 of Sofia Airport for the needs of Lufthansa Technik Sofia;
- » Design under working stage for the project "New International Passenger Terminal at Varna Airport";
- » Design under working stage for the project "New International Passenger Terminal at Bourgas Airport";
- » Detailed design for displacing the sewerage collector at Varna Airport;
- » Project on new runway thresholds across the runway of Varna Airport and Bourgas Airport;
- » Extension of the northeast part of the airport at Bourgas Airport;
- » Development of comprehensive project for investment initiative for construction: Extension of taxiway A at Varna Airport;
- » Project on reconstruction and expansion of Lesport Port Terminal, city of Varna;
- » Master plan on development of Vidin - North Port Terminal;
- » Design of MAN heavy trucks service, city of Plovdiv;
- » Design of car showroom and customers service for BMW and MINI, including shop, offices and parking area, city of Sofia.

At the end of 2014, the public contract named "Design of Intermodal Terminal Varna" was awarded to Energoproekt participating in a consortium with one of the world leaders in developing sea ports and infrastructure facilities - Royal Haskoning DHV, Netherlands.

In 2016, Energoproekt was commissioned to design and manage project for Expansion of existing aircraft maintenance facilities for Lufthansa Technik Sofia (West Wing Project) including a new hangar (hangar 1) for large-scale aircraft, multifunctional service and administration building, that contains office premises, workshops, canteen with kitchen and catering, checkpoint and parking lot, expansion of storehouse.

Project management of DHL Express GTW & HQ Sofia was assigned in the same year.

#### CIVIL ENGINEERING:

Administration buildings, high-rise and low-rise buildings, industrial buildings. During the last few years the following contracts were implemented in this area:

- » Project on Reconstruction of Chimimport's Administrative Building, city of Sofia;
- » Project on Reconstruction of the Central Administrative Building of Bulgaria Air, city of Sofia;
- » Project on Reconstruction of the building - Armeec Tower, city of Sofia;
- » Project on Reconstruction of the Administrative Building "Bulgarian Cultural and Financial Center", city of Moscow;
- » Project on Reconstruction of the Building of Pliska Hotel, city of Sofia;
- » Project on Reconstruction of the Six-Storey Administrative Building in the town of Montana;
- » Project for reconstruction of a building located at Sitnyakovo Blvd., city of Sofia;
- » Design of Drinking Water Supply of Radiana Site;
- » Project for a residential and office building in Kazan, R. Tatarstan, Russian Federation;
- » Project for hotel and office complex, Kazan, R. Tatarstan, Russian Federation;
- » Design of buildings 1 and 2 of Hotel Hawaii, Dragalevtsi, city of Sofia;
- » Administrative building of TV Studio (Bloomberg), Airport Complex, city of Sofia;
- » Project for reorganization of existing premises at a bank branch of Texim Bank, city of Sofia;
- » Project for reorganization and change of the purpose of existing premises in bank offices of Texim Bank, all over the country.
- » Projects for reconstruction of existing premises in bank branches of Central Cooperative Bank, city of Sofia.

#### The implemented projects in the area of geodesic and geological activities in the company are:

- » Detailed design for permanently strengthening of the foundation of a two-storey service building, built on the site of SP RAW - Novi Han;

- » Design of retaining wall for permanent strengthening of the embankment, built on the site of the SP RAW - Novi Han;
- » Performance of geodesic monitoring activities on displacements and deformations of structures in the area of SD RAW - Novi Han;
- » Design of displacement of underground utilities (electricity and water supply and sewage) in SD RAW - Novi Han;
- » Geodesic survey in UPI XVII, qa. 2, region Airport complex, Sofia
- » Geodesic survey of trees & plants in UPI XXIII, XXIV, XXIX, XXXI, XXXII, XXXIII, XXXIV qa.2, region Airport complex, bul. "Bruxelles" No 1, Sofia

In the area of hydro-technical facilities, Energoproekt developed a project on underwater and surface survey of the water intake tower of Pasarel HPP, commissioned as a result of a successful tender with a contracting authority - National Electrical Company EAD, Dams and Cascades.

**The company's scope of activities also includes preparation of technical passports of residential and administration buildings. Implemented projects in this direction are as follows:**

