

Interim Consolidated Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

30 September 2019



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Interim condensed consolidated statement of financial position

| | Notes | 30.09.2019 BGN'000 | 31.12.2018 BGN'000 |
|---|-------|-----------------------|-----------------------|
| Assets | | | |
| Property, plant and equipment | 10 | 409 993 | 420 897 |
| Investment property | | 423 416 | 422 174 |
| Goodwill | | 28 425 | 28 425 |
| Other intangible assets | | 150 249 | 157 731 |
| Deferred tax assets | | 7 675 | 8 035 |
| Investments accounted for using the equity method | 8 | 34 653 | 35 126 |
| Loans and receivables to bank customers | 11 | 2 532 501 | 2 417 517 |
| Equity instruments at fair value through profit or loss | 11 | 1 874 398 | 1 685 078 |
| Debt instruments at fair value through other comprehensive income | 11 | 407 694 | 422 916 |
| Equity instruments at fair value through other comprehensive income | 11 | 78 844 | 70 983 |
| Other financial assets | 12 | 1 214 110 | 1 105 426 |
| Receivables from insurance and reinsurance contracts | | 51 347 | 51 071 |
| Reinsurance assets | | 95 571 | 87 218 |
| Tax receivables | | 1 453 | 1 854 |
| Other receivables | | 80 904 | 93 471 |
| Inventories | | 60 951 | 45 923 |
| Cash and cash equivalents | | 2 083 382 | 2 045 224 |
| Total assets | | 9 535 566 | 9 099 069 |

Prepared by: 
/A. Kerezov/

Executive director: 
/I. Kamenov/

Date: 28 November 2019



Interim condensed consolidated statement of financial position (continued)

| | Notes | 30.09.2019 BGN'000 | 31.12.2018 BGN'000 |
|--|-------|-----------------------|-----------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 13 | 226 954 | 227 191 |
| Share premium | | 247 286 | 247 070 |
| Other reserves | | 178 739 | 145 477 |
| Retained earnings | | 705 194 | 660 715 |
| Profit for the period | | 59 401 | 70 309 |
| Equity attributed to the shareholders of parent company | | 1 417 574 | 1 350 762 |
| Non-controlling interests | | 306 216 | 293 931 |
| Total equity | | 1 723 790 | 1 644 693 |
| Liabilities | | | |
| Liabilities to depositors | 14 | 5 467 475 | 5 259 602 |
| Other financial liabilities | 14 | 498 218 | 502 819 |
| Payables to secured persons | | 1 427 886 | 1 295 894 |
| Pension and other employee obligations | | 16 902 | 18 478 |
| Deferred tax liabilities | | 25 210 | 23 841 |
| Insurance technical reserves | | 284 033 | 269 782 |
| Liabilities to insurance and reinsurance contracts | | 28 490 | 28 490 |
| Finance lease liabilities | | 4 419 | 5 349 |
| Tax liabilities | | 6 203 | 4 530 |
| Other liabilities | | 52 940 | 45 591 |
| Total liabilities | | 7 811 776 | 7 454 376 |
| Total equity, reserves and liabilities | | 9 535 566 | 9 099 069 |

Prepared by:


/A. Kerezov/

Executive director:


/I. Kamenov/

Date: 29 November 2019



Interim condensed consolidated statement of comprehensive income

| Notes | For 9 months to 30.09.2019 BGN'000 | For 3 months to 30.09.2019 BGN'000 | For 9 months to 30.09.2018 BGN'000 | For 3 months to 30.09.2018 BGN'000 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Income from non-financial activities | 356 018 | 152 011 | 337 118 | 140 444 |
| Change in the fair value of investment property | 248 | 238 | 59 | 59 |
| Gain on sale of non-current assets | 467 | 60 | 373 | 181 |
| Net result from non-financial activities | 356 733 | 152 309 | 337 550 | 140 684 |
| Insurance income | 318 889 | 78 345 | 305 606 | 72 519 |
| Insurance expense | (300 120) | (73 126) | (289 699) | (65 836) |
| Net insurance result | 18 769 | 5 219 | 15 907 | 6 683 |
| Interest income | 145 140 | 49 850 | 141 253 | 49 637 |
| Interest expense | (24 210) | (10 241) | (31 254) | (12 559) |
| Net interest income | 120 930 | 39 609 | 109 999 | 37 078 |
| Net result from transactions with financial instruments | 75 420 | 7 472 | 18 400 | (10 488) |
| Other operating and administrative expenses | (484 851) | (196 899) | (458 003) | (178 608) |
| Share of profit from equity accounted investments | 3 039 | 1 661 | 4 541 | 2 860 |
| Other financial income | 55 049 | 26 067 | 54 824 | 15 717 |
| Allocation of income to secured persons | (65 979) | (27 085) | (6 917) | (6 482) |
| Profit before tax | 79 110 | 8 353 | 76 301 | 7 444 |
| Tax expense | (7 279) | (1 321) | (6 471) | (1 024) |
| Net profit for the period | 71 831 | 7 032 | 69 830 | 6 420 |
| Other comprehensive income | | | | |
| Revaluation of financial assets | 6 420 | 1 901 | (1 743) | 245 |
| Total comprehensive income | 78 251 | 8 933 | 68 087 | 6 665 |
| Profit for the period attributable to: | | | | |
| the shareholders of Chimimport AD | 59 401 | 3 164 | 58 537 | 5 034 |
| non-controlling interests | 12 430 | 3 868 | 11 293 | 1 386 |
| Total comprehensive income attributable to: | | | | |
| the shareholders of Chimimport AD | 64 344 | 4 627 | 57 198 | 5 248 |
| non-controlling interests | 13 907 | 4 306 | 10 889 | 1 417 |
| Basic earnings per share in BGN | 0,26 | 0,01 | 0,26 | 0,02 |

Prepared by: 
/A. Kerezov/

Executive director: 
/I. Kamenov/

Date: 29 November 2019



Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000

| | Equity attributable to the shareholders of Chimimport AD | | | | Total | Non-controlling interests | Total equity |
|---|--|----------------|----------------|-------------------|------------------|---------------------------|------------------|
| | Share capital | Share premium | Other reserves | Retained earnings | | | |
| Balance at 1 January 2019 | 227 191 | 247 070 | 145 477 | 731 024 | 1 350 762 | 293 931 | 1 644 693 |
| Increase in share capital and reserves resulting from change in own shares held by subsidiaries | (237) | 216 | - | - | (21) | - | (21) |
| Business combinations | - | - | 132 | 2 357 | 2 489 | 2 090 | 4 579 |
| Dividends | - | - | - | - | - | (3 712) | (3 712) |
| Transactions with owners | (237) | 216 | 132 | 2 357 | 2 468 | (1 622) | 846 |
| Profit for the period | - | - | - | 59 401 | 59 401 | 12 430 | 71 831 |
| Other comprehensive loss | - | - | 4 943 | - | 4 943 | 1 477 | 6 420 |
| Total comprehensive income for the period | - | - | 4 943 | 59 401 | 64 344 | 13 907 | 78 251 |
| Transfer of retained earnings to other reserves | - | - | 26 002 | (26 002) | - | - | - |
| Change in specialized reserves | - | - | 2 185 | (2 185) | - | - | - |
| Balance at 30 September 2019 | 226 954 | 247 286 | 178 739 | 764 595 | 1 417 574 | 306 216 | 1 723 790 |

