

Interim Condensed Financial Statements

Chimimport AD

31 December 2017



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Interim condensed statement of financial position

	Notes	31.12.2017 BGN'000	31.12.2016 BGN'000
Assets			
Non – current assets			
Property, plant and equipment	6	7 696	7 686
Intangible assets		2	5
Investment property	7	35 831	35 831
Investment in subsidiaries	8	782 054	787 201
Long – term financial assets		42	46 171
Long – term related party receivables	16	26 777	27 509
Long – term receivables	9	142 382	127 014
		994 784	1 031 417
Current assets			
Short – term related party receivables	16	112 579	126 683
Loans granted	9	122 081	101 757
Trade and other receivables		50 366	44 731
Short – term financial assets		124 612	117 161
Income tax receivables		-	60
Cash and cash equivalents		72 614	76 359
		482 252	466 751
Total assets		1 477 036	1 498 168

Prepared by: _____

/A. Kerezov/



Executive Director: _____

/I. Kamenov/

Date: 29 January 2018

Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	31.12.2017 BGN'000	31.12.2016 BGN'000
Equity			
Share capital	10	239 646	239 646
Share premium		260 615	260 615
Other reserves		59 890	59 890
Retained earnings		662 787	641 986
Net profit for the period		36 915	33 748
Total equity		1 259 853	1 235 885
Liabilities			
Non – current liabilities			
Long – term related party payables	16	45 421	13 333
Long – term dividend liabilities	11	-	-
Long – term bank and other loans	12	51 986	43 078
Pension and other employee obligations		24	24
Deferred tax liabilities		12 347	18 952
		109 778	75 387
Current liabilities			
Short – term related party payables	16	87 243	116 885
Short – term dividend liabilities	11	-	9 063
Short – term bank and other loans	12	11 561	32 713
Trade and other payables		6 076	28 145
Pension and other party payables		101	90
Tax liabilities		2 424	-
		107 405	186 896
Total liabilities		217 183	262 283
Total equity and liabilities		1 477 036	1 498 168

Prepared by: _____
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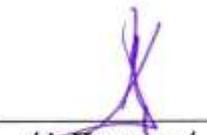


Executive Director: _____
/I. Kamenov/

Date: 29 January 2018

Interim condensed statement of comprehensive income

	Notes	2017	2016
		BGN'000	BGN'000
Gains from transactions with financial instruments and noncurrent assets		17 366	21 424
Losses from transactions with financial instruments		(179)	(13 841)
Net profit from transactions with financial instruments		17 187	7 583
Interest income		15 170	20 980
Interest expense		(4 987)	(8 395)
Net profit from interest		10 183	12 585
Gains from foreign exchange differences		306	894
Losses from foreign exchange differences		(1 582)	(594)
Net loss from foreign exchange differences		(1 276)	300
Other financial income/(expenses)		(163)	(235)
Dividend incomes		8 491	14 859
Operating revenue		2 412	4 826
Gain on sale of non-current assets		-	876
Operating expenses		(4 108)	(4 956)
Result from operating activities		(1 696)	746
Profit for the period before tax		32 726	35 848
Tax expense	13	4 189	(2 100)
Net profit for the period		36 915	33 748
Remeasurement of defined benefit liability		-	2
Total comprehensive income		36 915	33 750
Earnings per share in BGN	14	0.15	0.17
Diluted earnings per share in BGN	14	-	0.15

Prepared by: 
/A. Kerezov/



Executive Director: 
/I. Kamenov/

Date: 29 January 2018

Interim condensed statement of changes in equity

All amounts are presented in BGN '000

	Share capital	Share premium	Remeasurements of defined benefit liability	Other reserves	Retained earnings	Total equity
Balance at 1 January 2017	239 646	260 615	66	59 824	675 734	1 235 885
Distribution of dividends	-	-	-	-	(12 947)	(12 947)
Transaction with owners	-	-	-	-	(12 947)	(12 947)
Net profit for the period, ending at 31 December 2017	-	-	-	-	36 915	36 915
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	36 915	36 915
Balance at 31 December 2017	239 646	260 615	66	59 824	699 702	1 259 853

Prepared by: _____

/A. Kerzov/

Date: 29 January 2018



Executive Director: _____

/I. Kamenov/

Interim condensed statement of changes in equity (continued)