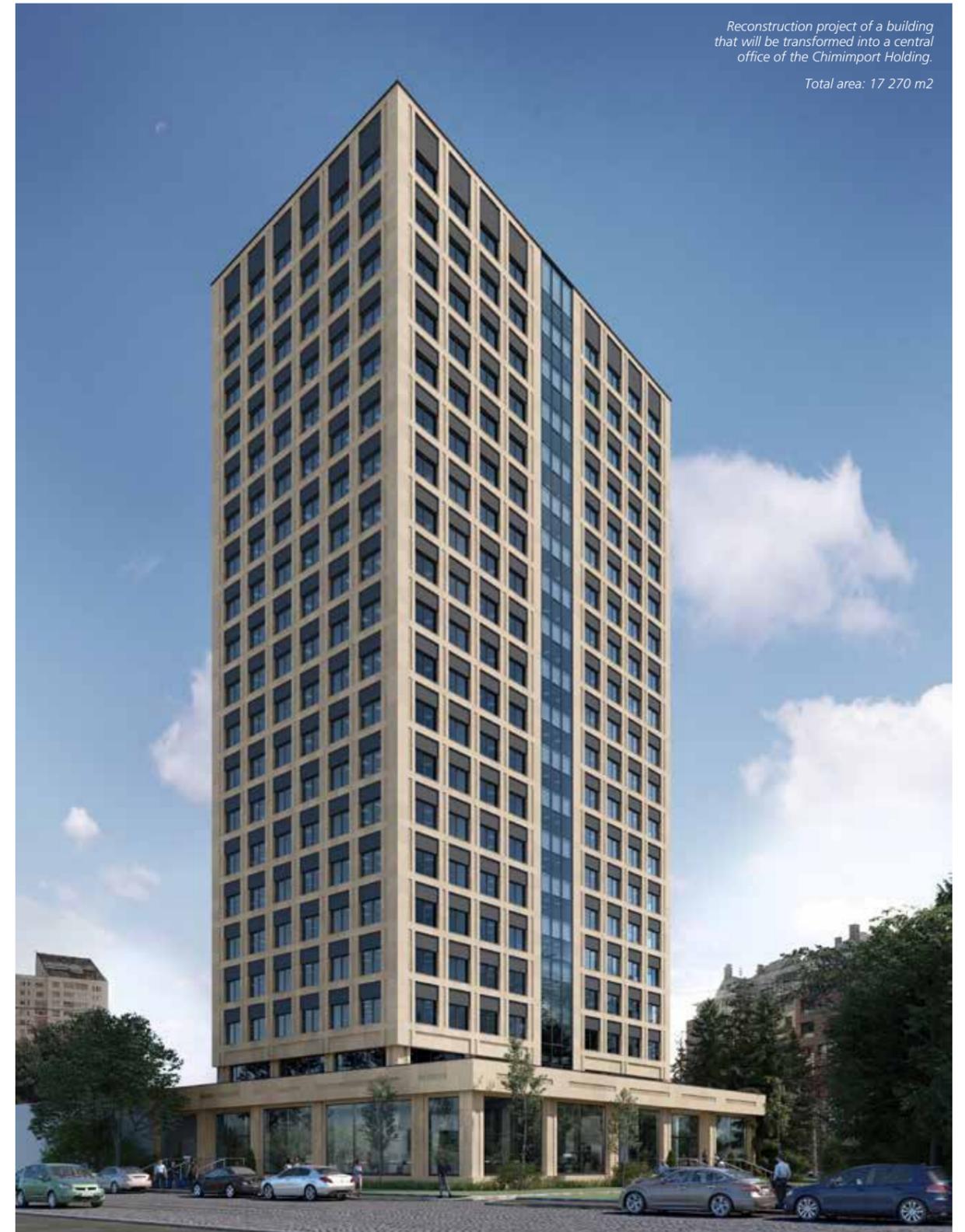
- » Conduct of surveys of multifamily residential buildings for establishing technical specifications with regard to requirements under Article 169, §1, subparagraph 1 - 5, § 2 and §3 of the Spatial Development Act and preparation of technical passports under Article 176a of the Spatial Territorial Development Act with reference to implementation of scheme BG161PO001/1.2-01/2011 "Support of Energy Efficiency Measures in Multifamily Residential Buildings under Operational Programme Regional Development 2007-2013 designated for the towns of Kardzhali, Pazardzhik, Plovdiv, Smolyan, Haskovo, Velingrad, Karlovo, Panagyurishte", the contracting authority of which is the Ministry of

- Regional Development and Public Works;
- » Survey on Preparation of Technical Passport of Geolog Hotel, Saint Constantine and Helena Resort, city of Varna;
- » Inspection of the technical characteristics of grain storage facilities

**DISTRICT PLANNING**

The direction includes architectures and engineers, performing activities related to preparation of development schemes and plans, as well as research and consultancy activities in the field of urban planning. For many projects design process is preceded of implementation of the relevant development procedures on land use change and land regulation - preparation of a construction plan, change of applicable plan of land regulation. Energoproekt's experts also make an assessment of investment chances of realization by identifying optimal indices, applicable to each individual case. The department also deals with solving of matters on urban planning and assignments with regard to land properties within or outside the boundaries of the urbanized areas, as well as opportunities for implementation of investment intentions on a certain area.

The building was designed in 1964 for the purposes of the then Energoprojekt design organization. It is a 20 storey office building, consisting of a low single-storey building with one underground floor and a high 19 storey building. The glazing of the high storey building's facade has been compromised over the time. All existing installations - plumbing, sprinkler, electric, heating - were also compromised. In addition, the existing building did not meet the fire safety requirements - it had only one internal escape staircase. All this forced the preparation of a project for refurbishment, reconstruction and extension (emergency evacuation staircase).



*Reconstruction project of a building that will be transformed into a central office of the Chimimport Holding.*

*Total area: 17 270 m<sup>2</sup>*

**The project envisages:**

- » Complete facade replacement - a new facade system with limestone and fibreboard panels. On the west facade is provided a vertical strip curtain wall facade with double glazing. The rest of the front windows are mounted on the existing beam playing the role of a window railing. They are made of Al double glazed windows;
- » New thermal and hydro insulations on the roofs of the low and high bodies;
- » Construction of a new escape staircase;
- » Aligning the existing internal escape staircase to the requirements of the current fire regulations;
- » Construction of a new fire tank;
- » Setting up a fire pit with dimensions 12.5 / 15 m for access by fire-ladder or elevators at the ground level in the vicinity of the high body in its southeast corner;
- » Construction of two new reinforced concrete entry stairs and a ramp for access of disabled people to the ground floor;
- » Change of all premises on all floors;
- » New raised floors, flooring, suspended ceilings, interior joinery and finishing work;
- » Construction of new installations - Electricity, plumbing, HVAC, sprinkler;
- » Reduction of the existing substation room;
- » Relocation of the subscriber station.



## DHL Express Bulgaria Logistics Center with underground parking and office building

The logistics center is designed and built in accordance with the highest technological requirements and corporate standards approved for all sites of the Deutsche Post DHL Group. The project is built on a build-to-suit project and consists of a mezzanine terminal and three southbound fingers with direct access to buses, an underground parking for employees, an administrative building and adjacent areas covering an area of 12,800 sq. m.

The terminal has an area of 3 191 square meters, is a one-storey building with a height of 10.50 m and currently has no analogue in the country. The new facility houses a high-tech automated system that has a sorting capacity of 3000 shipments per hour. The shape of the building is a rectangle with dimensions in the main directions 38.55 - 75.30 m. The construction is prefabricated reinforced concrete - columns, beams and floor panels. The roof is made of reinforced concrete load-bearing beams and

layered installation of trapezoidal sheet, solid mineral wool and PVC membrane. Provision of natural light in the terminal has been achieved, with a luminous strip (3.3 - 62 m) in the roof structure and 8 independent smoke vents (1.5 - 2 m). On the north side of the building are located 6 loading zones for loading of trucks with 6 sectional doors and 7 loading zones for loading of buses with 7 sectional doors, with sealing sleeves and leveling ramps. In the northwestern part of the property where the site is located, the so-called "segregated zone" was built to the security zone of Sofia Airport, directly related to the technological process of "HDL Bulgaria" Ltd., providing direct access to the platform of the Sofia Airport for loading and unloading activities. Through this zone, DHL Express shipments arrive in the sorting area directly from the aircraft. Similarly, shipments processed for dispatch from the terminal are loaded directly onto the aircraft.



