

Interim Consolidated Activity Report  
Interim Condensed Consolidated Financial  
Statements

**CHIMIMPORT AD**

31 December 2019



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## Interim condensed consolidated statement of financial position

	Notes	31.12.2019 BGN'000	31.12.2018 BGN'000
<b>Assets</b>			
Property, plant and equipment	10	598 185	420 897
Investment property		418 156	422 174
Goodwill		27 280	28 425
Other intangible assets		132 598	157 731
Deferred tax assets		7 027	8 035
Investments accounted for using the equity method	8	34 507	35 126
Loans and receivables to bank customers	11	2 618 534	2 417 517
Equity instruments at fair value through profit or loss	11	1 924 711	1 685 078
Debt instruments at fair value through other comprehensive income	11	534 176	422 916
Equity instruments at fair value through other comprehensive income	11	73 114	70 983
Other financial assets	12	1 203 739	1 105 426
Receivables from insurance and reinsurance contracts		52 537	51 071
Reinsurance assets		79 939	87 218
Tax receivables		1 594	1 854
Other receivables		87 779	93 471
Inventories		61 980	45 923
Cash and cash equivalents		2 140 090	2 045 224
<b>Total assets</b>		<b>9 995 946</b>	<b>9 099 069</b>

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

/A. Kerezov/

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

/I. Kamenov/

Date: 28 February 2020



The accompanying notes on pages from 9 to 24 form an integral part of the interim condensed consolidated financial statements.

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

	Notes	31.12.2019 BGN'000	31.12.2018 BGN'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	226 955	227 191
Share premium		247 286	247 070
Other reserves		181 366	145 477
Retained earnings		709 541	660 715
Profit for the period		71 094	70 309
<b>Equity attributed to the shareholders of parent company</b>		<b>1 436 242</b>	<b>1 350 762</b>
Non-controlling interests		309 320	293 931
<b>Total equity</b>		<b>1 745 562</b>	<b>1 644 693</b>
<b>Liabilities</b>			
Liabilities to depositors	14	5 703 842	5 259 602
Other financial liabilities	14	480 596	502 819
Payables to secured persons		1 460 132	1 295 894
Pension and other employee obligations		19 834	18 478
Deferred tax liabilities		24 723	23 841
Insurance technical reserves		269 245	269 782
Liabilities to insurance and reinsurance contracts		28 490	28 490
Finance lease liabilities		201 146	5 349
Tax liabilities		5 661	4 530
Other liabilities		56 715	45 591
<b>Total liabilities</b>		<b>8 250 384</b>	<b>7 454 376</b>
<b>Total equity, reserves and liabilities</b>		<b>9 995 946</b>	<b>9 099 069</b>

Prepared by:

  
/A. Kerezov/

Executive director:

  
/I. Kamenov/

Date: 28 February 2020



## Interim condensed consolidated statement of comprehensive income

	Notes	31.12.2019 BGN'000	31.12.2018 BGN'000
Income from non-financial activities		480 033	461 437
Change in the fair value of investment property		2 547	2 803
Gain on sale of non-current assets		502	1 106
<b>Net result from non-financial activities</b>		<b>483 082</b>	<b>465 346</b>
Insurance income		395 981	377 484
Insurance expense		(362 184)	(349 685)
<b>Net insurance result</b>		<b>33 797</b>	<b>27 799</b>
Interest income		192 365	189 607
Interest expense		(44 080)	(34 234)
<b>Net interest income</b>		<b>148 285</b>	<b>155 373</b>
<b>Net result from transactions with financial instruments</b>		<b>84 510</b>	<b>20 916</b>
Other operating and administrative expenses		(654 992)	(636 787)
Share of profit from equity accounted investments		5 057	5 300
Other financial income		63 673	65 515
Other financial income		(69 522)	(10 544)
Allocation of income to secured persons		<b>93 890</b>	<b>92 918</b>
<b>Profit before tax</b>		<b>(8 478)</b>	<b>(8 566)</b>
Tax expense	15	<b>85 412</b>	<b>84 352</b>
<b>Net profit for the period</b>		<b>2 547</b>	<b>2 803</b>
<b>Other comprehensive income</b>			
Revaluation of financial assets		6 420	(4 455)
<b>Total comprehensive income</b>		<b>85 412</b>	<b>79 897</b>
<b>Profit for the period attributable to:</b>			
the shareholders of Chimimport AD		71 094	70 309
non-controlling interests		14 318	14 043
<b>Total comprehensive income attributable to:</b>			
the shareholders of Chimimport AD		76 037	66 598
non-controlling interests		15 795	13 299
<b>Basic earnings per share in BGN</b>	16	<b>0.31</b>	<b>0.31</b>