All amounts are presented in BGN '000

	Share capital	Share premium	Remeasurements of defined benefit liability	Other reserves	Retained earnings	Total equity
Balance at 1 January 2016	239 646	260 615	64	59 824	652 770	1 212 919
Dividends	-	-	-	-	(10 784)	(10 784)
Transactions with owners	-	-	-	-	(10 784)	(10 784)
Net profit for the period, ending at 31 December 2016	-	-	-	-	33 748	33 748
Other comprehensive income	-	-	2	-	-	2
Total comprehensive income	-	-	2	-	33 748	33 750
Balance at 31 December 2016	239 646	260 615	66	59 824	675 734	1 235 885

Prepared by: _____

/A. Kerezov/

Date: 29 January 2018



Executive Director: _____

/I. Kamenov/

Interim condensed statement of cash flows

	31.12.2017	31.12.2016
	BGN '000	BGN '000
Operating activities		
Proceeds from short-term loans	47 874	88 581
Payments for short-term loans	(30 487)	(148 752)
Proceeds from operations with short-term financial assets, net	(6 983)	52 283
Receipts from customers	925	3 376
Payments to suppliers	(2 132)	(2 486)
Interest received	10 741	33 360
Interest paid	(1 454)	(10 137)
Dividends received	6 366	5 388
Cash paid to employees and social security institutions	(1 656)	(1 416)
Corporate tax paid	-	(176)
Taxes paid	(243)	(2 016)
Other (payments)/ proceeds, net	(599)	1 169
Net cash flow from operating activities	22 344	19 174
Investing activities		
Purchase of non – current assets	(8)	(14)
Acquisition of subsidiaries and associates	-	(2)
Proceeds from sale of subsidiaries	-	2 543
Net cash flow from investing activities	(8)	2 527
Financing activities		
Dividends paid	(5 557)	(7 330)
Long-term loans received	9 729	18 948
Payments for long-term and bank loans received	(26 503)	(30 121)
Interest paid	(3 731)	(1 820)
Net cash flow from financing activities	(26 062)	(20 323)
Net change in cash and cash equivalents	(3 726)	1 378
Cash and cash equivalents, beginning of period	76 359	75 058
Exchange losses from cash and cash equivalents	(19)	(77)
Cash and cash equivalents, end of period	72 614	76 359

Prepared by: _____

/A. Kerzov/



Executive Director: _____

/I. Kamenov/

Date: 29 January 2018

Notes to the financial statements

1. Nature of operations

Chimimport AD was registered as a joint-stock company at Sofia city court on 24 January 1990. The address of the Company's registered office is 2 St. Karadja Str., Sofia, Bulgaria.

The Company is registered on the Bulgarian Stock Exchange – Sofia on 30 October 2006.

The Company is engaged in the following business activities:

- Acquisition, management and sale of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Bank services, finance, insurance and pension insurance;
- Securitization of real estate and receivables;
- Extraction of oil and natural gas;
- Construction of output capacity in the area of oil-processing industry, production of biodiesel and production of rubber items;
- Production and trading with oil and chemical products;
- Production of vegetable oil, purchasing, processing and trading with grain foods;
- Aviation transport and ground activities on servicing and repairing of aircrafts and aircraft engines;
- River and sea transport and port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehouse activity.

The Company has a two-tier management structure consisting of a Supervisory Board and a Managing Board.

The members of the Supervisory Board are as follows:

Invest Capital AD
CCB Group EAD
Mariana Bazhdarova

The members of the Managing Board are as follows:

Alexander Kerezov
Ivo Kamenov
Marin Mitev
Nikola Mishev
Miroljub Ivanov
Tzvetan Botev

The Company is represented by its executive directors Ivo Kamenov and Marin Mitev, together and separately.

2. Basis for the preparation of the interim condensed financial statements

These interim condensed financial statements as of 31 December 2017 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information and disclosures required in annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

The interim condensed financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN‘000) unless otherwise stated.

The Company also prepares interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and approved by EU. Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 “Consolidated Financial Statements”.

The interim condensed financial statements are prepared under the going concern principle.

3. Accounting policies

These interim condensed financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2016.

4. Accounting estimates

For the purpose of preparing these interim condensed financial statements, management has applied accounting estimates and assumptions in the assessment of its assets, liabilities, income and expenses. Actual results may differ from these estimates and management assumptions. Accounting estimates and assumptions applied in this interim condensed financial statements do not differ from the last annual financial statements of the Company as of 31 December 2016.

5. Significant events and transactions

The Company has sufficient capital and liquidity to conduct its business and serve its obligations. The policies and procedures of the Company with respect to capital management, credit risk and liquidity risk are presented in the most recent annual financial statements of the Company as of 31 December 2016’.