To the south of the hall is the area for delivery and loading of goods from vans and light commercial vehicles. On the south side are located 3 Finger - PuD I (31.66 - 4.14 m), PuD II (31.66 - 4.14 m) and PuD III (22.65 - 4.14 m), with 54 roller shutter doors with sealing sleeves and overload bridges. Fingers have steel support structure. The facades of the hall and PuD I, PuD II and PuD III are lined with NCS S 0580-Y10R composite panels.

Under the terminal is built a parking lot with an area of 4342.71 square meters, with 118 parking spaces. For the first time, a facility built for DHL Express provides underground parking, which results in a specific technological solution for the concrete slab at elevation  $\pm 0.00$  to meet the load capacity requirements applicable to all facilities of the world leader in logistics services. The underground parking is built below the main volume of the hall and office building at elevation -3.60. The main access to the parking is via one two-lane and one-lane ramp on the south side of the plot. By trimming the surface of the ramps, the conditions for comfort and safety movement are ensured. In the basement are designed the appropriate technical premises - sprinkler tank, pump room, boiler room, diesel generator, GRT, substation.

The administrative building is built on 3 floors, each with an area of 540 square meters, and within the terminal there is a mezzanine with an area of 530.88 square meters, providing direct access of the employees to the process of treating and sorting the shipments. The shape of the building is a rectangle with dimensions in the main directions 14.34 - 42.84 m. The construction is monolithic reinforced concrete - columns, beams and slabs. The roof is made of reinforced concrete slab, concrete slope, protective geotextile, roof waterproofing membrane, thermal insulation XPS 140 mm, filtering geotextile and heavy protection against washed river gravel (so called inverted flat roof). The main access to the administrative building is from the east - through the entrance lobby. The connection between the different floors is made by a staircase with an elevator. The elevation +3.60 of the administrative building is tied to the elevation + 4.50 on the mezzanine. General accessibility of the environment from the level + 3.60m to + 4.50m, in accordance with the requirements of Ordinance №4 / 2009 is provided through a mobile ladder robot.

The administrative building on the three levels has separate office premises - bilaterally to the central



corridor. Office spaces are designed to be extremely efficient, in line with an access control system, and offer flexibility to office units through a system of built-in glass panes, enabling separate meeting rooms to be created as needed. The panels are made by a leading company in innovative office solutions. The design of the office space is designed to provide natural light in all work areas. Immediately next to the office space, which is intended for a larger number of employees, there are so called. "Recreation areas", and within the office space are located "discussion areas" provided for employee meetings. The floorings of the administrative rooms are made of carpet and materials providing sound insulation, in order to achieve the optimum efficient working environment for each employee, allowing for the creation of separate workspaces. In this context, the ceiling in the office premises was designed and constructed of 60x60 cm Armstrong acoustic panels, concealed installation, dismantling system, L-steel finishing

profile. Bathrooms, including for disadvantaged people, are built on each floor. The facades of the office building are lined with NCS S 1080-R composite panels.

For control of the access to the property were built 2 checkpoints, with a built-up area of 15 m<sup>2</sup> each. The checkpoint 1, located in the northeast corner of the parcel, serves for the control of heavy goods vehicles, and the checkpoint 2 in the southwest corner serves for the control of light commercial vehicles. The necessary facilities are provided for the performers of this activity and each of the sites is equipped with a bathroom and rest area.

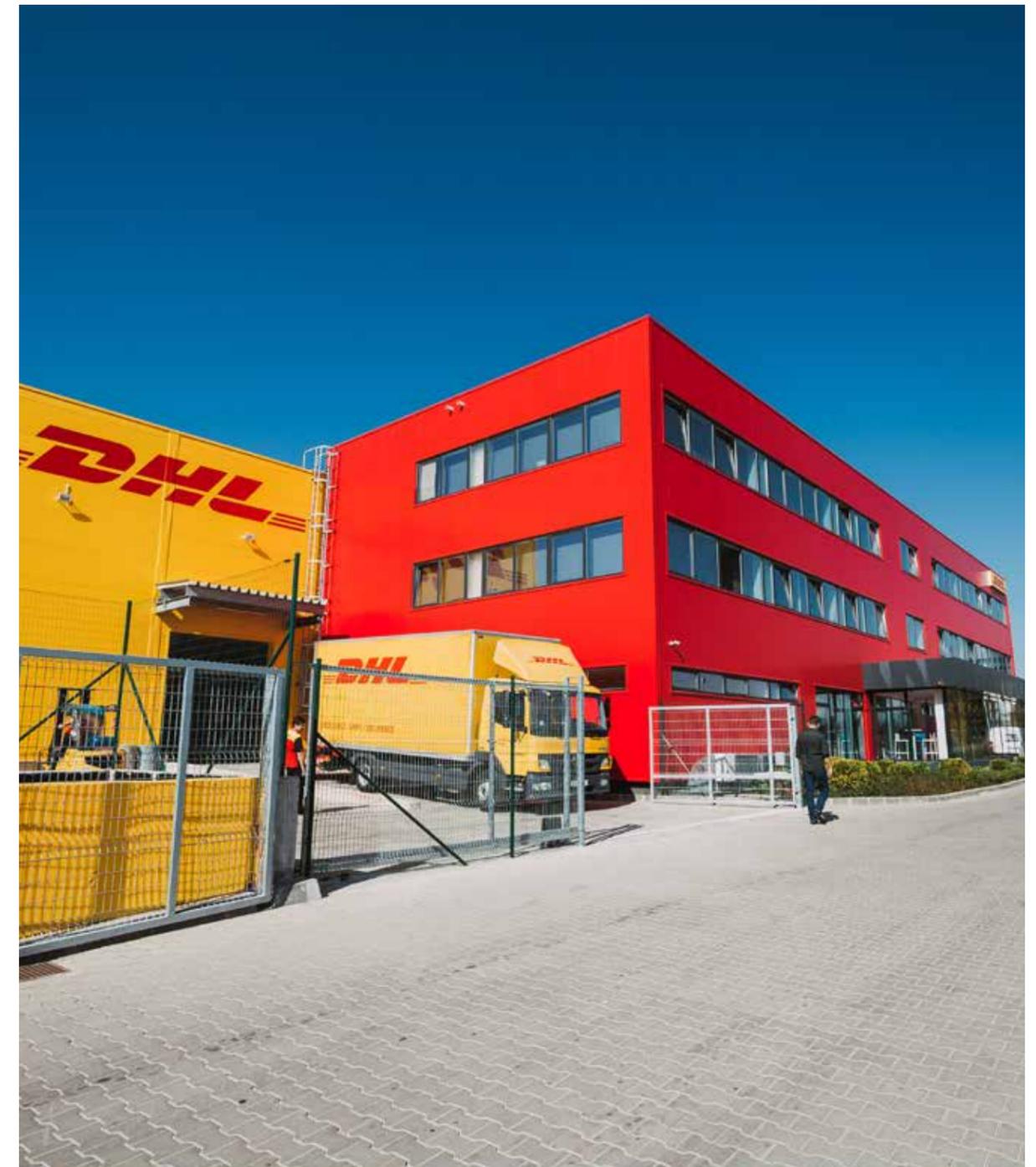
The building has a permanent mode of residence - 24 hours a day, 7 days a week, given the specifics of DHL Express activity. The adjoining areas of the building meet both the requirements for safety on the territory of Sofia Airport Complex and the requirements for