Prepared by:  _____

/I.A. Kerezov/

Date: 29 November 2019



Executive director:  _____

/I.I. Kamenov/

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 interests | Total equity |
|---|--|----------------|----------------|-------------------|------------------|---------------------------|------------------|
| | Share capital | Share premium | Other reserves | Retained earnings | Total | | |
| Balance at 1 January 2018 | 227 236 | 247 129 | 124 926 | 806 551 | 1 405 842 | 282 955 | 1 688 797 |
| Adjustments from the adoption of IFRS 9 and other adjustments | - | - | (7 047) | (79 447) | (86 494) | (16 686) | (103 180) |
| Balance at 1 January 2018 (restated) | 227 236 | 247 129 | 117 879 | 727 104 | 1 319 348 | 266 269 | 1 585 617 |
| Increase in share capital and reserves resulting from change in own shares held by subsidiaries | (45) | (59) | - | - | (104) | - | (104) |
| Business combinations | - | - | (4 442) | (16 325) | (20 767) | 16 793 | (3 974) |
| Dividends | - | - | - | (14 313) | (14 313) | (2 430) | (16 743) |
| Transactions with owners | (45) | (59) | (4 442) | (30 638) | (35 184) | 14 363 | (20 821) |
| Profit for the year | - | - | - | 70 309 | 70 309 | 14 043 | 84 352 |
| Other comprehensive loss | - | - | (3 711) | - | (3 711) | (744) | (4 455) |
| Total comprehensive income for the year | - | - | (3 711) | 70 309 | 66 598 | 13 299 | 79 897 |
| Transfer of retained earnings to other reserves | - | - | 36 641 | (36 641) | - | - | - |
| Change in specialized reserves | - | - | (890) | 890 | - | - | - |
| Balance at 31 December 2018 | 227 191 | 247 070 | 145 477 | 731 024 | 1 350 762 | 293 931 | 1 644 693 |

Prepared by:

/A. Kerezov/

Date: 29 November 2019

Executive director:

/I. Kamenov/



Interim condensed consolidated statement of cash flows

| | 30.09.2019 | 30.09.2018 |
|--|-------------------|-------------------|
| | BGN'000 | BGN'000 |
| Proceeds from short-term loans | 13 801 | 29 382 |
| Payments for short-term loans | (17 530) | (27 824) |
| Proceeds from sale of short-term financial assets | 359 418 | 292 091 |
| Purchase of short-term financial assets | (442 184) | (395 120) |
| Cash receipt from customers | 338 978 | 339 413 |
| Cash paid to suppliers | (290 027) | (285 982) |
| Proceeds from secured persons | 116 437 | 103 774 |
| Payments to secured persons | (41 968) | (20 319) |
| Payments to employees and social security institutions | (90 033) | (88 016) |
| Cash receipts from banking operations | 37 510 620 | 34 886 965 |
| Cash paid for banking operations | (37 427 876) | (34 692 879) |
| Cash receipts from insurance operations | 142 084 | 126 990 |
| Cash paid for insurance operations | (112 967) | (90 619) |
| Income taxes paid | (3 092) | (5 718) |
| Other cash inflows/(outflows) | 4 872 | (5 173) |
| Net cash flow from operating activities | 60 533 | 166 965 |
| Investing activities | | |
| Sale of subsidiaries, net of cash | - | 2 170 |
| Dividends received | 11 140 | 3 912 |
| Sale of property, plant and equipment | 819 | 606 |
| Purchase of property, plant and equipment | (3 671) | (8 632) |
| Purchase of intangible assets | (176) | (1 774) |
| Sale of investment property | 898 | 6 982 |
| Purchase of investment property | (6 994) | (14 299) |
| Sale of non-current financial assets | 281 926 | 441 874 |
| Purchase of non-current financial assets | (326 337) | (605 582) |
| Interest payments received | 31 508 | 29 638 |
| Proceeds from loans granted | 7 746 | 2 859 |
| Payments for loans granted | (11 076) | (31 644) |
| Other cash (outflows)/inflows | 1 945 | 9 319 |
| Net cash flow from investing activities | (12 272) | (164 571) |
| Financing activities | | |
| Dividend paid | - | (1 356) |
| Purchase of own shares | (21) | (104) |
| Proceeds from loans received | 27 947 | 10 560 |
| Payments for loans received | (30 337) | (35 817) |
| Interest paid | (6 154) | (1 211) |
| Payments for finance leases | (1 006) | (1 512) |
| Other cash inflows/(outflows) | (795) | (4 414) |
| Net cash flow from financing activities | (10 366) | (33 854) |
| Net change in cash and cash equivalents | 37 895 | (31 460) |
| Cash and cash equivalents, beginning of year | 2 045 224 | 2 204 904 |
| Exchange profit on cash and cash equivalents | 263 | 572 |
| Cash and cash equivalents, end of the period | 2 083 382 | 2 174 016 |

Prepared by: 
/A. Kerezov/

Executive director: 
/I. Kamenov/

Date: 29 November 2019



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 2019 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 2018, 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 2018.

