

Interim Consolidated Activity Report  
Interim Condensed Consolidated Financial  
Statements

**CHIMIMPORT AD**

30 September 2018



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## Interim condensed consolidated statement of financial position

	Notes	30.09.2018 BGN'000	31.12.2017 BGN'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	414 922	423 178
Investment property		413 568	405 502
Investments accounted for using the equity method	7	34 021	34 420
Goodwill		32 297	32 307
Other intangible assets		162 479	171 741
Long-term financial assets	10	2 892 770	2 606 120
Long-term related party receivables	17	10 131	8 758
Other long-term receivables		1 905	1 787
Deferred tax assets		5 925	6 720
<b>Non-current assets</b>		<b>3 968 018</b>	<b>3 690 533</b>
<b>Current assets</b>			
Inventories		47 330	47 175
Short-term financial assets	11	2 506 723	2 425 516
Related party receivables	17	66 091	68 920
Contract asset		777	-
Trade receivables		136 734	102 302
Tax receivables		540	1 756
Other receivables		123 507	179 285
Receivables from insurance and reinsurance contracts		49 058	43 645
Reinsurance assets		89 503	81 280
Cash and cash equivalents		2 174 016	2 204 904
<b>Current assets</b>		<b>5 194 279</b>	<b>5 154 783</b>
<b>Total assets</b>		<b>9 162 297</b>	<b>8 845 316</b>

Prepared by:  /A. Kerezov/

Executive director:  /I. Kamenov/


Date: 29 November 2018



The accompanying notes on pages from 9 to 23 form an integral part of the interim condensed consolidated financial statements.

## Interim condensed consolidated statement of financial position (continued)

	Notes	30.09.2018 BGN'000	31.12.2017 BGN'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	227 191	227 236
Share premium		247 070	247 129
Other reserves		148 184	118 444
Retained earnings		727 187	735 323
Profit for the period		58 537	68 370
<b>Equity attributed to the shareholders of parent company</b>		<b>1 408 169</b>	<b>1 396 502</b>
Non-controlling interests		277 213	276 746
<b>Total equity</b>		<b>1 685 382</b>	<b>1 673 248</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term financial liabilities	13	1 574 452	1 262 699
Payables to secured persons		1 283 521	1 195 555
Long-term trade payables		47 578	47 599
Long-term related party payables	17	6 496	4 315
Finance lease liabilities		4 553	2 806
Pension and other employee obligations		3 540	3 651
Other liabilities		7 994	4 476
Provisions		701	598
Deferred tax liabilities		30 192	28 210
<b>Non-current liabilities</b>		<b>2 959 027</b>	<b>2 549 909</b>
<b>Current liabilities</b>			
Short-term financial liabilities	13	4 002 770	4 116 152
Trade payables		110 507	97 372
Contract liabilities		835	-
Short-term related party payables	17	43 678	37 419
Finance lease liabilities		1 195	1 133
Liabilities to insurance and reinsurance contracts		307 656	303 874
Pension and other employee obligations		12 236	14 560
Tax liabilities		4 751	6 489
Other liabilities		34 260	45 160
<b>Current liabilities</b>		<b>4 517 888</b>	<b>4 622 159</b>
<b>Total liabilities</b>		<b>7 476 915</b>	<b>7 172 068</b>
<b>Total equity, reserves and liabilities</b>		<b>9 162 297</b>	<b>8 845 316</b>

