

Interim Condensed Financial Statements

Chimimport AD

31 March 2019



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Interim condensed statement of financial position

	Notes	31.03.2019 BGN'000	31.12.2018 BGN'000
Assets			
Non – current assets			
Property, plant and equipment	8	3 651	3 652
Investment property	9	35 831	35 831
Investment in subsidiaries	10	782 084	782 054
Long – term financial assets	11	154 010	155 696
Long – term related party receivables	18	53 242	49 952
		1 028 818	1 027 185
Current assets			
Short – term related party receivables	18	91 719	85 018
Short – term financial assets	12	254 590	236 117
Trade and other receivables		45 816	46 849
Prepayments and other assets		363	412
Cash and cash equivalents		68 990	68 798
		461 478	437 194
Total assets		1 490 296	1 464 379

Prepared by:


/I.A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 30 April 2019



Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	31.03.2019 BGN'000	31.12.2018 BGN'000
Equity			
Share capital	12	239 646	239 646
Share premium		260 615	260 615
Remeasurement of defined benefit liability		68	68
Other reserves		59 824	59 824
Retained earnings		659 776	623 097
Net profit for the period		25 883	36 679
Total equity		1 245 812	1 219 929
Liabilities			
Non – current liabilities			
Long – term related party payables	18	21 008	20 908
Long – term bank and other loans	14	45 124	54 289
Pension and other employee obligations		32	32
Provisions		2 073	2 148
Deferred tax liabilities		12 184	10 564
		80 421	87 941
Current liabilities			
Short – term related party payables	18	138 783	140 987
Short – term bank and other loans	14	19 860	10 268
Trade and other payables		4 991	5 003
Pension and other party payables		134	122
Tax liabilities		295	129
		164 063	156 509
Total liabilities		244 484	244 450
Total equity and liabilities		1 490 296	1 464 379

Prepared by:


/I.A. Kerezov/

Executive Director:


/J. Kamenov/

Date: 30 April 2019



Interim condensed statement of comprehensive income

	Notes	
	31.03.2019	31.03.2018
	BGN'000	BGN'000
Gains from transactions with financial instruments and noncurrent assets	28 723	25 916
Losses from transactions with financial instruments	(2 700)	(138)
Net profit from transactions with financial instruments	26 023	25 778
Interest income	3 025	2 644
Interest expense	(1 107)	(1 001)
Net profit from interest	1 918	1 643
Gains from foreign exchange differences	3	518
Losses from foreign exchange differences	(1)	(521)
Net loss from foreign exchange differences	2	(3)
Other financial expenses	(89)	(54)
Operating revenue	367	361
Operating expenses	(553)	(668)
Result from operating activities	(186)	(307)
Profit for the period before tax	27 668	27 057
Tax expense	15 (1 785)	(2 706)
Net profit for the period	25 883	24 351
Total comprehensive income	25 883	24 351
Earnings per share in BGN	16 0.11	0.10

Prepared by:

/A.Kerezov/

Executive Director:

/I. Kamenov/

Date: 30 April 2019



Interim condensed statement of changes in equity

All amounts are presented in BGN '000

	Share capital	Share premium	Remeasurements of defined benefit liability	Other reserves	Retained earnings	Total equity
Balance at 1 January 2019	239 646	260 615	68	59 824	659 776	1 219 929
Net profit for the period, ending at 31 March 2019	-	-	-	-	25 883	25 883
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	25 883	25 883
Balance at 31 March 2019	239 646	260 615	68	59 824	685 659	1 245 812

Prepared by: 

I.A. Kerezov/

Executive Director: 

H. Kamenov/


Date: 30 April 2019



Interim condensed statement of changes in equity (continued)

All amounts are presented in BGN '000

	Share capital	Share premium	Remeasurement of defined benefit liability	Other reserves	Retained earnings	Total equity
Balance at 1 January 2018	239 646	260 615	68	59 824	701 762	1 261 915
Adjustments from the adoption of IFRS 9	-	-	-	-	(63 579)	(63 579)
Balance at 1 January 2018 (restated)	239 646	260 615	68	59 824	638 183	1 198 336
Dividends	-	-	-	-	(15 086)	(15 086)
Transactions with owners	-	-	-	-	(15 086)	(15 086)
Profit for the year	-	-	-	-	36 679	36 679
Total comprehensive income for the year	-	-	-	-	36 679	36 679
Balance at 31 December 2018	239 646	260 615	68	59 824	659 776	1 219 929