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

/A. Kerezov/

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

/I. Kamenov/

Date: 28 February 2020



## 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	(236)	216	-	-	(20)	-	(20)
Business combinations	-	-	325	9 138	9 463	3 306	12 769
Dividends	-	-	-	-	-	(3 712)	(3 712)
<b>Transactions with owners</b>	<b>(236)</b>	<b>216</b>	<b>325</b>	<b>9 138</b>	<b>9 443</b>	<b>(406)</b>	<b>9 037</b>
Profit for the period	-	-	-	71 094	71 094	14 318	85 412
Other comprehensive loss	-	-	4 943	-	4 943	1 477	6 420
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4 943</b>	<b>71 094</b>	<b>76 037</b>	<b>15 795</b>	<b>91 832</b>
Transfer of retained earnings to other reserves	-	-	26 002	(26 002)	-	-	-
Change in specialized reserves	-	-	4 619	(4 619)	-	-	-
<b>Balance at 31 December 2019</b>	<b>226 955</b>	<b>247 286</b>	<b>181 366</b>	<b>780 635</b>	<b>1 436 24</b>	<b>309 320</b>	<b>1 745 562</b>

Prepared by:

  
/A. Kerezov/

Date: 28 February 2020



Executive director:

  
/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)
<b>Transactions with owners</b>	<b>(45)</b>	<b>(59)</b>	<b>(4 442)</b>	<b>(30 638)</b>	<b>(35 184)</b>	<b>14 363</b>	<b>(20 821)</b>
Profit for the year	-	-	-	70 309	70 309	14 043	84 352
Other comprehensive loss	-	-	(3 711)	-	(3 711)	(744)	(4 455)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(3 711)</b>	<b>70 309</b>	<b>66 598</b>	<b>13 299</b>	<b>79 897</b>
Transfer of retained earnings to other reserves	-	-	36 641	(36 641)	-	-	-
Change in specialized reserves	-	-	(890)	890	-	-	-
<b>Balance at 31 December 2019</b>	<b>227 191</b>	<b>247 070</b>	<b>145 477</b>	<b>731 024</b>	<b>1 350 762</b>	<b>293 931</b>	<b>1 644 693</b>

Prepared by:

/A. Kerezov/

Date: 28 February 2020

Executive director:

/I. Kamenov/




## Interim condensed consolidated statement of cash flows

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Proceeds from short-term loans	32 545	65 802
Payments for short-term loans	(38 995)	(69 167)
Proceeds from sale of short-term financial assets	533 425	229 965
Purchase of short-term financial assets	(640 707)	(218 699)
Cash receipt from customers	435 353	422 129
Cash paid to suppliers	(383 157)	(359 589)
Proceeds from secured persons	162 949	146 716
Payments to secured persons	(54 034)	(37 921)
Payments to employees and social security institutions	(123 401)	(120 502)
Cash receipts from banking operations	51 007 488	47 913 910
Cash paid for banking operations	(50 772 013)	(47 730 991)
Cash receipts from insurance operations	197 929	187 004
Cash paid for insurance operations	(138 300)	(160 582)
Income taxes paid	(1 565)	(5 272)
Other cash inflows/(outflows)	(20 736)	(22 992)
<b>Net cash flow from operating activities</b>	<b>196 781</b>	<b>239 811</b>
<b>Investing activities</b>		
Sale of subsidiaries, net of cash	5 221	2 170
Dividends received	19 089	7 370
Sale of property, plant and equipment	374	1 626
Purchase of property, plant and equipment	(6 577)	(20 292)
Sale of intangible assets	5 873	-
Purchase of intangible assets	(851)	(2 453)
Sale of investment property	1 192	7 710
Purchase of investment property	(7 169)	(19 021)
Sale of non-current financial assets	370 866	787 288
Purchase of non-current financial assets	(483 453)	(1 209 706)
Interest payments received	49 268	48 007
Proceeds from loans granted	4 992	38 119
Payments for loans granted	(13 948)	(50 293)
Other cash (outflows)/inflows	(2 682)	(4 061)
<b>Net cash flow from investing activities</b>	<b>(57 805)</b>	<b>(413 536)</b>
<b>Financing activities</b>		
Dividend paid	(3 742)	(3 269)
Purchase of own shares	(21)	(104)
Proceeds from loans received	42 122	42 029
Payments for loans received	(67 297)	(10 762)
Interest paid	(12 278)	(4 299)
Payments for finance leases	(1 597)	(1 733)
Other cash inflows/(outflows)	(1 560)	(8 545)
<b>Net cash flow from financing activities</b>	<b>(44 373)</b>	<b>13 317</b>
Net change in cash and cash equivalents	94 603	(160 408)
Cash and cash equivalents, beginning of year	<b>2 045 224</b>	2 204 904
Exchange profit on cash and cash equivalents	263	728
<b>Cash and cash equivalents, end of the period</b>	<b>2 140 090</b>	<b>2 045 224</b>

Prepared by: 

/I.A. Kerezov/

Date: 28 February 2020

Executive director: 

/I.I. Kamenov/



## 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 31 December 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	31.12.2019 BGN'000	Share %	31.12.2018 BGN'000	Share %
Lufthansa Technik Sofia OOD	8 584	24.90%	8 945	24.90%
Swissport Bulgaria	5 426	49.00%	5 671	49.00%
Silver Wings Bulgaria Ltd.	5 006	42.50%	5 170	42.50%
Amadeus Bulgaria OOD	3 488	44.99%	3 294	44.99%
VTC AD	3 360	41.00%	4 034	41.00%
Kavarna Gas OOD	581	35.00%	552	35.00%
Port Ppristis OOD	-	19.00%	19	19.00%
	<b>26 445</b>		<b>27 685</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 31 December 2019.

### 8.2. Investments in joint ventures

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

Name	31.12.2019 BGN'000	Share %	31.12.2018 BGN'000	Share %
Nuance BG AD	3 055	50.00%	2 434	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
	<b>8 062</b>		<b>7 441</b>	