Prepared by:   
/I.A. Kerezov/




Executive director:   
/I. Kamenov/

Date: 29 November 2018

## Interim condensed consolidated statement of comprehensive income

Notes	9 months to 30.09.2018 BGN'000	3 months to 30.09.2018 BGN'000	9 months to 30.09.2017 BGN'000	3 months to 30.09.2017 BGN'000
Income from non-financial activities	337 118	140 444	327 795	123 304
Expenses for non-financial activities	(286 599)	(110 078)	(298 452)	(110 902)
Change in fair value of investment property	59	59	2 209	724
Gain on sale of non-current assets	373	181	3 657	4 599
<b>Net result from non-financial activities</b>	<b>50 951</b>	<b>30 606</b>	<b>35 209</b>	<b>17 725</b>
Insurance income	305 606	72 519	288 002	66 381
Insurance expense	(289 699)	(65 836)	(267 084)	(56 624)
<b>Net insurance result</b>	<b>15 907</b>	<b>6 683</b>	<b>20 918</b>	<b>9 757</b>
Interest income	141 253	49 637	151 080	50 372
Interest expense	(31 254)	(12 559)	(28 695)	(7 397)
<b>Net interest income</b>	<b>109 999</b>	<b>37 078</b>	<b>122 385</b>	<b>42 975</b>
<b>Net result from transactions with financial instruments</b>	<b>18 400</b>	<b>(10 488)</b>	<b>60 271</b>	<b>10 935</b>
Administrative expenses	(171 404)	(68 530)	(160 783)	(54 049)
Share of profit from equity accounted investments	4 541	2 860	4 612	2 623
Other financial income	54 824	15 717	22 694	5 830
Allocation of income to secured persons	(6 917)	(6 482)	(30 424)	(13 757)
<b>Profit before tax</b>	<b>76 301</b>	<b>7 444</b>	<b>74 882</b>	<b>22 039</b>
Tax expense, revenue	14 (6 471)	(1 024)	697	(1 445)
<b>Net profit for the period</b>	<b>69 830</b>	<b>6 420</b>	<b>75 579</b>	<b>20 594</b>
<b>Other comprehensive income</b>				
Revaluation of obligations under defined benefit plans, net	(1 743)	245	8 174	423
<b>Total comprehensive income</b>	<b>68 087</b>	<b>6 665</b>	<b>83 753</b>	<b>21 017</b>
<b>Profit for the year attributable to:</b>				
the shareholders of Chimimport AD	58 537	5 034	62 807	15 221
non-controlling interests	11 293	1 386	12 772	5 373
<b>Total comprehensive income attributable to:</b>				
the shareholders of Chimimport AD	57 198	5 248	68 501	15 644
non-controlling interests	10 889	1 417	15 252	5 373
<b>Basic earnings per share in BGN</b>	15 <b>0.26</b>	<b>0.02</b>	<b>0.28</b>	<b>0.07</b>

Prepared by:   
I.A. Kerezov



Executive director:   
I. Kamenov

Date: 29 November 2018

## Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
<b>Balance at 1 January 2018</b>	227 236	247 129	118 444	803 693	1 396 502	276 746	1 673 248
Effect of initial application of IFRS 9							
Increase/Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	-	-	-	(32 473)	(32 473)	(2 963)	(35 436)
Business combinations	(45)	(59)	-	-	(104)	-	(104)
Dividends			(5 562)	6 921	1 359	(5 460)	(4 101)
<b>Transactions with owners</b>	-	-	-	(14 313)	(14 313)	(1 999)	(16 312)
	<b>(45)</b>	<b>(59)</b>	<b>(5 562)</b>	<b>(7 392)</b>	<b>(13 058)</b>	<b>(7 459)</b>	<b>(20 517)</b>
Profit for the period, ended at 30 September 2018	-	-	-	58 537	58 537	11 293	69 830
Other comprehensive income	-	-	(1 339)	-	(1 339)	(404)	(1 743)
<b>Total comprehensive income for the period</b>	-	-	(1 339)	58 537	57 198	10 889	68 087
Transfer of retained earnings to other reserves	-	-	36 641	(36 641)	-	-	-
<b>Balance at 30 September 2018</b>	<b>227 191</b>	<b>247 070</b>	<b>148 184</b>	<b>785 724</b>	<b>1 408 169</b>	<b>277 213</b>	<b>1 685 382</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezov*



Executive director: \_\_\_\_\_

*I. Kamenov*

Date: 29 November 2018

## Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160
<b>Balance at 1 January 2017</b>							
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	322	291	-	-	613	-	613
Business combinations			3 639	(10 749)	(7 110)	134	(6 976)
Dividends	-	-	-	(11 608)	(11 608)	(3 852)	(15 460)
<b>Transactions with owners</b>	<b>322</b>	<b>291</b>	<b>3 639</b>	<b>(22 357)</b>	<b>(18 105)</b>	<b>(3 718)</b>	<b>(21 823)</b>
Profit for the year at 31 December 2017	-	-	-	68 370	68 370	17 296	85 666
Other comprehensive income	-	-	4 247	-	4 247	1 998	6 245
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4 247</b>	<b>68 370</b>	<b>72 617</b>	<b>19 294</b>	<b>91 911</b>
Transfer of retained earnings to other reserves	-	-	25 384	(25 384)	-	-	-
<b>Balance at 31 December 2017</b>	<b>227 236</b>	<b>247 129</b>	<b>118 444</b>	<b>803 696</b>	<b>1 396 502</b>	<b>276 746</b>	<b>1 673 248</b>

Prepared by:

*I.A. Kerezov*



Executive director:

*I. Kamenov*

Date: 29 November 2018

## Interim condensed consolidated statement of cash flows

	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Proceeds from short-term loans	29 382	39 176
Payments for short-term loans	(27 824)	(23 695)
Proceeds from sale of short-term financial assets	292 091	429 589
Purchase of short-term financial assets	(395 120)	(503 184)
Cash receipt from customers	339 413	330 262
Cash paid to suppliers	(285 982)	(280 458)
Proceeds from secured persons	103 774	102 377
Payments to secured persons	(20 319)	(19 055)
Payments to employees and social security institutions	(88 016)	(85 250)
Cash receipts from banking operations	34 886 965	32 034 417
Cash paid for banking operations	(34 692 879)	(31 841 088)
Cash receipts from insurance operations	126 990	144 951
Cash paid for insurance operations	(90 619)	(140 759)
Income taxes paid	(5 718)	(1 184)
Other cash outflows	(5 173)	(5 031)
<b>Net cash flow from operating activities</b>	<b>166 965</b>	<b>181 068</b>
<b>Investing activities</b>		
Sale of subsidiaries, net of cash	2 170	-
Dividends received	3 912	4 349
Sale of property, plant and equipment	606	192
Purchase of property, plant and equipment	(8 632)	(5 246)
Sale of intangible assets	-	13
Purchase of intangible assets	(1 774)	(1 168)
Sale of investment property	6 982	-
Purchase of investment property	(14 299)	(56 400)
Sale of non-current financial assets	441 874	378 893
Purchase of non-current financial assets	(605 582)	(264 966)
Interest payments received	29 638	38 151
Proceeds from loans granted	2 859	66 820
Payments for loans granted	(31 644)	(19 483)
Other cash (outflows) inflows	9 319	2 566
<b>Net cash flow from investing activities</b>	<b>(164 571)</b>	<b>143 721</b>
<b>Financing activities</b>		
Paid dividends	(1 356)	(5 557)
Purchase of own shares	(104)	(689)
Proceeds from loans received	10 560	27 585
Payments for loans received	(35 817)	(55 196)
Interest paid	(1 211)	(7 467)
Payments for finance leases	(1 512)	(1 076)
Other cash outflows	(4 414)	(4 214)
<b>Net cash flow from financing activities</b>	<b>(33 854)</b>	<b>(46 614)</b>
Net change in cash and cash equivalents	(31 460)	278 175
Cash and cash equivalents, beginning of year	2 204 904	1 767 126
Exchange profit on cash and cash equivalents	572	(2 456)
<b>Cash and cash equivalents, end of the period</b>	<b>2 174 016</b>	<b>2 042 845</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezovi*



Executive director: \_\_\_\_\_

*I. Kamenovi*

Date: 29 November 2018

The accompanying notes on pages from 9 to 23 form an integral part of the interim condensed consolidated financial statements.



## Notes to the interim condensed consolidated 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.

Chimimport AD (The Group) includes the parent company and all subsidiaries.

The Group 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  
Miroliub 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 consolidated financial statements as of 30 September 2018 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2017, 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). Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 “Consolidated Financial Statements”.

Elements of the interim consolidated financial statement of the Group are in the currency of the primary economic environment in which the Group companies carry out their activities (“functional currency”). The interim consolidated financial statements are presented in BGN, which is the functional currency of the parent-company. This is the functional currency of the parent company and subsidiaries, exception from the subsidiaries operating in the Netherlands, Germany, and Slovakia, whose functional currency is the euro, the subsidiaries operating in Macedonia, whose functional currency is the Macedonian denar and subsidiaries operating in Russia, whose functional currency is the Russian ruble. The currency of the Group is the BGN.

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

## **3. Accounting policies and significant changes during the period**

### **3.1. Accounting policy**

These interim condensed consolidated financial statements (the interim consolidated financial statements) have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended 31 December 2017.

### **3.2. Estimates**

When preparing the interim condensed consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2017.

### 3.3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2017. There have been no changes in the risk management policies since year end.

### 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 2017.

### 5. Effect of initial application of IFRS 9

Initial Effect from the Application of IFRS 9 "Financial Instruments" IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" and is effective from January 1, 2018. The new standard introduces significant changes in the classification, subsequent measurement, and a new pattern of expected credit losses for impairment financial actives. IFRS 9 also includes a new guidance on hedge accounting.