creating an accessible and safe meeting place. Access for people with disabilities is ensured by the entrance to the lobby via a ramp located next to 4 parking spots. The site also provides 25 above ground parking spaces for customers and guests.

The logistics center is located in close proximity to the operational platform of Sofia Airport, with access to the "air zone", which gives a key advantage for the

speed of deliveries, a circumstance of utmost importance for the activity of DHL Express Bulgaria.

The newly constructed property is rented out by the investor and the owner of Bulgaria Air Maintenance long-term. The implementation of this project enables the logistics base built for DHL Express Bulgaria to become one of the largest distribution hubs for courier deliveries and cargo in the region.



## Multifunctional 5-storey office and production building

The administrative building was built as part of a certified investment project: "West Wing Extension Project: Expansion of aircraft repair and maintenance base" Lufthansa Technik Sofia Ltd." by a class A investor - Bulgaria Air Maintenance, which received the prestigious investor award year 2017, in the Business Expansion category.

The purpose of the newly constructed site is to provide at the same time office space for the increased number of employees as a result of the implementation of the certified project (new 165 jobs are created), and to create easy access to all previously constructed facilities in the aircraft repair base (hangars 1, 1A, 2, 2-extension and 3). In the project, this functionality was realized through the construction of a technological corridor with hot links connecting the existing facilities with the office building. This also determines its key importance in the overall complex for Lufthansa Technik-Sofia, located southwest of the main access to Terminal 2 and bordering on the north by the platform of Sofia Airport. The complex is in an area with restricted access and special access mode. The approach to the aircraft repair base is EU controlled access from a newly constructed checkpoint with parking located south to the 5-storey administration building.

The building consists of a basement, five ground floors and roof installations. The multi-functionality of a building is conditioned by the office premises, workshops, which carry out preparatory and repair activities for servicing airplanes, living quarters, dining room with kitchen. In a constructive and fire respect, it is divided into two zones with areas up to 1500 square meters through a firewall filled all over its height.



### The building has the following vertical division:

- » Underground floor - Level -1 - domestic and technical premises;
- » Ground floor - Level 0 - workshops and refill kitchen;
- » Floor 1 (Level 1) - Dining room with kitchen;
- » Floor 2 (Level 2) - Offices;
- » Floor 3 (Level 3) - Offices;
- » Floor 4 (Level 4) - Offices;
- » Roof level (Level 5) - installation rooms (boiler room, heat & ventilation machines).

Vertical connections are made through two main staircases reaching all levels and located centrally in the two halves of the building. In the western part of the building, where the main entrance for employees is located, 3 pieces passenger lifts were installed. They also provide an accessible environment for people with disabilities throughout the building, including the roof. For the kitchen path there is a separate staircase as well as 2 pieces freight elevators. The kitchen is isolated as a separate object with its own entrance and loading & unloading area with a scissor platform built into the road surface.

The building is divided into two dynamically

independent bodies, made by means of an anti-earthquake joint that also crosses the foundations. The structure of the main building is mixed, consisting of precast concrete elements and solid washers, walls and stairwells. The floor structure consists of prefabricated floor beams and panels, at elevation  $\pm 0.00$ , where the repair rooms are located, the panels are of section 2T, due to the larger operational loads. From the second floor to the roof at all levels are constructed with hollow - floor panels. The floor beams at all levels as well as the roof beams are of section L and 2L, which have been pre-fabricated at the factory. The exceptions are the beams in the area of freight and passenger lifts, which are monolithically constructed. The vertical elements are pre-fabricated in factory conditions. The columns have a cross section of 60x60 cm along the middle axis and a cross section of 50x50 cm along the end two axes, which are only involved in taking up the vertical loads. To absorb horizontal seismic forces, monolithic washers were installed from the base of the building to the level of the roof structure. They are 30 cm thick, with only one exception – "free-standing" washers in the basement level, which are 40 cm thick. In the basement volume an underground concrete tank with monolithic walls and a roof of monolithic slab at

elevation  $\pm 0.00$  is built.

It should be noted that despite the structural complexity of the building, its construction was completed within the 9 month deadline, specified in the project, which is crucial, having in mind the fact that the construction took place in an existing working complex.