Prepared by: 
/A. Kerezov/

Executive Director: 
/H. Kamenov/

Date: 30 April 2019



Interim condensed statement of cash flows

	31.03.2019 BGN '000	31.03.2018 BGN '000
Operating activities		
Proceeds from short-term loans	7 318	7 974
Payments for short-term loans	(6 788)	(6 245)
Proceeds/(payments) from operations with short-term financial assets, net	162	(2 104)
Receipts from customers	146	795
Payments to suppliers	(395)	(249)
Interest received	451	2 054
Interest paid	(218)	(271)
Cash paid to employees and social security institutions	(174)	(352)
Taxes paid	(10)	(193)
Other (payments)/ proceeds, net	447	35
Net cash flow from operating activities	939	1 444
Investing activities	-	-
Net cash flow from investing activities	-	-
Financing activities		
Long-term loans received	-	9 729
Payments for long-term and bank loans received	(152)	(9 721)
Interest paid	(489)	(114)
Net cash flow from financing activities	(641)	(106)
Net change in cash and cash equivalents	298	1 338
Cash and cash equivalents, beginning of period	68 798	72 619
Effect from expected credit losses	(106)	-
Cash and cash equivalents, end of period	68 990	73 957

Prepared by:


/I.A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 30 April 2019



Notes to the 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.

The Company 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 financial statements as of 31 March 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 financial statements, and should be read in conjunction with the annual 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).

The interim condensed 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 Company also prepares interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and approved by EU. Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 “Consolidated Financial Statements”.

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

3. Accounting policies

These interim condensed financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2018.

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

The Company has sufficient capital and liquidity to conduct its business and serve its obligations. The policies and procedures of the Company with respect to capital management, credit risk and liquidity risk are presented in the most recent annual financial statements of the Company as of 31 December 2018.

8. Property, plant and equipment

Property, plant and equipment of the Company include land, buildings, plant and equipment, vehicles, assets in process of acquisition, etc. The carrying amount can be analyzed as follows:

	Land BGN '000	Buildings BGN '000	Machines and equipment BGN '000	Vehicles BGN '000	Other BGN '000	Assets in process of acquisition BGN '000	Total BGN '000
Gross carrying amount							
Balance at 1 January 2019	26	245	113	1 454	2 318	4 156	26
	-	2	-	-	-	2	-
Balance at 31 March 2019	26	247	113	1 454	2 318	4 158	26
Depreciation							
Balance at 1 January 2019	(24)	(230)	(113)	(137)	-	(504)	(24)
Depreciation	-	(3)	-	-	-	(3)	-
Balance at 31 March 2019	(24)	(233)	(113)	(137)	-	(507)	(24)
Carrying amount as at 31 March 2019	2	14	-	1 317	2 318	3 651	2

The carrying amount as at 31 December 2018 can be analyzed as follows:

	Buildings	Machines and equipment	Vehicles	Other	Acquisition costs	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount						
Balance at 1 January 2018	26	232	113	1 451	2 318	4 140
Additions	-	13	-	3	-	16
Balance at 31 December 2018	26	245	113	1 454	2 318	4 156
Depreciation						
Balance at 1 January 2018	(22)	(227)	(113)	(132)	-	(494)
Depreciation	(2)	(3)	-	(5)	-	(10)
Balance at 31 December 2018	(24)	(230)	(113)	(137)	-	(504)
Carrying amount at 31 December 2018	2	15	-	1 317	2 318	3 652

9. Investment property

Investment property includes land and buildings, which are located at 1, Battenberg Str., Sofia, and which are owned for capital appreciation.

Changes to the carrying amounts presented in the statement of financial position can be summarized as follows:

	Investment property BGN '000
Carrying amount at 1 January 2017	33 572
Net gain from fair value adjustments	2 259
Carrying amount at 31 December 2017	35 831
Carrying amount at 31 December 2018	35 831
Carrying amount at 31 March 2019	35 831

10. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country	Main activities	31.03.2018 BGN '000	share %	31.12.2017 BGN '000	share %
CCB Group EAD	Bulgaria	Financial services	251 996	100.00%	251 996	100.00%
Zarneni Hrani Bulgaria AD	Bulgaria	Manufacturing and trade	165 363	63.65%	165 363	63.65%
Bulgarian Airways Group EAD	Bulgaria	Aviation Services	209 611	100.00%	209 611	100.00%
Bulgarian Shipping Company EAD	Bulgaria	Sea and river transport	44 393	100.00%	44 393	100.00%
CCB AD	Bulgaria	Financial services	22 492	6.65%	22 492	6.65%
Sport Complex Varna AD	Bulgaria	Real estate	22 474	65.00%	22 474	65.00%
Oil and Gas Exploration and Production AD	Bulgaria	Manufacturing and trade	16 929	13.84%	16 929	13.84%
Port Lesport AD	Bulgaria	Sea and river transport	16 380	99.00%	16 380	99.00%
ZAD Armeec	Bulgaria	Financial services	20 419	9.74%	20 419	9.74%
Bulchimex GmbH	Germany	Manufacturing and trade	2 500	100.00%	2 500	100.00%
Energoproekt AD	Bulgaria	Engineering sector	2 168	83.25%	2 168	83.25%
Trans Intercar EAD	Bulgaria	Transport	4 855	100.00%	4 855	100.00%
Natsionalna stokova borsa AD	Bulgaria	Manufacturing and trade	1 879	67.00%	1 879	67.00%
Technoimpex AD	Bulgaria	Manufacturing and trade	480	87.67%	480	87.67%
HGH Consult OOD	Bulgaria	Services	111	59.34%	111	59.34%
Prime Lega Consult OOD	Bulgaria	Services	4	70.00%	4	70.00%
Asela AD	Bulgaria	Services	30	10.00%	-	-
			782 084		782 054	