The management of the company identifies a few areas that are expected to have effect from the application of IFRS 9:

- the classification and measurement of the financial assets of the Company assesses the new criteria that take attention on the agreed cash flows for the assets and the business model under which they are managed. The management holds most of the financial assets to collect the relevant cash flows and estimates the types of cash flows to properly classify the financial assets.

The management of the company expects the majority of held-to-maturity financial assets to continue to be carried at amortized cost.

Position on financial statement	Category of IAS 39	Category of IFRS 9	Business model
Long-term financial assets	Available-for-sale financial instruments	Equity instruments measured at fair value through other comprehensive income	Held for collection an sale
Bonds	Investments held to maturity	Debt instruments measured at amortized cost	Held for collection
Receivables from related parties	Credits and receivables	Debt instruments measured at amortized cost	Held for collection
Loans granted	Credits and receivables	Debt instruments measured at	Held for collection

		amortized cost	
Trade payables	Credits and receivables	Debt instruments measured at amortized cost	Held for collection
Cash and cash equivalents	Credits and receivables	Debt instruments measured at amortized cost	Held for collection

All financial assets held by the Company are eligible for payment only for principal and interest.

The main effects that the Company recognizes in the application of IFRS 9 Financial Instruments are related to the application of the effect of the recognition of a credit correction for credit losses accrued in accordance with the requirements of the expected credit loss model. The scope of the model includes debt instruments managed by the company with a business model held for collection.

The Company applies an individual approach to impairment of the borrowed funds, taking into account the respective risks associated with the counterparty.

## 6. Significant events and transactions during the reporting period

In general the Group condition is stable, in spite the current economic environment and has enough capital and liquidity to proceed with its operational activities and debt.

## 7. Investments accounted for using equity method

### 7.1. Investments in associates

The Group owns shares in the share capital of the following associated companies:

Name	30.09.2018 BGN'000	Share %	31.12.2017 BGN'000	Share %
Lufthansa Technik Sofia OOD	8 875	24.90%	8 256	24.90%
VTC AD	3 564	41.00%	3 502	41.00%
Amadeus Bulgaria OOD	3 368	45.00%	3 343	45.00%
Silver Wings Bulgaria Ltd.	5 361	42.50%	5 132	42.50%
Swissport Bulgaria	5 347	49.00%	5 409	49.00%
Dobrich fair AD	-	-	755	39.98%
Kavarna Gas OOD	548	35.00%	496	35.00%
	<b>27 063</b>		<b>26 893</b>	

Investments in associates are presented in the interim condensed consolidated financial statements of the Group using the equity method. Associates have a reporting date as at 30 September 2018.

## 7.2. Investments in joint ventures

The Group holds shares in the capital of these joint ventures:

Name	30.09.2018 BGN '000	Share %	31.12.2017 BGN '000	Share %
Nuance BG AD	1 951	50.00%	2 520	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
	<u>6 958</u>		<u>7 527</u>	

## 8. Segment reporting

The management responsible for making the business decisions determines the business segments on the grounds of the types of activities, the main products and services rendered by the Group. The activities of the Group are analyzed as a whole of business segments that may vary depending on the nature and development of a certain segment by considering the influence of the risk factors, cash flows, products and market requirements.

Each business segment is managed separately as long as it requires different technologies and resources or marketing approaches. The adoption of IFRS 8 had no influence on the identification of the main business segments of the Group in comparison with those determined in the last consolidated financial statements.

According to IFRS 8 the profits reported by segments are based on the information used for the needs of the internal management reporting and is regularly reviewed from those responsible for the business decisions.

According to IFRS 8 the Group applies the same evaluation policy as in the last consolidated financial statements.

The operating segments of the Group are as follows:

- Production, trade and services
- Finance sector
- Transport sector
- Real estate sector
- Construction and engineering sector

Information about the operating segments of the Group is summarized as follows:



Operating segments 30 September 2018	Production, trade and services	Financial sector	Transport sector	Real estate and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	62 990	27 657	243 406	6 068	(3 003)	337 118
Change in fair value of investment property	-	59	-	-	-	59
Gain from sale of non-current assets	44	89	176	370	(306)	373
Inter-segment income from non-financial activities	7 314	607	1 508	523	(9 952)	-
<b>Total income from non-financial activities</b>	<b>70 348</b>	<b>28 412</b>	<b>245 090</b>	<b>6 961</b>	<b>(13 261)</b>	<b>337 550</b>
<b>Result from non-financial activities</b>	<b>8 512</b>	<b>28 412</b>	<b>11 866</b>	<b>1 471</b>	<b>690</b>	<b>50 951</b>
Insurance income from external customers	-	305 606	-	-	-	305 606
Inter-segment insurance income	-	2 955	-	-	(2 955)	-
<b>Total insurance income</b>	<b>-</b>	<b>308 561</b>	<b>-</b>	<b>-</b>	<b>(2 955)</b>	<b>305 606</b>
<b>Result from insurance</b>	<b>-</b>	<b>17 878</b>	<b>-</b>	<b>-</b>	<b>(1 971)</b>	<b>15 907</b>
Interest income	3 743	143 825	682	525	(7 522)	141 253
Interest expenses	(4 731)	(26 092)	(4 286)	(2 257)	6 112	(31 254)
<b>Result from interest</b>	<b>(988)</b>	<b>117 733</b>	<b>(3 604)</b>	<b>(1 732)</b>	<b>(1 410)</b>	<b>109 999</b>
<b>Gains from transactions with financial instruments</b>	<b>5 992</b>	<b>29 112</b>	<b>4 282</b>	<b>699</b>	<b>(21 685)</b>	<b>18 400</b>
Administrative expenses	(3 600)	(165 066)	(7 061)	-	4 323	(171 404)
<b>Net result from equity accounted investments in associates</b>	<b>42</b>	<b>-</b>	<b>4 499</b>	<b>-</b>	<b>-</b>	<b>4 541</b>
Other financial income/ expense	(3 257)	54 056	1 381	(16)	2 660	54 824
Profit for allocating insurance batches	-	(6 917)	-	-	-	(6 917)
<b>Profit for the period before tax</b>	<b>6 701</b>	<b>75 208</b>	<b>11 363</b>	<b>422</b>	<b>(17 393)</b>	<b>76 301</b>
Tax expenses	(700)	(5 751)	-	(20)	-	(6 471)
<b>Net profit for the period</b>	<b>6 001</b>	<b>69 457</b>	<b>11 363</b>	<b>402</b>	<b>(17 393)</b>	<b>69 830</b>



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
30 September 2018	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	621 836	9 623 303	801 149	292 060	(2 210 072)	9 128 276
Equity accounted investments in associates	3 736	10	23 558	-	6 717	34 021
<b>Total consolidated assets</b>	<b>625 572</b>	<b>9 623 313</b>	<b>824 707</b>	<b>292 060</b>	<b>(2 203 355)</b>	<b>9 162 297</b>
Liabilities of the segment	196 183	7 479 625	376 953	123 104	(698 950)	7 476 915
<b>Total consolidated liabilities</b>	<b>196 183</b>	<b>7 479 625</b>	<b>376 953</b>	<b>123 104</b>	<b>(698 950)</b>	<b>7 476 915</b>

Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
31 September 2017	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	720 205	9 283 949	788 388	298 625	(2 280 271)	8 810 896
Equity accounted investments in associates	4 027	-	23 475	2	6 916	30 881
<b>Total consolidated assets</b>	<b>724 232</b>	<b>9 283 949</b>	<b>811 863</b>	<b>298 627</b>	<b>(2 273 355)</b>	<b>8 845 316</b>
<b>Specialized reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Liabilities of the segment	258 129	7 166 214	370 833	129 003	(752 111)	7 172 068
<b>Total consolidated liabilities</b>	<b>258 129</b>	<b>7 166 214</b>	<b>370 833</b>	<b>129 003</b>	<b>(752 111)</b>	<b>7 172 068</b>