The north and east facades of the building are made of steel structures with different functional purpose - single-storey frame structures with horizontal roof and vertical bracing, absorbing static and seismic loads. In two parts of the building, the steel structures are three-story frame systems with tin-concrete floor slabs that provide a "warm" connection of the office floors to existing hangars, north of the newly constructed building.

At the ground floor level, the so-called "Access corridor" was built along the northern facade of the building, with a width of 5.15 meters and connected to the Workshopsq called "Interiors" and "Panels" and their preparatory premises, with two section doors with dimensions 3x3 m, for loading the workshops with materials. The corridor is equipped with several rolling doors, 3.60 m wide, corresponding to the same doors in the existing hangars 1A and 2, thus making it possible to transport parts from and to the workshops. These communications links are covered - for hangar 1A from the newly designed shed, and for hangar 2, the shed function is played by two new upper-level warm connections that provide quick access for workers between hangar 2 and the service building. The warm connections provide passage between the two buildings at the dining room level (elevation + 4.70) and the first office level (elevation + 9.30). In the eastern half of the basement (elevation -4.00) there are changing rooms, tailored to the number of staff and intended for individual use, provided with all necessary amenities - a washroom, toilets and showers. Workshops are also located at this level and separate ventilation systems are provided for the hazardous areas. Where flammables are flammable, ventilation systems shall be provided with explosion-proof fans. Dust extraction facilities include local dirty air extractors with dust filters.

In the eastern half of the first floor of the building is a

dining room, designed and built to serve 450 people on one shift, in accordance with the production and administrative rhythm of the activity of Lufthansa Technik-Sofia, equipped with the most modern dining equipment, with provided two independent service lanes, three express boxes with contactless card payment. In the western half of the floor is a kitchen that meets the highest class of equipment, in accordance with the requirements of Lufthansa Sky Chefs - a partner, part of the joint venture group of the investor and owner of the base. The kitchen areas are located on two levels - ground floor and floor 1. Vertical communication between the levels is carried out through a separate staircase and two cargo lifts.

Floors 2,3 and 4 of the multifunctional building are office, with a capacity of up to 200 employees per floor. In the main part they are divided into two open-plan zones - allowing flexibility of premises, conference rooms, "quiet rooms" for personal conversations, offices, server room, living rooms. The natural light of the office premises is provided by the fully glazed southern facade of the building. Air conditioning and fresh air supply are provided by four-tube cassette fan convectors and a general-purpose ventilation supply-suction installation. The intake of fresh air and the discharge of exhaust air occur on the roof. The air supply to the office premises is done with ceiling grilles.

The roof of the building is filled with PVC membrane. The roof edges are molded with PVC coated hats. Safety railings, secured to the board, are provided. On the western part of the roof is built a "rest area", H shaped like a terrace with wooden decking. On the roof level are installed systems for cold production, air-conditioning chambers and fans, covered by special acoustic materials, in order to achieve maximum noise insulation, boiler room designed to moisten the dry outside air supplied to the offices in winter and the energy center. Reinforced audit trails have been implemented to service the roof facilities.

In the multifunctional administrative and production building a building management system is installed - BMS which monitors and controls all installations of the building infrastructure - pumping stations, H&V and air-conditioning, electrical, fire detection, fire security.

The building is designed and provided for continuous operation 24/7, with the construction of reserve power provided by a diesel generator. For the needs of the whole complex an Energy Center, consisting of a diesel unit and a double concrete complete transformer post (BCTP), has been built and operates. The energy center is isolated into a separate facility, located next to the newly built administrative building.

With the construction of the multifunctional building,

the optimization of the work and administrative processes, inherent in the activity of the aircraft repair base, has been achieved by providing sufficient office space, a separate kitchen and a dining room, providing the highest satisfaction of the employees and guests on the base.

With its commissioning, the necessary synergy was achieved between all the constructed sites on the territory of Lufthansa Technik-Sofia and enabled a sustainable future development.



## HANGAR 1: for aircraft maintenance and repair

Within the framework of the certified investment project: "West Wing Extension Project: Expansion of aircraft repair and maintenance base Lufthansa Technik Sofia Ltd., jointly implemented by Bulgaria Air Maintenance and Lufthansa Technik Sofia, awarded with investor of the year for 2017, precisely because of the construction of such a unique facility, Hangar 1 was built as the largest facility in Eastern Europe for the servicing and repair of aircrafts. With the construction of the hangar for the first time outside the main base of Lufthansa in Germany, the possibility of linear and basic servicing of the largest aircraft in passenger aviation - Airbus 380 was created. The site is exceptional of its importance, allowing the creation of new working positions and training for highly specialized personnel, including from other airbases across Europe.

Hangar 1 embodies the innovations in the aerospace industry, expressed in design, construction, execution and technical equipment. Its construction changes the appearance of Sofia Airport, adding to its vision of a

modern aviation center.

The building completes the complex of Lufthansa Technik Sofia and turns it into a key hub in Europe for linear and basic aircraft service - incl. and Wide body aircraft of the Airbus A330 / 340 and A380 family.

Hangar 1 is built in a restricted area with a special access control.

The hangar building is a one-story, one-space, basement-free, steel frame structure with 91.7 meters span. The volume of the hangar contains monolithic interior buildings for servants, technical premises and offices for administrative staff. The internal structure, located along the western facade of the hangar, is a four-storey building with offices, staff rooms and technical rooms. The internal structure, located on the eastern facade of the hangar, is a two-storey building, securing instrumental and service area to the hangar.

Cornice elevation of the main volume of Hangar 1

building is + 27.60 m. The maximum elevation for the serving staircase - tower to the roof of the building is + 30.00 m, and the maximum elevation at the highest point of the hangar building facilities is k. + 32.50 = 566.60. Hangar 1 is connected with a technological corridor from east to workshops, located on the ground floor of the newly built multifunctional office building. Through the same technological connection, the access to the other hangars 1A, 2 and 3 of the complex and the workshops to them are provided as well.

