

## ANNUAL REPORT ON PAYMENTS TO GOVERNMENTS

The Group of Chimimport AD through its subsidiary Exploration and Production of Oil and Gas AD carries out activities in the mining industry and according to Art. 53 of the Accountancy Act has the obligation to prepare and publish a consolidated report on payments to governments along with its consolidated activity report.

The main activity of Exploration and Production of Oil and Gas AD is based on concession rights granted by the state under 13 concession agreements.

According to the contracts, Exploration and Production of Oil and Gas AD is obliged to make concession payments (concession remunerations) every six months on the basis of realized quantities of crude oil and natural gas, the payment being due until the end of the month following the respective semester.

In 2018 the Company has paid concession remuneration to the Ministry of Energy as follows:

- ✓ for the second half of 2017 - BGN 830 594;
- ✓ for the first semester of 2018 - BGN 989 389;

These amounts are inclusive of value added tax and represent the payments made by the Company in 2018, which differ from the accrued amounts for the concessionary expense.

In 2018, the Company has paid corporate income tax at the amount of BGN 502 765 and taxes on expenses at the amount of BGN 1 750 under the annual tax return for 2017.

**MANAGING BOARD  
CHIMIMPORT AD  
SOFIA**

A handwritten signature in blue ink, appearing to be a stylized name, is positioned to the right of the company name. The signature is written in a cursive style with a prominent loop at the top.