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 2018.

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 2018. 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 2018.

5. New standards, amendments and interpretations to existing standards that are effective for annual periods beginning on or after 1 January 2018

A list of the changes in the standards is provided below:

- IFRS 9 “Financial Instruments” (amended) – Prepayment features with negative compensation, effective from 1 January 2019, adopted by the EU
- IFRS 16 “Leases” effective from 1 January 2019, adopted by the EU

6. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2018 and have not been applied early by the Company. They are not expected to have a material impact on the Company’s financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement.

A list of the changes in the standards is provided below:

- IFRS 14 “Regulatory deferral accounts” effective from 1 January 2016, not yet adopted by the EU
- FRS 17 “Insurance Contracts” effective from 1 January 2021, not yet adopted by the EU
- IAS 19 “Employee benefits” (amended) – Plan amendment, curtailment or settlement - effective from 1 January 2019, not yet adopted by the EU
- IAS 28 “Investments in associates and joint ventures” (amended) – Long-term interests in associates and joint ventures effective from 1 January 2019, not yet adopted by the EU
- IFRIC 23 “Uncertainty over income tax treatments” effective from 1 January 2019, not yet adopted by the EU
- Annual Improvements to IFRSs 2015-2017 effective from 1 January 2019, not yet adopted by the EU

7. 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.

8. Investments accounted for using equity method

8.1. Investments in associates

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

| Name | 30.09.2019 BGN'000 | Share % | 31.12.2018 BGN'000 | Share % |
|-----------------------------|-----------------------|------------|-----------------------|------------|
| Lufthansa Technik Sofia OOD | 8 365 | 24.90% | 8 945 | 24.90% |
| Swissport Bulgaria | 5 132 | 49.00% | 5 671 | 49.00% |
| Silver Wings Bulgaria Ltd. | 5 002 | 42.50% | 5 170 | 42.50% |
| Amadeus Bulgaria OOD | 3 488 | 44.99% | 3 294 | 44.99% |
| VTC AD | 4 677 | 41.00% | 4 034 | 41.00% |
| Kavarna Gas OOD | 581 | 35.00% | 552 | 35.00% |
| Port Ppristis OOD | 19 | 19.00% | 19 | 19.00% |
| | 27 264 | | 27 685 | |

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 2019.

8.2. Investments in joint ventures

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

| Name | 30.09.2019 BGN'000 | Share % | 31.12.2018 BGN'000 | Share % |
|-----------------|-----------------------|------------|-----------------------|------------|
| Nuance BG AD | 2 382 | 50.00% | 2 434 | 50.00% |
| Varna ferry OOD | 5 007 | 50.00% | 5 007 | 50.00% |
| | 7 389 | | 7 441 | |

9. 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 and trade
- Finance sector
- Transport sector
- Real estate sector and engineering

Group transactions between segments are made under market conditions.