Bussines segments 30 September 2017	Production, trade and services	Financial sector	Transport sector	Real estate and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	69 702	11 541	241 722	7 004	(2 174)	327 795
Change in fair value of investment property	-	-	-	-	2 209	2 209
Gain from sale of non-current assets	(146)	6	1 731	2 068	(2)	3 657
Inter-segment income from non-financial activities	5 577	1 703	2 158	990	(10 428)	-
<b>Total income from non-financial activities</b>	<b>75 133</b>	<b>13 250</b>	<b>245 611</b>	<b>10 062</b>	<b>(10 395)</b>	<b>333 661</b>
<b>Result from non-financial activities</b>	<b>5 884</b>	<b>13 250</b>	<b>11 239</b>	<b>3 362</b>	<b>1 474</b>	<b>35 209</b>
Insurance income from external customers	-	288 002	-	-	-	288 002
Inter-segment insurance income	-	2 314	-	-	(2 314)	-
<b>Total insurance income</b>	<b>-</b>	<b>290 316</b>	<b>-</b>	<b>-</b>	<b>(2 314)</b>	<b>288 002</b>
<b>Result from insurance</b>	<b>-</b>	<b>22 212</b>	<b>-</b>	<b>-</b>	<b>(1 294)</b>	<b>20 918</b>
Interest income	5 326	154 303	1 986	570	(11 105)	151 080
Interest expenses	(6 405)	(27 029)	(4 940)	(1 426)	11 105	(28 695)
<b>Result from interest</b>	<b>(1 079)</b>	<b>127 274</b>	<b>(2 954)</b>	<b>(856)</b>	<b>-</b>	<b>122 385</b>
<b>Result from transactions with financial instruments</b>	<b>3 716</b>	<b>67 061</b>	<b>1 596</b>	<b>-</b>	<b>(12 102)</b>	<b>60 271</b>
Administrative expenses	(3 492)	(154 856)	(7 338)	(1)	4 904	(160 783)
<b>Net result from equity accounted investments in associates</b>	<b>49</b>	<b>-</b>	<b>4 563</b>	<b>-</b>	<b>-</b>	<b>4 612</b>
Other financial income/ expense	435	25 596	(2 715)	(99)	(523)	22 694
Profit for allocating insurance batches	-	(30 424)	-	-	-	(30 424)
<b>Profit for the period before tax</b>	<b>5 513</b>	<b>70 113</b>	<b>4 391</b>	<b>2 406</b>	<b>(7 541)</b>	<b>74 882</b>
Tax expenses	(636)	1 406	(48)	(25)	-	697
<b>Net profit for the period</b>	<b>4 877</b>	<b>71 519</b>	<b>4 343</b>	<b>2 381</b>	<b>(7 541)</b>	<b>75 579</b>





### 9. Property, plant and equipment

Property, plant and equipment of the Group include land, buildings, plant and equipment, vehicles, repairs of rented fixed assets, assets in process of acquisition, etc. presented in the consolidated interim financial statements as at September 30, 2018. Their carrying amount can be analyzed as follows:

	Land	Building	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2018	51 382	132 104	182 354	85 229	125 850	24 368	74 401	40 731	<b>716 419</b>
Additions:									
-business combinations	-	-	82	-	73	-	17	321	<b>493</b>
- separately acquired	7	30	4 850	693	5 238	2 085	66	6 225	<b>19 194</b>
- reclassified									
Disposals	(3)	(358)	(510)	(466)	(4 536)	(16)	-	(6 078)	<b>(11 967)</b>
- separately disposed	-	-	(182)	(1)	(363)	-	-	-	<b>(546)</b>
Balance at 30 September 2018	51 386	131 776	186 594	85 455	126 262	26 437	74 484	41 199	<b>723 593</b>
<b>Depreciation</b>									
Balance at 1 January 2018	-	(24 873)	(117 446)	(33 741)	(55 439)	(24 164)	(37 578)	-	<b>(293 241)</b>
Business combinations	-	-	(75)	-	(62)	-	(17)	-	<b>(154)</b>
Disposal Business combinations	-	-	142	1	336	-	-	-	<b>479</b>
Disposal depreciation	-	90	463	381	1 623	16	-	-	<b>2 573</b>
Depreciation	-	(2 887)	(7 439)	(1 125)	(3 376)	(1 148)	(2 353)	-	<b>(18 328)</b>
Balance at 31 March 2018	-	(27 670)	(124 355)	(34 484)	(56 918)	(25 296)	(39 948)	-	<b>(308 671)</b>
<b>Carrying amount at 30 September 2018</b>	<b>51 386</b>	<b>104 106</b>	<b>62 239</b>	<b>50 971</b>	<b>69 344</b>	<b>1 141</b>	<b>34 536</b>	<b>41 199</b>	<b>414 922</b>