6. Property, plant and equipment

Property, plant and equipment of the Company include land, buildings, plant and equipment, vehicles, assets in process of acquisition, etc. The carrying amount can be analyzed as follows:

	Land BGN '000	Buildings BGN '000	Machines and equipment BGN '000	Vehicles BGN '000	Other BGN '000	Assets in process of acquisition BGN '000	Total BGN '000
Gross carrying amount							
Balance at 1 January 2017	-	26	225	113	1 411	6 370	8 145
Additions	-	-	7	-	7	-	14
Disposals	-	-	-	-	-	-	-
Balance at 31 December 2017	-	26	232	113	1 418	6 370	8 159
Depreciation							
Balance at 1 January 2017	-	(22)	(223)	(113)	(101)	-	(459)
Depreciation	-	-	(4)	-	-	-	(4)
Balance at 31 December 2017	-	(22)	(227)	(113)	(101)	-	(463)
Carrying amount as at 31 December 2017	-	4	5	-	1 317	6 370	7 696

The carrying amount as at 31 December 2016 can be analyzed as follows:

	Land	Buildings	Machines and equipment	Vehicles	Other	Assets in process of acquisition	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount							
Balance at 1 January 2016	8 178	26	222	113	1 407	6 370	16 316
Additions	-	-	3	-	4	-	7
Disposals	(8 178)	-	-	-	-	-	(8 178)
Balance at 31 December 2016	-	26	225	113	1 411	6 370	8 145
Depreciation							
Balance at 1 January 2016	-	(21)	(221)	(113)	(99)	-	(454)
Depreciation	-	(1)	(2)	-	(2)	-	(5)
Balance at 31 December 2016	-	(22)	(223)	(113)	(101)	-	(459)
Carrying amount as at 31 December 2016	-	4	2	-	1 310	6 370	7 686



7. Investment property

Investment property includes land and buildings, which are located at 1, Battenberg Str., Sofia, and which are owned for capital appreciation.

Changes to the carrying amounts presented in the statement of financial position can be summarized as follows:

	Investment property BGN '000
Carrying amount at 1 January 2016	33 572
Net gain from fair value adjustments	2 259
Carrying amount at 31 December 2016	35 831
Carrying amount at 31 December 2017	35 831

8. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation	Main activities	31.12.2017	share	31.12.2016	share
			BGN '000	%	BGN '000	%
CCB Group EAD	Bulgaria	Financial services	251 996	100.00%	256 826	100.00%
Zarneni Hrani Bulgaria AD	Bulgaria	Manufacturing and trade	165 363	63.65%	165 363	63.65%
Bulgarian Airways Group EAD	Bulgaria	Aviation Services	209 611	100.00%	209 611	100.00%
Bulgarian Shipping Company EAD	Bulgaria	Sea and river transport	44 393	100.00%	44 393	100.00%
CCB AD	Bulgaria	Financial services	22 492	6.65%	22 492	6.60%
Sport Complex Varna AD	Bulgaria	Real estate	22 474	65.00%	22 474	65.00%
Oil and Gas Exploration and Production AD	Bulgaria	Manufacturing and trade	16 929	13.84%	16 929	13.84%
Port Lesport AD	Bulgaria	Sea and river transport	16 380	99.00%	16 380	99.00%
ZAD Armeec	Bulgaria	Financial services	20 419	9.74%	20 736	9.89%
Bulchimex GmbH	Germany	Manufacturing and trade	2 500	100.00%	2 500	100.00%
Energoproekt AD	Bulgaria	Engineering sector	2 168	83.25%	2 168	83.25%
Trans Intercar EAD	Bulgaria	Transport	4 855	100.00%	4 855	100.00%
Natsionalna stokova borsa AD	Bulgaria	Manufacturing and trade	1 879	67.00%	1 879	67.00%
Technoimpex AD	Bulgaria	Manufacturing and trade	480	87.67%	480	87.67%
HGH Consult OOD	Bulgaria	Services	111	59.34%	111	59.34%
Prime Lega Consult OOD	Bulgaria	Services	4	70.00%	4	70.00%
			782 054		787 201	



9. Loans granted

	31.12.2017 BGN '000	31.12.2016 BGN '000
Loans granted – long term	142 382	127 014
Loans granted – short term	122 081	101 757
	264 463	228 771

10. Share capital

The share capital of the Company as at 31 December 2017 consists of 239 646 267 ordinary shares with a par value of BGN 1. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