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



| Operating segments 30 September 2019 | 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 | 53 774 | 20 901 | 274 923 | 8 809 | (2 389) | 356 018 |
| Change in fair value of investment property | - | 248 | - | - | - | 248 |
| Gain on sale of non-current assets | (4) | 2 | 479 | - | (10) | 467 |
| Inter-segment income from non-financial activities | 9 154 | 1 694 | 1 119 | 279 | (12 246) | - |
| Total income from non-financial activities | 62 924 | 22 845 | 276 521 | 9 088 | (14 645) | 356 733 |
| Insurance income from external customers | - | 318 889 | - | - | - | 318 889 |
| Inter-segment insurance income | - | 3 748 | - | - | (3 748) | - |
| Total insurance income | - | 322 637 | - | - | (3 748) | 318 889 |
| Result from insurance | - | 21 601 | - | - | (2 832) | 18 769 |
| Interest income | 4 268 | 146 990 | 580 | 303 | (7 001) | 145 140 |
| Interest expenses | (5 115) | (18 785) | (5 295) | (2 016) | 7 001 | (24 210) |
| Result from interest | (847) | 128 205 | (4 715) | (1 713) | - | 120 930 |
| Gains from transactions with financial instruments | 3 652 | 84 615 | 4 772 | - | (17 619) | 75 420 |
| Other non - financial and administrative expenses | (60 112) | (167 830) | (268 799) | (6 190) | 18 080 | (484 851) |
| Net result from equity accounted investments in associates | 29 | - | 3 010 | - | - | 3 039 |
| Other financial income/ expense | (292) | 61 823 | (159) | (14) | (6 309) | 55 049 |
| Profit for allocating insurance batches | - | (65 979) | - | - | - | (65 979) |
| Profit for the period before tax | 5 354 | 85 280 | 10 630 | 1 171 | (23 325) | 79 110 |
| Tax expenses | (508) | (7 068) | 297 | - | - | (7 279) |
| Net profit for the period | 4 846 | 78 212 | 10 927 | 1 171 | (23 325) | 71 831 |

| Operating segments | Production, trade and services | Financial sector | Transport sector | Real estate and engineering Sector | Elimination | Consolidated |
|--|--------------------------------------|---------------------|---------------------|---|--------------------|------------------|
| 30 September 2019 | BGN '000 | BGN '000 | BGN '000 | BGN '000 | BGN '000 | BGN '000 |
| Assets of the segment | 692 221 | 9 990 898 | 786 780 | 303 073 | (2 272 059) | 9 500 913 |
| Equity accounted investments in associates | 3 819 | - | 23 494 | - | 7 340 | 34 653 |
| Total consolidated assets | 696 040 | 9 990 898 | 810 274 | 303 073 | (2 264 719) | 9 535 566 |
| Liabilities of the segment | 238 902 | 7 748 407 | 377 184 | 124 810 | (677 527) | 7 811 776 |
| Total consolidated liabilities | 238 902 | 7 748 407 | 377 184 | 124 810 | (677 527) | 7 811 776 |



| Operating segment | Production, trade and services | Finance | Transport | Real estate and engineering | Eliminations | Consolidated |
|---|--------------------------------------|----------------|----------------|--------------------------------|-----------------|----------------|
| 30.09.2018 | 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) | - |
| Total income from non-financial activities | 70 348 | 28 412 | 245 090 | 6 961 | (13 261) | 337 550 |
| Insurance income from external customers | - | 305 606 | - | - | - | 305 606 |
| Inter-segment insurance income | - | 2 955 | - | - | (2 955) | - |
| Total insurance income | - | 308 561 | - | - | (2 955) | 305 606 |
| Result from insurance | - | 17 878 | - | - | (1 971) | 15 907 |
| 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) |
| Result from interest | (988) | 117 733 | (3 604) | (1 732) | (1 410) | 109 999 |
| Result from transactions with financial instruments, net | 5 992 | 29 112 | 4 282 | 699 | (21 685) | 18 400 |
| Other operating and administrative expenses | (65 436) | (165 066) | (240 285) | (5 490) | 18 274 | (458 003) |
| Net result from equity accounted investments in associates | 42 | - | 4 499 | - | - | 4 541 |
| Other financial income/ (expenses) | (3 257) | 54 056 | 1 381 | (16) | 2 660 | 54 824 |
| Profit for allocating insurance batches | - | (6 917) | - | - | - | (6 917) |
| Profit for the period before tax | 6 701 | 75 208 | 11 363 | 422 | (17 393) | 76 301 |
| Tax expense | (700) | (5 751) | - | (20) | - | (6 471) |
| Net profit for the year | 6 001 | 69 457 | 11 363 | 402 | (17 393) | 69 830 |



| Operating segments 31 December 2018 | Production, trade and services BGN'000 | Finance BGN'000 | Transport BGN'000 | Real estate and engineering BGN'000 | Eliminations BGN'000 | Consolidated BGN'000 |
|--|---|--------------------|----------------------|--|-------------------------|-------------------------|
| Assets of the segment | 649 562 | 9 521 296 | 767 905 | 291 768 | (2 166 588) | 9 063 943 |
| Equity accounted investments | 3 819 | - | 23 494 | - | 7 813 | 35 126 |
| Total consolidated assets | 653 381 | 9 521 296 | 791 399 | 291 768 | (2 158 775) | 9 099 069 |
| Liabilities of the segment | 215 237 | 7 385 436 | 366 097 | 124 860 | (637 254) | 7 454 376 |
| Total consolidated liabilities | 215 237 | 7 385 436 | 366 097 | 124 860 | (637 254) | 7 454 376 |