The main hangar area is for aircraft repair and provides simultaneous work on three narrow fuselage planes, located between axes 4 and 5, on axis 9 and between axes 13 and 14, or repair of one wide fuselage aircraft along axis 9. Work is provided, in the volume of the area, for two main cranes between axes 3 and 10-11 covering the western and middle lines, and between axes 10-11 and 15 covering the eastern repair line, as well as two rail lines for platforms servicing the tail part of each of the narrow-body airplanes located along axes C and J. The main crane is three-prong, with loading capacity of 12 tons and light opening - dr. hook = 17.00 m,

the second crane has the same capacity and bright opening - dr. hook = 14.00 m. Specialized installations under the flooring and shafts have been constructed with corresponding technological joints for work on the three positions, as well as on the fourth position of the wide-body aircraft.

A segment-mounted, electrically operated hangar door is installed along the entire facade of Hangar 1, with the possibility of full and partial opening and insertion of one or three planes separately. The door segments are of aluminum lift structure and shafts for stepping and fixing in the hangar floor. For the first time in Bulgaria, a similar facility was delivered, constructed, considering the size of the hangar door, as well as the specific requirements for its stable climatic conditions. The terrain in front of the hangar door is on the same level as the flooring in the hall, with a drainage steel grid in the rear axle.

The hangar has large glazed facades on the south and west facades to provide natural light in the repair areas. Natural illumination is complemented by evenly distributed strips of upper diffuse illumination in the roof plane. The strips of the upper lighting have





modules with openable parts to provide the necessary smoke exhaust and natural ventilation. Open hangers are available in the hangar facades for natural ventilation of the hangar volume.

The light area of the main hangar volume is 5 676 sq. m.

The flooring in the main hall of the hangar is designed with a minimum slope - 0.5% from south to north to provide natural water runoff and the connection with the existing terrain on both hangar facades and provides both reliability and safe operation.

The monolithic building in the volume of the hangar, called 'offices west' on the ground floor, is located on the western facade and contains office spaces for the crew - with direct access from the hangar and a separate connection through the corridor to the other premises of the interior building. Toilets and rest rooms are built on the same level, as well as a connection via a communication ladder and an elevator to the upper three levels of the same building. Within the building there are office rooms for administrative staff, a meeting room, a bathroom

and a kitchen cabinet to the common room on each level. On the last level there are reserve office areas, a server room for the whole administrative part, as well as installation premises for GRT and SSC. The internal administration monolithic building - west is equipped with an elevator, convenient for people with disabilities. The staircase, located south of the offices in a separate volume, servicing all office levels, as well as the free area on the last slab of the interior building - as an ancillary to the hangar, surrounded by a guard railing. The same staircase is used for access to the hangar roof, to service and revise the facilities there, as well as to provide fireproof access to the roof of the building. The light height of all office and utility rooms is 2.80m, and on the ground floor premises is 3.50m. In the sanitary facilities the light height is 2.60m. The area of the internal monolithic building - "west office" is 247.13 square meters, and the total area of all offices is 988.52 m2.

All partition walls have windows in order to provide visual connection of the administrative staff with the work processes in the hangar.

Along hangar's eastern facade, a monolithic two-level structure was constructed – called "the service

building east", with a workshop on the ground floor, with a link to the hangar volume through a counter for giving and receiving used instruments, as well as access through a double door from south to the junction area with the eastbound transport corridor. At the upper level of + 4.80 m, there is a serving area to the hangar, with a link through a double leaf sliding door to the west wall accessible by ground-level lifting equipment. The connection between the different levels is made through an internal staircase with a direct evacuation exit outwards, reaching the last open to the volume of the hangar platform at level + 9.60 m, surrounded by a guard railing. Two technical rooms are located on the same level as well. The bright height in the premises of the instrument and service area to the hangar is 3.60 m. The area of the internal monolithic building - east is 232.75 m2, and the total area of all offices is 506.39 m2.

The construction of Hangar 1 is made of steel, single-frame frames, with the impressive span of 91.7 meters. The building's foundations are made of reinforced concrete. The roof of the building is double-edged, with a minimum slope of 3%. The coating is made by the layer-by-layer method, of corrugated steel sheets T153, solid mineral wool 16 cm with volume weight min.160 kg / m3 and PVC waterproofing membrane. Drainage is internal, vacuum, in shafts along axes 1 and 17, with emergency openings in the boards on the east, west and south facades of the building. Upper strip lighting was built in 4 strips above the hangar repair areas, with anti-flood valves installed.

The flooring in Hangar 1 is epoxy-coated polished concrete - durable and resistant to active substances in technical and service areas, ground floor corridors, monolithic interior buildings and stairways. In the sanitary, wet rooms and rest rooms the flooring is made of anti-sliding terracotta tiles - 20 / 20 cm. The office premises are covered with carpet flooring to provide the necessary sound insulation and comfortable working environment, the rooms for server, boards, cabinets and control valves - epoxy paint on sanded lightweight concrete, leveling the rooms.

Hangar 1 heating is designed in the most economical and environmentally friendly way possible - by installing heat rays on lines drawn under the roof of the hangar, powered by gas burners located on the roof. The administrative rooms are air-conditioned, with ventilation of all rooms.

The building provides accessibility for people with disabilities, both at the entrances of the repair base and adjacent areas. The elevator is adapted for use by people with disabilities and provides access from the ground floor to all levels of the office building. There is also a toilet for people with disabilities in the administrative part on the ground floor.

The Hangar 1 construction, with a total area of 7393 sq. m. and built-up area of 6189 sq. m, is a significant contribution to the progress of the aviation industry in the Republic of Bulgaria and confirms the position of the aviation base as innovative, dynamic and high-tech.