- as at 31 December 2017

	Land	Building	Machines	Equipment	Vehicles	Repairs	Others	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Balance at 1 January 2017</b>	52 651	124 769	176 066	84 989	128 159	23 487	73 462	60 258	<b>723 841</b>
Additions:									
- separately acquired	-	9 155	8 298	821	4 263	881	1 608	9 027	<b>34 053</b>
- reclassified	-	3 556	-	-	-	-	-	-	<b>3 556</b>
Disposals									
- separately disposed	(1 050)	(1 796)	(1 997)	(581)	(4 470)	-	(660)	(23 366)	<b>(33 920)</b>
- business combinations	-	-	-	-	(2 102)	-	-	(5 188)	<b>(7 290)</b>
- reclassified	(219)	(3 580)	(13)	-	-	-	(9)	-	<b>(3 821)</b>
<b>Balance at 31 December 2017</b>	<b>51 382</b>	<b>132 104</b>	<b>182 354</b>	<b>85 229</b>	<b>125 850</b>	<b>24 368</b>	<b>74 401</b>	<b>40 731</b>	<b>716 419</b>
<b>Depreciation</b>									
<b>Balance at 1 January 2017</b>	-	(21 921)	(109 076)	(32 332)	(52 122)	(22 621)	(35 567)	-	<b>(273 639)</b>
Business combinations	-	201	-	-	-	-	-	-	<b>201</b>
Disposal depreciation - reclassified	-	456	1 697	162	1 619	-	393	-	<b>4 327</b>
Depreciation	-	(3 609)	(10 067)	(1 571)	(4 936)	(1 543)	(2 404)	-	<b>(24 130)</b>
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>(24 873)</b>	<b>(117 446)</b>	<b>(33 741)</b>	<b>(55 439)</b>	<b>(24 164)</b>	<b>(37 578)</b>	<b>-</b>	<b>(293 241)</b>
<b>Carrying amount at 31 December 2017</b>	<b>51 382</b>	<b>107 231</b>	<b>64 908</b>	<b>51 488</b>	<b>70 411</b>	<b>204</b>	<b>36 823</b>	<b>40 731</b>	<b>423 178</b>

## 10. Long-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	<b>30.09.2018</b>	<b>31.12.2017</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Equity instruments at fair value through profit or loss	4 632	4 564
Equity instruments at fair value through other comprehensive income	138 927	-
Credits and receivables	2 165 055	2 021 217
Debt instruments at fair value through other comprehensive income	371 538	-
Debt instruments at amortized cost	212 618	-
Available-for-sale financial assets	-	580 339
	<b>2 892 770</b>	<b>2 606 120</b>

## 11. Short-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	<b>30.09.2018</b>	<b>31.12.2017</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Equity instruments at fair value through profit or loss	1 540 347	1 425 759
Equity instruments at fair value through other comprehensive income	771	-
Debt instruments at amortized cost	93 478	
Credits and receivables	872 127	879 432
Held-to-maturity financial assets	-	36 469
Held for sale financial assets	-	83 856
	<b>2 506 723</b>	<b>2 425 516</b>

## 12. Share capital

The share capital of Chimimport as at 30 September 2018 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 12 454 620 ordinary shares acquired by companies of Chimimport Group. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

Shares issued and fully paid:	<b>30.09.2018</b>	<b>31.12.2017</b>
- beginning of the year	227 235 748	226 914 228
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	(44 101)	321 520
<b>Shares issued and fully paid as at period end</b>	<b>227 191 647</b>	<b>227 235 748</b>

All privilege shares, issued on 12 June 2009, were converted into ordinary shares on 15 June 2016, as per the Memorandum:

The list of principle shareholders, holding shares /ordinary and preferred/ of the capital of Chimimport AD is presented as follows:

	<b>30.09.2018</b>	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>31.12.2017</b>
	<b>Number of ordinary shares</b>	<b>%</b>	<b>Number of ordinary shares</b>	<b>%</b>
Invest Capital AD	174 847 247	72.96%	174 847 247	72.96%
Other legal entities and private individuals	64 799 020	27.04%	64 799 020	27.04%
	<b>239 646 267</b>	<b>100.00%</b>	<b>239 646 267</b>	<b>100.00%</b>
<b>Shares of the Group, acquired by subsidiaries</b>				
CCB Group AD	(1 296 606)	0.54%	(1 296 606)	0.54%
ZAD Armeec	(3 236 507)	1.35%	(3 236 507)	1.35%
POAD CCB Sila	(7 919 307)	3.30%	(7 872 107)	3.29%
Trans Intercar EAD	(2 200)	-	(5 300)	-
	<b>(12 454 620)</b>	<b>5.20%</b>	<b>(12 410 519)</b>	<b>5.17%</b>
<b>Net number of shares</b>	<b>227 191 647</b>		<b>227 235 748</b>	

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2017 and 2018 amounts to 5% and the tax is deducted from the gross amount of dividends.