11. Non-current financial assets

	31.03.2019	31.12.2018
	BGN'000	BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	121 971	123 657
	121 971	123 657
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	12 481	12 481
	12 481	12 481
Financial assets at fair value through profit or loss		
Unquoted instruments	19 558	19 558
	19 558	19 558
	154 010	155 696

12. Current financial assets

	31.3.2019	31.12.2018
	BGN'000	BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	63 116	63 543
	63 116	63 543
Financial assets at fair value through profit or loss		
Unquoted instruments	191 465	172 565
	191 465	172 565
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	9	9
	9	9
	254 590	236 117

13. Share capital

The share capital of the Company as at 31 March 2019 consists of 239 646 267 ordinary shares with a par value of BGN 1. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

	Number of Shares as at 31.03.2019 BGN'000	Number of Shares as at 31.12.2018 BGN'000
Shares issued and fully paid:		
- beginning of the year	239 646 267	239 646 267
Shares issued and fully paid at the end of the period	239 646 267	239 646 267
Shares of Chimimport AD, acquired by its subsidiaries		
CCB Group EAD	(1 296 605)	(1 296 605)
ZAD Armeec	(501 607)	(3 236 507)
POAD CCB Sila	(8 073 107)	(7 872 107)
Trans Intercar EAD	(2 200)	(5 300)

The list of principle shareholders, holding more than 10% of the total shares (ordinary shares and preferred shares) of the Company's capital is presented as follows:

	As at 31.03.2019 Number of shares	As at 31.03.2019 %	As at 31.12.2018 Number of shares	As at 31.12.2018 %
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 %

14. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current		Non - current	
	31.3.2019 BGN'000	31.12.2018 BGN'000	31.3.2019 BGN'000	31.12.2018 BGN'000
Bank loans	19 860	10 268	24 204	33 873
Other borrowings	-	-	20 920	20 416
Total carrying amount	19 860	10 268	45 124	54 289

15. Income tax expenses

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year 2018 of 10 % applied to the financial result for the period ended as at 31 March 2019.

16. Earnings per share

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 is:

	As at 31.03.2019	As at 31.03.2018
Profit attributable to the shareholders (BGN)	25 883 000	24 351 000
Weighted average number of outstanding shares	239 646 267	239 646 267
Basic earnings per share (BGN per share)	0,11	0.10

17. Related parties transactions

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled through bank transfer.

17.1. Transactions with owners

	31.03.2019 BGN'000	31.03.2018 BGN'000
Sales		
<i>Sale of services, interest income and other income</i>	-	-
Purchases		
<i>purchase of services, goods and interest income</i>	-	(42)

17.2. Transactions with subsidiaries and associates

	31.03.2019 BGN'000	31.03.2018 BGN'000
Sales		
<i>sale of services, rental income and interest income</i>		
- subsidiaries	1 870	1 328
- other	-	11
Purchases		
<i>purchase of services, goods and interest income</i>		
- subsidiaries	(676)	(1 070)

17.3. Transactions with key management personnel

Key management personnel of the Company include members of the Managing board and Supervisory board. Key management personnel remuneration consists of salaries and bonuses as follows:

	31 March 2019 BGN'000	31 March 2018 BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(42)	(207)
Social security costs	(6)	(5)
Company car allowance	-	-
Total short-term employee benefits	(48)	(212)

18. Related party balances

	31.03.2019 BGN'000	31.12.2018 BGN'000
Non-current receivables from:		
- subsidiaries	54 242	50 845
Expected credit losses and impairment losses	(1 000)	(893)
Total	53 242	49 952

	31.03.2019 BGN'000	31.12.2018 BGN'000
Current receivables from:		
- owners	20 083	20 083
- subsidiaries	82 056	82 439
- associated	5	-
- other related parties	7 823	47
Expected credit losses and impairment losses	(18 250)	(17 551)
Total	91 719	85 018

	31.03.2019 BGN'000	31.12.2018 BGN'000
Non-current payables to:		
- subsidiaries	21 008	20 908
Total	21 008	20 908



	31.03.2019	31.12.2018
	BGN'000	BGN'000
Current payables to:		
- owners	13 594	16 672
- subsidiaries	117 090	116 108
- associated	-	11
- other related parties	8 099	8 196
Total	138 783	140 987

19. Post-reporting date events

No significant events have occurred between the reporting date and the date of authorization.

20. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 31 March 2019 (including comparatives) were approved for issue by the managing board on 30 April 2019.