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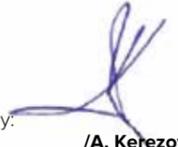
# **Consolidated Financial Statements**

## **31 December 2021**

## Consolidated statement of financial position as at 31 December 2021

Assets	31.12.2021 BGN'000	31.12.2020 BGN'000
Property, plant and equipment	356 785	371 559
Right of use assets	417 952	417 099
Investment property	524 884	440 485
Goodwill	23 774	24 066
Other intangible assets	124 562	129 496
Deferred tax assets	10 845	10 940
Investments accounted for using the equity method	26 772	24 253
Loans and advances granted to bank clients	3 049 092	2 708 863
Financial assets at fair value through profit or loss	2 042 970	2 027 241
Debt instruments at fair value through other comprehensive income	859 441	717 595
Equity instruments at fair value through other comprehensive income	70 426	83 766
Other financial assets carried at amortized cost	1 557 996	1 328 737
Receivables from insurance and reinsurance contracts	49 999	45 930
Reinsurance assets	69 054	80 379
Tax receivables	1 780	1 757
Other receivables	25 566	30 276
Inventories	54 300	59 369
Cash and cash equivalents	2 380 922	2 221 632
<b>Total assets</b>	<b>11 647 120</b>	<b>10 723 443</b>

The consolidated financial statements are approved for issue by decision of the Managing Board on 3 April 2022.

Prepared by:  /I.A. Kerezov/

Executive director:  /I. Kamenov/

**Mariy Apostolov**  
Managing Partner  
Grant Thornton OOD  
audit firm, registered number 032

**Zornitza Djambazka**  
Registered auditor responsible for the audit



## Consolidated statement of financial position as at 31 December 2021 (continued)

Equity and liabilities	31.12.2021 BGN'000	31.12.2020 BGN'000
<b>Equity</b>		
Share capital	226 463	226 604
Premium reserve	246 309	246 462
Other reserves	300 696	287 583
Retained earnings	711 351	690 078
Profit for the period	35 293	32 003
<b>Equity attributable to the shareholders of Chimimport AD</b>	<b>1 520 112</b>	<b>1 482 730</b>
<b>Non-controlling interest</b>	<b>1 850 767</b>	<b>1 804 345</b>
<b>Liabilities</b>		
Liabilities to depositors	6 917 880	6 168 872
Other financial liabilities	522 103	541 680
Payables to insured individuals	1 708 674	1 561 822
Pension and other employee obligations	17 648	16 993
Deferred tax liabilities	37 638	36 503
Insurance reserves	238 896	260 142
Liabilities under insurance and reinsurance contracts	25 986	21 147
Lease liabilities	280 979	249 440
Tax liabilities	6 514	5 393
Other liabilities	40 035	57 106
<b>Total liabilities</b>	<b>9 796 353</b>	<b>8 919 098</b>
<b>Total equity and liabilities</b>	<b>11 647 120</b>	<b>10 723 443</b>

The consolidated financial statements are approved for issue by decision of the Managing Board on 3 April 2022.

Prepared by:  /I.A. Kerezov/

Executive director:  /I. Kamenov/

**Mariy Apostolov**  
Managing Partner  
Grant Thornton OOD  
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**Zornitza Djambazka**  
Registered auditor responsible for the audit



Consolidated statement of profit or loss and other comprehensive income for year ended 31 December 2021

	2021 BGN'000	2020 BGN'000
Revenue from non-financial activities	349 062	290 639
Change in fair value of investment property	2 624	461
Gain on sale of non-current assets	58	2 798
<b>Total revenue from non-financial activities</b>	<b>351 744</b>	<b>293 898</b>
Insurance income	385 972	371 445
Insurance expense	(319 859)	(325 729)
<b>Net result from insurance</b>	<b>66 113</b>	<b>45 716</b>
Interest income	169 089	179 371
Interest expense	(37 942)	(37 246)
<b>Net interest income</b>	<b>131 147</b>	<b>142 125</b>
Net result from operations with financial instruments	80 756	67 933
Operating and administrative expenses	(564 006)	(518 889)
Gain/ (Loss) from investments accounted for using the equity method	4 315	(1 400)
Other financial income	79 671	44 392
Income from allocation to social security accounts	(98 663)	(30 687)
<b>Profit before tax</b>	<b>51 077</b>	<b>43 088</b>
Income tax expense	(5 898)	(3 525)
<b>Net profit for the period</b>	<b>45 179</b>	<b>39 563</b>
<b>Other comprehensive (loss)/income:</b>		
Revaluation of non-financial assets, net of taxes	-	83 176
Revaluation of financial assets, net of taxes	(4 667)	(4 906)
Remeasurement of defined benefit plan liability, net of taxes	(105)	140
<b>Other comprehensive (loss)/income</b>	<b>(4 772)</b>	<b>78 410</b>
<b>Total comprehensive income for the year</b>	<b>40 407</b>	<b>117 973</b>
<b>Net profit for the year attributable to:</b>		
The shareholders of Chimimport AD	35 293	32 003
Non-controlling interest	9 886	7 560
<b>Total comprehensive income attributable to:</b>		
The shareholders of Chimimport AD	31 618	111 541
Non-controlling interest	8 789	6 432
<b>Earnings per share in BGN</b>	<b>0.15</b>	<b>0.13</b>

The consolidated financial statements are approved for issue by decision of the Managing Board on 3 April 2022.

Prepared by:  /I. Kerezov/

Executive director:  /I. Kamenov/

**Mariy Apostolov**  
Managing Partner  
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**Zornitza Djambazka**  
Registered auditor responsible for the audit



Consolidated statement of changes in equity for the year ended 31 December 2021

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
<b>Balance at 1 January 2021</b>	<b>226 604</b>	<b>246 462</b>	<b>287 583</b>	<b>722 081</b>	<b>1 482 730</b>	<b>321 615</b>	<b>1 804 345</b>
Decrease in share capital and reserves resulting from change in own shares held by subsidiaries	(141)	(153)	-	-	(294)	-	(294)
Business combinations	-	-	1 138	6 028	7 166	769	7 935
<b>Transactions with owners</b>	<b>(141)</b>	<b>(153)</b>	<b>1 138</b>	<b>6 028</b>	<b>6 872</b>	<b>769</b>	<b>7 641</b>
Profit for the year	-	-	-	35 293	35 293	9 886	45 179
Other comprehensive income	-	-	(3 675)	-	(3 675)	(1 097)	(4 772)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(3 675)</b>	<b>35 293</b>	<b>31 618</b>	<b>8 789</b>	<b>40 407</b>
Transfer of retained earnings to other rese	-	-	16 394	(16 394)	-	-	-
Change in specialized reserves	-	-	(744)	744	-	-	-
Other changes	-	-	-	(1 108)	(1 108)	(518)	(1 626)
<b>Balance at 31 December 2021</b>	<b>226 463</b>	<b>246 309</b>	<b>300 696</b>	<b>746 644</b>	<b>1 520 112</b>	<b>330 655</b>	<b>1 850 767</b>

The consolidated financial statements are approved for issue by decision of the Managing Board on 3 April 2022.