### 13. Borrowings

Borrowings include financial liabilities as follows:

	Current		Non-current	
	30.09.2018 BGN'000	31.12.2017 BGN'000	30.09.2018 BGN'000	31.12.2017 BGN'000
Financial liabilities at fair value:				
Derivatives, held-for-trading		-	-	3 396
Financial liabilities measured at amortized cost:				
Liabilities to depositors	3 879 717	3 980 628	1 385 343	1 072 313
Liabilities for dividends	-	-	-	-
Bonds and debenture loan	225	12 558	49 757	29 792
Bank loans	65 106	61 119	116 368	120 332
Other borrowings	21 418	21 830	5 054	18 848
Derivatives, held-for-trading	-	-	-	-
Deposits from banks	11 488	7 048	-	-
Cession liabilities	14 267	17 536	17 930	18 018
Liabilities under repurchase agreements	10 549	15 433	-	-
<b>Total carrying amount</b>	<b>4 002 770</b>	<b>4 116 152</b>	<b>1 574 452</b>	<b>1 262 699</b>

During the period the Group of Chimimport received borrowings other than borrowings from banking activities under long-term and short-term loans agreements for cash at interest rates between 3% - 8%

### 14. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2018 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2017 was 10%).

### 15. Earnings per shares

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, as at March 2018, is:

	30.09.2018	30.09.2017
Profit attributable to the shareholders (BGN)	58 537 000	62 807 000
Weighted average number of outstanding shares	227 191 647	227 232 247
<b>Basic earnings per share (BGN per share)</b>	<b>0.26</b>	<b>0.28</b>

## 16. Related party transactions

The Group's related parties include its owners, associates and key management personnel.

### 16.1. Transaction with owners

Sale of goods and services, interest income and other income	30.09.2018	30.09.2017
	BGN'000	BGN'000
<i>- interest income</i>		
Owners	226	651
<i>- sale of services and others</i>		
Owners	10	6
<b>Purchase of goods and services, interest expense and other expense</b>		
<i>- purchase of services</i>		
Owners	-	(43)
<i>- interest expense</i>		
Owners	-	-

### 16.2. Transaction with associates and other related parties under common control

Sale of goods and services, interest income and other income	30.09.2018	30.09.2017
	BGN'000	BGN'000
<i>- sale of finished goods</i>		
- associated parties	516	453
- other related parties	277	312
<i>- sale of goods</i>		
- associated parties	327	228

<b>Sale of goods and services, interest income and other income</b>	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
- other related parties	903	827
- <i>sale of services</i>		
- associated parties	5 404	3 805
- other related parties	1 644	1 350
- <i>interest income</i>		
- joint ventures	232	22
- other related parties	436	1 607
- <i>other income</i>		
- associated parties	72	68
- other related parties	38	-
<b>Purchase of services and interest expense</b>	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
- <i>purchase of services</i>		
- associated parties	(9 962)	(10 068)
- other related parties	(6 021)	(6 112)
- <i>interest expense and other expenses</i>		
- associated parties	(2)	(25)
- other related parties joint ventures	(26)	(54)

### 16.3. Transaction with key management personnel

Key management of the Group includes members of the Managing Board and Supervisory Board. Key management personnel remuneration includes the following expenses:

	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Short-term employee benefits:		
Salaries, including bonuses	(502)	(726)
Social security costs	(20)	(15)
<b>Total:</b>	<b>(522)</b>	<b>(741)</b>

### 17. Related party balances

	<b>30.06.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Non-current receivables from:</b>		
-owners	-	-
-associated parties	2 027	2 295
-joint- ventures	655	3 266
- other related parties	7 449	3 197
<b>Total</b>	<b>10 131</b>	<b>8 758</b>

<b>Current receivables from:</b>		
-owners	26 734	28 362
- associates	1 051	580
-joint- ventures	6 706	3 446
- other related parties	31 600	36 532
<b>Total</b>	<b>66 091</b>	<b>68 920</b>

	<b>30.06.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Non-current payables to:</b>		
-owners	12	-
- associates and joint ventures	2 305	1 043
-joint- ventures	574	379
- other related parties	3 605	2 893
<b>Total</b>	<b>6 496</b>	<b>4 315</b>

<b>Current payables to:</b>		
-owners	23 815	8 894
- associates	10 260	12 164
-joint- ventures	618	262
- other related parties	8 985	16 099
<b>Total</b>	<b>43 678</b>	<b>37 419</b>



#### **18. Post - reporting date events**

No significant events occurred after the reporting date.

#### **19. Autorization of the interim condensed financial statements**

The interim condensed consolidated financial statements as of 30 September 2018 (including comparatives) were approved for issue by the Managing board on 29 November 2018.