## 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 31 December 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	80 577	39 812	349 367	13 339	(3 062)	480 033
Change in fair value of investment property	(112)	2 672	-	(13)	-	2 547
Gain on sale of non-current assets	(4)	79	437	-	(10)	502
Inter-segment income from non-financial activities	11 297	2 676	5 336	440	(19 749)	-
<b>Total income from non-financial activities</b>	<b>91 758</b>	<b>45 239</b>	<b>355 140</b>	<b>13 766</b>	<b>(22 821)</b>	<b>483 082</b>
Insurance income from external customers	-	395 981	-	-	-	395 981
Inter-segment insurance income	-	4 726	-	-	(4 726)	-
<b>Total insurance income</b>	<b>-</b>	<b>400 707</b>	<b>-</b>	<b>-</b>	<b>(4 726)</b>	<b>395 981</b>
<b>Result from insurance</b>	<b>-</b>	<b>38 122</b>	<b>-</b>	<b>-</b>	<b>(4 325)</b>	<b>33 797</b>
Interest income	6 049	191 011	4 143	1 182	(10 020)	192 365
Interest expenses	(6 786)	(29 070)	(14 979)	(3 199)	9 954	(44 080)
<b>Result from interest</b>	<b>(737)</b>	<b>161 941</b>	<b>(10 836)</b>	<b>(2 017)</b>	<b>(66)</b>	<b>148 285</b>
<b>Gains from transactions with financial instruments</b>	<b>4 781</b>	<b>84 094</b>	<b>6 097</b>	<b>-</b>	<b>(10 462)</b>	<b>84 510</b>
Other non - financial and administrative expenses	(87 585)	(239 214)	(346 635)	(9 657)	28 099	(654 992)
<b>Net result from equity accounted investments in associates</b>	<b>29</b>	<b>-</b>	<b>5 028</b>	<b>-</b>	<b>-</b>	<b>5 057</b>
Other financial income/ expense	(1 352)	76 373	(4 101)	(132)	(7 115)	63 673
Profit for allocating insurance batches	-	(69 522)	-	-	-	(69 522)
<b>Profit for the period before tax</b>	<b>6 894</b>	<b>97 033</b>	<b>4 693</b>	<b>1 960</b>	<b>(16 690)</b>	<b>93 890</b>
Tax expenses	(741)	(7 759)	(1)	23	-	(8 478)
<b>Net profit for the period</b>	<b>6 153</b>	<b>89 274</b>	<b>4 692</b>	<b>1 983</b>	<b>(16 690)</b>	<b>85 412</b>

Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
31 December 2019	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	679 287	10 252 827	948 896	307 946	(2 227 517)	9 961 439
Equity accounted investments in associates	3 819	-	23 475	2	7 211	34 507
<b>Total consolidated assets</b>	<b>683 106</b>	<b>10 252 827</b>	<b>972 371</b>	<b>307 948</b>	<b>(2 220 306)</b>	<b>9 995 946</b>
Liabilities of the segment	226 054	8 008 694	550 238	129 271	(663 873)	8 250 384
<b>Total consolidated liabilities</b>	<b>226 054</b>	<b>8 008 694</b>	<b>550 238</b>	<b>129 271</b>	<b>(663 873)</b>	<b>8 250 384</b>



Operating segment	Production, trade and services	Finance	Transport	Real estate and engineering	Eliminations	Consolidated
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>31.12.2018</b>						
Income from non-financial activities from external customers	91 671	48 158	313 965	10 441	(2 798)	461 437
Change in fair value of investment property	(149)	2 481	-	471	-	2 803
Gain from sale of non-current assets	104	126	936	1	(61)	1 106
Inter-segment income from non-financial activities	11 075	3 168	2 775	<b>725</b>	(17 743)	-
<b>Total income from non-financial activities</b>	<b>102 701</b>	<b>53 933</b>	<b>317 676</b>	<b>11 638</b>	<b>(20 602)</b>	<b>465 346</b>
Insurance income from external customers	-	377 484	-	-	-	377 484
Inter-segment insurance income	-	4 271	-	-	(4 271)	-
<b>Total insurance income</b>	<b>-</b>	<b>381 755</b>	<b>-</b>	<b>-</b>	<b>(4 271)</b>	<b>377 484</b>
<b>Result from insurance</b>	<b>-</b>	<b>31 600</b>	<b>-</b>	<b>-</b>	<b>(3 801)</b>	<b>27 799</b>
Interest income	5 382	197 627	1 124	1 813	(16 339)	189 607
Interest expenses	(7 646)	(33 140)	(6 701)	(3 089)	16 342	(34 234)
<b>Result from interest</b>	<b>(2 264)</b>	<b>164 487</b>	<b>(5 577)</b>	<b>(1 276)</b>	<b>3</b>	<b>155 373</b>
<b>Result from transactions with financial instruments, net</b>	<b>6 156</b>	<b>24 877</b>	<b>4 906</b>	<b>(308)</b>	<b>(14 715)</b>	<b>20 916</b>
Other operating and administrative expenses	(92 165)	(237 851)	(320 363)	(9 145)	22 737	(636 787)
<b>Net result from equity accounted investments in associates</b>	<b>42</b>	<b>-</b>	<b>5 258</b>	<b>-</b>	<b>-</b>	<b>5 300</b>
Other financial income/ (expenses)	(2 765)	69 488	(441)	(174)	(593)	65 515
Profit for allocating insurance batches	-	(10 544)	-	-	-	(10 544)
<b>Profit for the period before tax</b>	<b>11 705</b>	<b>95 990</b>	<b>1 459</b>	<b>735</b>	<b>(16 971)</b>	<b>92 918</b>
Tax expense	(428)	(8 637)	1 061	(109)	(453)	(8 566)
<b>Net profit for the year</b>	<b>11 277</b>	<b>87 353</b>	<b>2 520</b>	<b>626</b>	<b>(17 424)</b>	<b>84 352</b>