10. 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, 2019. 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 |
|---|---------------|----------------|---------------|---------------------------------|---------------|--------------|---------------|--|------------------|
| 2019 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 |
| Balance at 1 January 2019 | 51 543 | 139 880 | 184 325 | 85 637 | 125 760 | 26 830 | 77 035 | 40 461 | 731 471 |
| Additions: | | | | | | | | | |
| - separately acquired | 4 | 1 420 | 3 108 | 618 | 531 | 1 560 | 117 | 4 605 | 11 963 |
| Disposals | | | | | | | | | |
| - separately disposed | | (33) | (327) | (284) | (1 050) | - | (1) | (3 328) | (5 023) |
| Balance at 30 September 2019 | 51 547 | 141 267 | 187 106 | 85 971 | 125 241 | 28 390 | 77 151 | 41 738 | 738 411 |
| Depreciation | | | | | | | | | |
| Balance at 1 January 2019 | - | (28 637) | (122 671) | (34 680) | (58 574) | (25 715) | (40 297) | - | (310 574) |
| Disposals | - | 18 | 291 | 283 | 889 | - | 7 | - | 1 488 |
| Depreciation | - | (3 685) | (7 807) | (1 258) | (2 665) | (1 388) | (2 529) | - | (19 332) |
| Balance at 30 September 2019 | - | (32 304) | (130 187) | (35 655) | (60 350) | (27 103) | (42 819) | - | (328 418) |
| Carrying amount at 30 September 2019 | 51 547 | 108 963 | 56 919 | 50 316 | 64 891 | 1 287 | 34 332 | 41 738 | 409 993 |



- as at 31 December 2018
2018

| | Land | Building | Plant and equipment | Equipment and spare parts | Vehicles | Improvement on leased assets | 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 |
| Balance at 1 January 2018 | 51 382 | 132 104 | 182 354 | 85 229 | 125 850 | 24 368 | 74 401 | 40 731 | 716 419 |
| Additions: | | | | | | | | | |
| - separately acquired | - | - | 82 | - | 73 | - | 17 | 321 | 493 |
| - reclassification | 166 | 8 299 | 6 834 | 1 183 | 5 887 | 2 478 | 2 712 | 17 606 | 45 165 |
| Disposals | | | | | | | | | |
| - separately disposed | (5) | (523) | (4 763) | (774) | (3 164) | (16) | (95) | (18 197) | (27 537) |
| - business combinations | - | - | (182) | (1) | (2 886) | - | - | - | (3 069) |
| Balance at 31 December 2018 | 51 543 | 139 880 | 184 325 | 85 637 | 125 760 | 26 830 | 77 035 | 40 461 | 731 471 |
| Depreciation | | | | | | | | | |
| Balance at 1 January 2018 | - | (24 873) | (117 446) | (33 741) | (55 439) | (24 164) | (37 578) | - | (293 241) |
| Additions - business combinations | - | - | (75) | - | (62) | - | (17) | - | (154) |
| Disposals - business combinations | - | - | 142 | 1 | 340 | - | - | - | 483 |
| Disposals | - | 133 | 4 705 | 570 | 2 120 | 19 | 94 | - | 7 641 |
| Depreciation for the period | - | (3 897) | (9 997) | (1 510) | (5 533) | (1 570) | (2 796) | - | (25 303) |
| Balance at 31 December 2018 | - | (28 637) | (122 671) | (34 680) | (58 574) | (25 715) | (40 297) | - | (310 574) |
| Carrying amount at 31 December 2018 | 51 543 | 111 243 | 61 654 | 50 957 | 67 186 | 1 115 | 36 738 | 40 461 | 420 897 |

