

# 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 the Accountancy Act has the obligation to prepare and publish a report on payments to governments along with its 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 2019 the company has paid concession remuneration to the Ministry of Energy as follows:

- ✓ for the second half of 2018 - BGN 1 155 364;
- ✓ for the first semester of 2019 - BGN 1 076 457;

These amounts are inclusive of value added tax and represent the payments made by Exploration and Production of Oil and Gas AD in 2019, which differ from the accrued amounts for the concessionary expense.

In 2019, Exploration and Production of Oil and Gas AD has paid corporate income tax at the amount of BGN 308 353 and taxes on expenses at the amount of BGN 2 733 under the annual tax return under Article 92 of the CITA for 2018.



**MANAGING BOARD  
OF CHIMIMPORT AD  
SOFIA  
30 July 2020**