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
<b>Total consolidated assets</b>	<b>653 381</b>	<b>9 521 296</b>	<b>791 399</b>	<b>291 768</b>	<b>(2 158 775)</b>	<b>9 099 069</b>
Liabilities of the segment	215 237	7 385 436	366 097	124 860	(637 254)	7 454 376
<b>Total consolidated liabilities</b>	<b>215 237</b>	<b>7 385 436</b>	<b>366 097</b>	<b>124 860</b>	<b>(637 254)</b>	<b>7 454 376</b>



## 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
Adjustments from the adoption of IFRS 16	-	58 095	-	-	162 367	-	-	-	220 462
<b>Additions:</b>									
- separately acquired	-	28 942	3 837	835	2 286	1 696	2 157	171 744	211 497
Disposals									
- separately disposed	(28)	(17 961)	(993)	(430)	(2 861)	-	(63)	(169 418)	(191 754)
Balance at 31 December 2019	51 515	208 956	187 169	86 042	287 552	28 526	79 129	42 787	971 676
<b>Depreciation</b>									
Balance at 1 January 2019	-	(28 637)	(122 671)	(34 680)	(58 574)	(25 715)	(40 297)	-	(310 574)
Disposals	-	9 362	957	428	1 843	-	36	-	12 626
Depreciation	-	(20 793)	(10 387)	(1 684)	(37 216)	(1 867)	(3 596)	-	(75 543)
Balance at 31 December 2019	-	(40 068)	(132 101)	(35 936)	(93 947)	(27 582)	(43 857)	-	(373 491)
<b>Carrying amount at 31 December 2019</b>	<b>51 515</b>	<b>168 888</b>	<b>55 068</b>	<b>50 106</b>	<b>193 605</b>	<b>944</b>	<b>35 272</b>	<b>42 787</b>	<b>598 185</b>



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

## 11. Financial assets

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

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Loans and advances to bank customers	2 618 534	2 417 517
Financial assets at fair value through profit or loss	1 924 711	1 685 078
Debt instruments measured at fair value through other comprehensive income	534 176	422 916
Equity instruments measured at fair value through other comprehensive income	73 114	70 983
	<b>5 150 535</b>	<b>4 596 494</b>

## 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:

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Loans granted	336 408	363 099
Receivables under repurchase agreements	358 732	297 105
Debt instruments measured at amortized cost	357 228	302 516
Receivables from related parties	79 183	50 215
Trade receivables	118 262	96 620
Other	35 369	75 249
Less impairment	(81 443)	(79 378)
	<b>1 203 739</b>	<b>1 105 426</b>

## 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:	<b>31.12.2019</b>	<b>31.12.2018</b>
- 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)
<b>Shares issued and fully paid as at period end</b>	<b>226 955 232</b>	<b>227 191 647</b>

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

	<b>31.12.2019</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2018</b>
	<b>Number of ordinary shares</b>	<b>%</b>	<b>Number of ordinary shares</b>	<b>%</b>
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 %
	<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>				