11. Financial assets

Amounts recognized in the interim condensed consolidated statement of financial position are attributable to the following categories of financial assets:

| | 30.09.2019 | 31.12.2018 |
|--|-------------------|-------------------|
| | BGN '000 | BGN '000 |
| Loans and advances to bank customers | 2 532 501 | 2 417 517 |
| Financial assets at fair value through profit or loss | 1 874 398 | 1 685 078 |
| Debt instruments measured at fair value through other comprehensive income | 407 694 | 422 916 |
| Equity instruments measured at fair value through other comprehensive income | 78 844 | 70 983 |
| | 4 893 437 | 4 596 494 |

12. Other financial assets at amortized cost

Amounts recognized in the consolidated statement of financial position are attributable to other financial assets measured at amortized cost are as follows:

| | 30.09.2019 | 31.12.2018 |
|---|-------------------|-------------------|
| | BGN '000 | BGN '000 |
| Loans granted | 282 909 | 363 099 |
| Receivables under repurchase agreements | 382 800 | 297 105 |
| Debt instruments measured at amortized cost | 316 978 | 302 516 |
| Receivables from related parties | 56 934 | 50 215 |
| Trade receivables | 163 251 | 96 620 |
| Other | 82 700 | 75 249 |
| Less impairment | (71 462) | (79 378) |
| | 1 214 110 | 1 105 426 |

13. Share capital

The share capital of Chimimport as at 30 June 2019 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 12 691 734 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: | 30.09.2019 | 31.12.2018 |
|--|--------------------|--------------------|
| - beginning of the year | 227 191 647 | 227 235 748 |
| - treasury shares /ordinary and preferred/, acquired by subsidiaries during the year | (236 415) | (44 101) |
| Shares issued and fully paid as at period end | 226 955 232 | 227 191 647 |

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

| | 30.09.2019 | 30.09.2019 | 31.12.2018 | 31.12.2018 |
|--|--|-------------------|--|-------------------|
| | Number of ordinary shares | % | Number of ordinary shares | % |
| Invest Capital AD | 173 487 247 | 72.39 % | 174 847 247 | 72.96 % |
| Other legal entities and private individuals | 66 159 020 | 27.61 % | 64 799 020 | 27.04 % |
| | 239 646 267 | 100.00 % | 239 646 267 | 100.00 % |
| Shares of the Group, acquired by subsidiaries | | | | |

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2018 and 2019 amounts to 5% and the tax is deducted from the gross amount of dividends.

14. Borrowings

Borrowings include financial liabilities as follows:

| | 30.09.2019 | 31.12.2018 |
|---|-------------------|-------------------|
| | BGN'000 | BGN'000 |
| Financial liabilities at fair value: | | |
| Derivatives, held-for-trading | - | 1 272 |
| Financial liabilities measured at amortized cost: | | |
| Liabilities to depositors | 5 467 475 | 5 259 602 |
| Bonds and debenture loan | 45 645 | 45 178 |
| Bank loans | 172 161 | 189 200 |
| Other borrowings | 13 774 | 25 523 |
| Deposits from banks | 19 148 | 14 452 |
| Cession liabilities | 39 649 | 39 852 |
| Liabilities under repurchase agreements | 14 706 | 13 559 |
| Trade obligations | 135 515 | 121 400 |
| Payables to related parties | 57 620 | 52 383 |
| Total carrying amount | 5 965 693 | 5 762 421 |

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 capital interest rates

15. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2019 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2018 was 10%).

