

Interim Condensed Financial Statements

Chimimport AD

30 September 2020





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Interim condensed statement of financial position

| | Notes | 30.09.2020 BGN'000 | 31.12.2019 BGN'000 |
|--|-------|-----------------------|-----------------------|
| Assets | | | |
| Non – current assets | | | |
| Property, plant and equipment | 9 | 3 027 | 3 295 |
| Investment property | 10 | 35 831 | 35 831 |
| Investment in subsidiaries | 11 | 789 057 | 779 397 |
| Long – term financial assets | 12 | 109 586 | 111 806 |
| Long – term related party receivables | 19 | 108 390 | 93 497 |
| | | 1 045 891 | 1 023 826 |
| Current assets | | | |
| Short – term financial assets | 13 | 240 302 | 225 166 |
| Trade and other receivables | | 44 865 | 46 015 |
| Short – term related party receivables | 19 | 113 530 | 131 638 |
| Prepayments and other assets | | 173 | 164 |
| Cash and cash equivalents | | 70 330 | 70 469 |
| | | 469 020 | 473 497 |
| Total assets | | 1 514 911 | 1 497 323 |

Prepared by: 
/A.Kerezov/


Executive Director: 
/I. Kamenov/

Date: 30 October 2020



Interim condensed statement of financial position (continued)

| Equity and liabilities | Notes | 30.09.2020 | 31.12.2019 |
|--|-------|------------------|------------------|
| | | BGN'000 | BGN'000 |
| Equity | | | |
| Share capital | 13 | 239 646 | 239 646 |
| Share premium | | 260 615 | 260 615 |
| Remeasurement of defined benefit liability | | 60 | 60 |
| Other reserves | | 59 824 | 59 824 |
| Retained earnings | | 681 466 | 644 785 |
| Net profit for the period | | 15 610 | 36 681 |
| Total equity | | 1 257 221 | 1 241 611 |
| Liabilities | | | |
| Non – current liabilities | | | |
| Long – term bank and other loans | 15 | 47 510 | 39 802 |
| Long – term related party payables | 19 | 20 559 | 20 955 |
| Pension and other employee obligations | | 45 | 45 |
| Provisions | | 1 697 | 1 848 |
| Deferred tax liabilities | | 12 226 | 12 833 |
| | | 82 037 | 75 533 |
| Current liabilities | | | |
| Short – term bank and other loans | 15 | 7 801 | 17 482 |
| Trade and other payables | | 4 655 | 5 109 |
| Short – term related party payables | 19 | 161 935 | 157 468 |
| Pension and other party payables | | 1 162 | 4 |
| Tax liabilities | | 100 | 116 |
| | | 175 653 | 180 179 |
| Total liabilities | | 257 690 | 255 712 |
| Total equity and liabilities | | 1 514 911 | 1 497 323 |

Prepared by: 
/A.Kerezov/


Executive Director: 
/I. Kamenov/

Date: 30 October 2020



Interim condensed statement of comprehensive income

| Notes | For six months 30.09.2020 BGN'000 | For three months 30.09.2020 BGN'000 | For six months 30.09.2019 BGN'000 | For three months 30.09.2019 BGN'000 |
|--|---|---|---|---|
| Gains from transactions with financial instruments | 26 901 | - | 28 723 | - |
| Losses from transactions with financial instruments | (9 896) | (3 349) | (8 722) | (3 432) |
| Net profit from transactions with financial instruments | 17 005 | (3 349) | 20 001 | (3 432) |
| Interest income | 4 619 | 1 479 | 8 974 | 3 011 |
| Interest expense | (2 915) | (917) | (2 915) | (724) |
| Net profit from interest | 1 704 | 562 | 6 052 | 2 287 |
| Gains from foreign exchange differences | 8 | 3 | 11 | 7 |
| Losses from foreign exchange differences | (13) | (9) | (4) | (1) |
| Net loss from foreign exchange differences | (5) | (6) | 7 | 6 |
| Other financial expenses | (89) | (5) | (104) | (11) |
| Dividend income | - | - | 12 123 | 2 496 |
| Operating revenue | 1 113 | 359 | 1 110 | 346 |
| Operating expenses | (3 613) | (1 145) | (1 648) | (508) |
| Result from operating activities | (2 500) | (786) | (538) | (162) |
| Profit for the period before tax | 16 115 | (3 584) | 37 548 | 1 184 |
| Tax expense | 16 (1 162) | (657) | (2 543) | 131 |
| Tax interim IFRS | 657 | 657 | - | - |
| Reverse manifestation of tax temporary differences | (505) | (505) | - | - |
| Net profit for the period | 15 610 | (3 584) | 35 005 | 1 315 |
| Total comprehensive income | 15 610 | (3 584) | 35 005 | 1 315 |
| Earnings per share in BGN | 17 0.07 | (0.01) | 0.15 | 0.01 |