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:

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Financial liabilities at fair value:		
Derivatives, held-for-trading	<b>10 079</b>	<b>1 272</b>
Financial liabilities measured at amortized cost:		
Liabilities to depositors	5 703 842	5 259 602
Bonds and debenture loan	42 421	45 178
Bank loans	171 691	189 200
Other borrowings	12 780	25 523
Deposits from banks	19 415	14 452
Cession liabilities	33 769	39 852
Liabilities under repurchase agreements	16 080	13 559
Trade obligations	111 675	121 400
Payables to related parties	62 686	52 383
<b>Total carrying amount</b>	<b>6 184 438</b>	<b>5 762 421</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 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:

	<b>31.12.2019</b>	<b>31.12.2018</b>
Profit attributable to the shareholders (BGN)	71 094 000	70 309 000
Weighted average number of outstanding shares	226 955 232	227 191 647
<b>Basic earnings per share (BGN per share)</b>	<b>0.31</b>	<b>0.31</b>

## 17. Related party transactions

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

### 17.1. Transaction with owners

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Sale of goods and services, interest income and other income</b>		
- <i>sale of services</i>		
- <i>interest income</i>	10	10
- <i>others</i>	377	280
-	5	
<b>Purchase of goods and services, interest expense and other expense</b>		
- <i>purchase of services</i>	(30)	(30)
- <i>other expense</i>	(235)	-
- <i>interest expense</i>	(4)	(10)

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

<b>Sale of goods and services, interest income and other income</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<i>sale of finished goods</i>		
- enterprises accounted using the equity method	1 073	780
- other related parties	280	343
<i>sale of goods</i>		
- enterprises accounted using the equity method	327	420
- other related parties	871	1 107
<i>sale of services</i>		
- enterprises accounted using the equity method	11 391	8 183
- other related parties	1 144	2 248
<i>interest income</i>		
- enterprises accounted using the equity method	321	538
- other related parties	491	446
<i>other income</i>		
- enterprises accounted using the equity method	80	92
- other related parties	94	62
<b>Purchase of services and interest expense</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<i>purchase of services</i>		
- enterprises accounted using the equity method	(12 178)	(14 888)
- other related parties	(8 309)	(6 460)
<i>interest expense and other expenses</i>		
- enterprises accounted using the equity method	(1)	(30)
- other related parties joint ventures	(11)	(19)

### 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:

	31.12.2019	31.12.2018
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(168)	(566)
Social security costs	(24)	(28)
<b>Total:</b>	<b>(192)</b>	<b>(594)</b>

### 18. Related party balances

	31.12.2019	31.12.2018
	BGN'000	BGN'000
<b>Non-current receivables from:</b>		
-owners	-	47
-associated parties	3 016	2 339
-joint- ventures	-	38
- other related parties	4 850	4 032
<b>Total</b>	<b>7 866</b>	<b>6 456</b>
	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Current receivables from:</b>		
-owners	29 438	26 473
- associates	1 118	6 423
-joint- ventures	-	7 082
- other related parties	39 221	3 781
<b>Total</b>	<b>69 777</b>	<b>43 759</b>
	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Non-current payables to:</b>		
-owners	1	-
-associates and joint ventures	4 135	2 864
-joint- ventures	312	422
- other related parties	4 235	2 312
<b>Total</b>	<b>8 683</b>	<b>5 598</b>
	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Current payables to:</b>		
-owners	25 535	22 170
- associates	8 359	8 602
-joint- ventures	226	43
- other related parties	19 883	15 970
<b>Total</b>	<b>54 003</b>	<b>46 785</b>



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

From December 31, 2019 until February 28, 2020 there are no significant events that have occurred that are important for the development of the Group of Chimimport AD

### **20. Autoriazation of the interim condensed financial statements**

The interim condensed consolidated financial statements as of 31 December 2019 (including comparatives) were approved for issue by the Managing board on 29 November 2019.