16. 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 shares (ordinary and preferred) used for the calculation of basic earnings per share as well as the net profit less the dividend expense to be distributed are as follows:

| | 30.09.2019 | 30.09.2018 |
|---|-------------------|-------------------|
| Profit attributable to the shareholders (BGN) | 59 401 000 | 58 537 000 |
| Weighted average number of outstanding shares | 226 955 232 | 227 191 647 |
| Basic earnings per share (BGN per share) | 0.26 | 0.26 |

17. Related party transactions

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

17.1. Transaction with owners

| | 30.09.2019 | 30.09.2018 |
|---|-------------------|-------------------|
| | BGN'000 | BGN'000 |
| Sale of goods and services, interest income and other income | | |
| - <i>sale of services</i> | | |
| - <i>interest income</i> | 10 | 10 |
| - <i>others</i> | 110 | 226 |
| - | 3 | |
| Purchase of goods and services, interest expense and other expense | | |
| - <i>interest expense</i> | (4) | |

17.2. Transaction with associates and other related parties under common control

| Sale of goods and services, interest income and other income | 30.09.2019 | 30.09.2018 |
|---|-------------------|-------------------|
| | BGN'000 | BGN'000 |
| <i>sale of finished goods</i> | | |
| - enterprises accounted using the equity method | 580 | 516 |
| - other related parties | 280 | 177 |
| <i>sale of goods</i> | | |
| - enterprises accounted using the equity method | 241 | 327 |
| - other related parties | 734 | 903 |
| <i>sale of services</i> | | |
| - enterprises accounted using the equity method | 7 642 | 5 404 |
| - other related parties | 656 | 1 644 |
| <i>interest income</i> | | |
| - enterprises accounted using the equity method | 118 | 232 |
| - other related parties | 385 | 436 |
| <i>other income</i> | | |
| - enterprises accounted using the equity method | 68 | 72 |
| - other related parties | 9 | 38 |
| Purchase of services and interest expense | 30.09.2019 | 30.09.2018 |
| | BGN'000 | BGN'000 |
| <i>purchase of services</i> | | |
| - enterprises accounted using the equity method | (9 841) | (9 962) |
| - other related parties | (7 794) | (6 021) |
| <i>interest expense and other expenses</i> | | |
| - enterprises accounted using the equity method | - | (2) |
| - other related parties joint ventures | (31) | (26) |

17.3. 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:

| | 30.09.2019 | 30.09.2018 |
|-------------------------------|-------------------|-------------------|
| | BGN'000 | BGN'000 |
| Short-term employee benefits: | | |
| Salaries, including bonuses | (125) | (502) |
| Social security costs | (18) | (20) |
| Total: | (143) | (522) |

18. Related party balances

| | 30.09.2019 | 30.09.2018 |
|--------------------------------------|-------------------|-------------------|
| | BGN'000 | BGN'000 |
| Non-current receivables from: | | |
| -owners | - | 47 |
| -associated parties | 2 001 | 2 339 |
| -joint- ventures | - | 38 |
| - other related parties | 4 711 | 4 032 |
| Total | 6 712 | 6 456 |
| | 30.09.2019 | 30.09.2018 |
| | BGN'000 | BGN'000 |
| Current receivables from: | | |
| -owners | 26 289 | 26 473 |
| - associates | 1 119 | 6 423 |
| -joint- ventures | 5 648 | 7 082 |
| - other related parties | 17 166 | 3 781 |
| Total | 50 222 | 43 759 |
| | 30.09.2019 | 30.09.2018 |
| | BGN'000 | BGN'000 |
| Non-current payables to: | | |
| -owners | 39 | - |
| -associates and joint ventures | 3 141 | 2 864 |
| -joint- ventures | 326 | 422 |
| - other related parties | 5 509 | 2 312 |
| Total | 9 015 | 5 598 |
| | 30.09.2019 | 30.09.2018 |
| | BGN'000 | BGN'000 |
| Current payables to: | | |
| -owners | 16 396 | 22 170 |
| - associates | 6 346 | 8 602 |
| -joint- ventures | 546 | 43 |
| - other related parties | 25 317 | 15 970 |
| Total | 48 605 | 46 785 |

19. Post - reporting date events

From September 30, 2019 until November 29, 2019 the following events have occurred that are important for the development of the Group of Chimimport AD:

On October 23, 2019, Chimimport AD commenced the payment of voting dividend on ordinary shares for 2018 to the rightful shareholders.

20. Autoriazation of the interim condensed financial statements

The interim condensed consolidated financial statements as of 30 September 2019 (including comparatives) were approved for issue by the Managing board on 29 November 2019.