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Executive director:  /I. Kamenov/

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Grant Thornton OOD  
audit firm, registered number 032

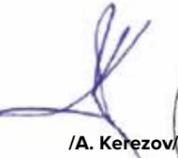
**Zornitza Djambazka**  
Registered auditor responsible for the audit



## Consolidated statement of changes in equity for the year ended 31 December 2021 (continued)

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
<b>Balance at 1 January 2020</b>	<b>226 955</b>	<b>246 850</b>	<b>179 123</b>	<b>713 710</b>	<b>1 366 638</b>	<b>309 851</b>	<b>1 676 489</b>
Decrease in share capital and reserves resulting from change in own shares held by subsidiaries	(351)	(388)	-	-	(739)	-	<b>(739)</b>
Business combinations	-	-	(65)	5 355	5 290	5 332	<b>10 622</b>
<b>Transactions with owners</b>	<b>(351)</b>	<b>(388)</b>	<b>(65)</b>	<b>5 355</b>	<b>4 551</b>	<b>5 332</b>	<b>9 883</b>
Profit for the year	-	-	-	32 003	32 003	7 560	<b>39 563</b>
Other comprehensive income	-	-	79 538	-	79 538	(1 128)	<b>78 410</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>79 538</b>	<b>32 003</b>	<b>111 541</b>	<b>6 432</b>	<b>117 973</b>
Transfer of retained earnings to other reserves	-	-	27 283	(27 283)	-	-	-
Change in specialized reserves	-	-	1 704	(1 704)	-	-	-
<b>Balance at 31 December 2020</b>	<b>226 604</b>	<b>246 462</b>	<b>287 583</b>	<b>722 081</b>	<b>1 482 730</b>	<b>321 615</b>	<b>1 804 345</b>

The consolidated financial statements are approved for issue by decision of the Managing Board on 3 April 2022.

Prepared by:  /A. Kerezov/

Executive director:  /I. Kamenov/



Mariy Apostolov  
Managing Partner  
Grant Thornton OOD  
audit firm, registered number 032

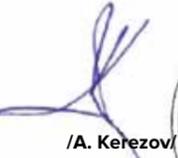


Zornitza Djambazka  
Registered auditor responsible for the audit

## Consolidated statement of cash flows for the year ended 31 December 2021

	2021 BGN'000	2020 BGN'000
<b>Operating activities</b>		
Proceeds from short-term loans	66 485	47 657
Payments for short-term loans	(55 043)	(44 907)
Proceeds from sale of short-term financial assets	450 394	462 827
Purchase of short-term financial assets	(419 927)	(559 216)
Cash receipt from customers	247 817	280 916
Cash paid to suppliers	(230 348)	(222 906)
Proceeds from insured persons	186 106	145 128
Payments to insured persons	(123 625)	(77 149)
Payments to employees and social security institutions	(120 074)	(114 118)
Cash receipts from bank operations	61 220 020	50 843 501
Cash paid for bank operations	(60 782 527)	(50 414 129)
Cash receipts from insurance operations	179 971	182 314
Cash paid for insurance operations	(133 412)	(136 720)
Income taxes paid	(1 012)	(2 076)
Other cash outflows	(5 280)	(3 826)
<b>Net cash flow from operating activities</b>	<b>479 545</b>	<b>387 296</b>
<b>Investing activities</b>		
Dividends from financial assets received	30 805	10 643
Sale of property, plant and equipment	1 084	2 077
Purchase of property, plant and equipment	(22 297)	(9 238)
Purchase of intangible assets	(5 174)	(854)
Sale of investment property	1 544	890
Purchase of investment property	(7 215)	(22 911)
Sale of non-current financial assets	396 109	330 317
Purchase of non-current financial assets	(756 352)	(597 082)
Interest payments received	22 664	30 071
Proceeds from loans granted	11 481	20 131
Payments for loans granted	(2 207)	(35 555)
Other cash inflows	1 021	2 779
<b>Net cash flow from investing activities</b>	<b>(328 537)</b>	<b>(268 732)</b>
<b>Financing activities</b>		
Purchase of own shares	(126)	(740)
Proceeds from loans received	55 692	22 852
Payments for loans received	(30 383)	(21 532)
Interest paid	(4 808)	(8 121)
Payments for lease contracts	(15 844)	(21 556)
Other cash outflow	(864)	(1 110)
<b>Net cash flow from financing activities</b>	<b>3 667</b>	<b>(30 207)</b>
Net change in cash and cash equivalents	154 675	88 357
<b>Cash and cash equivalents, beginning of period</b>	<b>2 221 632</b>	<b>2 136 035</b>
Exchange gain/(loss) on cash and cash equivalents	4 615	(2 760)
<b>Cash and cash equivalents, end of period</b>	<b>2 380 922</b>	<b>2 221 632</b>

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Prepared by:  /A. Kerezov/

Executive director:  /I. Kamenov/



Mariy Apostolov  
Managing Partner  
Grant Thornton OOD  
audit firm, registered number 032



Zornitza Djambazka  
Registered auditor responsible for the audit



The goals of Chimimport for the next years remain unchanged – increasing the growth rates for the company; strengthening the positions of the companies from the investment portfolio as leaders in their market sectors – not only on the Bulgarian market, but also the international market; increasing the efficiency of manufacturing factories by means of a continuous introduction of new technologies and products; improving the reputation and assets of the company.