	Number of Shares as at 31.12.2017 BGN'000	Number of Shares as at 31.12.2016 BGN'000
Shares issued and fully paid:		
- beginning of the year	239 646 267	239 646 267
Shares issued and fully paid at the end of the period	239 646 267	239 646 267
Shares of Chimimport AD, acquired by its subsidiaries		
CCB Group EAD	(1 296 605)	(1 863 605)
ZAD Armeec	(3 236 507)	(3 211 507)
POAD CCB Sila	(7 872 107)	(7 464 307)
CCB AD	-	(192 620)
Trans Intercar EAD	(5 300)	-

The list of principle shareholders, holding more than 10% of the total shares (ordinary shares and preferred shares) of the Company's capital is presented as follows:

	As at 31.12.2017 Number of shares /ordinary and preferred shares/	As at 31.12.2017 %	As at 31.12.2016 Number of shares /ordinary and preferred shares/	As at 31.12.2016 %
Invest Capital AD	174 847 247	72.96 %	175 002 247	73.03 %
Other legal entities and private individuals	64 799 020	27.04 %	64 644 020	26.97 %
	239 646 267	100.00 %	239 646 267	100.00 %

11. Dividend liabilities

As at 31 December 2017 dividend liabilities for the preferred shares are as follows:

	Current		Non - current	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	BGN '000	BGN '000	BGN '000	BGN '000
Dividend liabilities	-	9 063	-	-
	-	9 063	-	-

12. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current		Non - current	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	BGN '000	BGN '000	BGN '000	BGN '000
Bank loans	10 334	10 334	31 538	38 872
Other borrowings	1 227	22 379	20 448	4 206
Total carrying amount	11 561	32 713	51 986	43 078

13. Income tax expenses

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year 2017 of 10 % applied to the financial result for the period ended as at 31 December 2017 (the estimated annual tax rate for the full financial year 2016 was 10 %).

14. Earnings per share

The basic earnings per share have been calculated using the net results attributable to shareholders of the Company as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders is:

	As at 31.12.2017
Profit attributable to the shareholders (BGN)	33 830 000
Weighted average number of outstanding shares	239 646 267
Basic earnings per share (BGN per share)	0.14



The weighted average number of common shares / ordinary and preferred / used for calculation of diluted earnings per share, and net profit, adjusted for the dividend payable to shareholders are as follows

	As at 31.12.2017	As at 31.12.2016
Profit attributable to the shareholders (BGN)	33 830 000	35 673 000*
Weighted average number of outstanding shares	239 646 267	239 646 267
Basic earnings per share (BGN per share)	0.14	0.15

* adjusted profit attributable to the shareholders.(2016, only)

15. Related parties transactions

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled through bank transfer.

15.1. Transactions with owners

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Sales		
<i>Sale of services, interest income and other income</i>	336	1 709
Purchases		
<i>purchase of services, goods and interest income</i>	(194)	(300)

15.2. Transactions with subsidiaries and associates

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Sales		
<i>sale of services, rental income and interest income</i>		
- subsidiaries	8 615	8 362
- other	1 148	3 765
Purchases		
<i>purchase of services, goods and interest income</i>		
- subsidiaries	(2 603)	(3 982)
- other	-	(305)

15.3. Transactions with key management personnel

Key management personnel of the Company include members of the Managing board and Supervisory board. Key management personnel remuneration consists of salaries and bonuses as follows:

31 December	31 December
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	2017 BGN'000	2016 BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(1 201)	(956)
Social security costs	(20)	(19)
Company car allowance	-	-
Total short-term employee benefits	(1 221)	(975)

16. Related party balances

	31.12.2017 BGN'000	31.12.2016 BGN'000
Non-current receivables from:		
- subsidiaries	25 678	27 509
Total	25 678	27 509

	31.12.2017 BGN'000	31.12.2016 BGN'000
Current receivables from:		
- owners	20 083	28 841
- subsidiaries	91 656	83 778
- other related parties	840	14 064
Total	112 579	126 683

	31.12.2017 BGN'000	31.12.2016 BGN'000
Non-current payables to:		
- subsidiaries	45 421	13 333
Total	45 421	13 333

	31.12.2017 BGN'000	31.12.2016 BGN'000
Current payables to:		
- owners	3 889	-
- subsidiaries	82 859	116 390
- other related parties	495	495
Total	87 243	116 885



17. Post-reporting date events

No significant events have occurred between the reporting date and the date of authorization.

18. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 31 December 2017 (including comparatives) were approved for issue by the managing board on 29 January 2018.