Prepared by: 
/I.A.Kerezov/

Executive Director: 
/I. Kamenov/


Date: 30 October 2020



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 | 701 762 | 1 261 915 |
| Dividends | - | - | - | - | (14 991) | (14 991) |
| Transactions with owners | - | - | - | - | (14 991) | (14 991) |
| Profit for the year 2019 | - | - | - | - | 36 681 | 36 681 |
| Other comprehensive loss | - | - | (8) | - | - | (8) |
| Total comprehensive income for the year | - | - | (8) | - | 36 681 | 36 673 |
| Balance at 31 December 2019. | 239 646 | 260 615 | 60 | 59 824 | 681 466 | 1 241 611 |
| Balance at 1 January 2020 | 239 646 | 260 615 | 60 | 59 824 | 681 466 | 1 241 611 |
| Transactions with owners | - | - | - | - | - | - |
| Net profit for the period, ending at 30 September 2020 | - | - | - | - | 15 610 | 15 610 |
| Total comprehensive income | - | - | - | - | 15 610 | 15 610 |
| Balance at 30 September 2020 | 239 646 | 260 615 | 60 | 59 824 | 697 076 | 1 257 221 |

Prepared by: 

/A.Kerezov/

Date: 30 October 2020



Executive Director: 

/I. Kamenov/

Interim condensed statement of cash flows

| | 30.09.2020 BGN '000 | 30.09.2019 BGN '000 |
|---|------------------------|------------------------|
| Operating activities | | |
| Proceeds from short-term loans | 13 499 | 13 795 |
| Payments for short-term loans | (15 277) | (17 492) |
| Proceeds/(payments) from operations with short-term financial assets, net | - | 675 |
| Receipts from customers | 2 040 | 513 |
| Payments to suppliers | (1 181) | (814) |
| Interest received | 3 294 | 1 442 |
| Interest paid | (1 555) | (532) |
| Cash paid to employees and social security institutions | (2 098) | (571) |
| Corporate tax paid | (4) | (130) |
| Taxes paid | (483) | (116) |
| Dividend received | 747 | 4 693 |
| Other proceeds, net | - | 2 461 |
| Other payments | (3 131) | - |
| Net cash flow from operating activities | 2 113 | 3 924 |
| Investing activities | | |
| Acquisition of long - term financial assets | - | - |
| Proceeds from sale of interests in subsidiaries and associates | - | 325 |
| Acquisition of interests in subsidiaries and associates | - | (30) |
| Net cash flow from investing activities | - | 295 |
| Financing activities | | |
| Payments for long-term and bank loans received | (2 183) | (2 463) |
| Interest paid | - | (978) |
| Net cash flow from financing activities | (2 183) | (3 441) |
| Net change in cash and cash equivalents | (70) | 778 |
| Cash and cash equivalents, beginning of period | 70 469 | 68 798 |
| Effect from expected credit losses | (69) | (124) |
| Cash and cash equivalents, end of period | 70 330 | 69 452 |

Prepared by: _____

/A.Kerezov/

Executive Director: _____

/I. Kamenov/

Date: 30 October 2020



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 30 September 2020 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 2019, 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 2019.

4. Accounting estimates

For the purposes of preparing these interim condensed financial statements, the Company's management has applied accounting estimates and assumptions in valuing its assets, liabilities, income and expenses.

Actual results may differ from management's assumptions, estimates and assumptions and, in rare cases, are consistent with previously estimated results.

In preparing the presented interim condensed financial statements, the significant judgments of management in applying the Company's accounting policies and the main sources of uncertainty of accounting estimates do not differ from those disclosed in the annual financial statements of the Company as of December 31, 2019, except changes in the estimate of income tax liability.

5. New standards, amendments and interpretations to existing standards that are effective for annual periods beginning on or after 1 January 2019

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

IFRS 3 (amended) - Definition of a Business, effective from 1 January 2020, adopted by the EU

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create

outputs. The definition of the term “outputs” is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued on 26 September 2019) , effective from 1 January 2020, adopted by the EU

The proposed update includes elements to reflect the new disclosure requirements introduced by the amendments to IFRS 9, IAS 39 and IFRS 7. The changes in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) can be summarised as follows:

- modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;
- are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;
- are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and
- require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

IAS 1 and IAS 8 (amended) - Definition of Material, effective from 1 January 2020, adopted by the EU

The amendments aim to use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting. The amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of ‘primary users of general-purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.

Amendments to References to the Conceptual Framework in IFRS Standards, effective from 1 January 2020, adopted by the EU

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are

not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

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 2019 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 16 Leases - Covid-19-Related Rent Concessions, effective from 1 June 2020, not adopted by the EU
- IAS 1 Presentation of financial statements: Classification of Liabilities as Current or Non-Current, effective from 1 January 2023, not adopted by the EU
- Annual Improvements to IFRS Standards 2018–2020, effective from 1 January 2022, not adopted by the EU
- IAS 16 Property, Plant and Equipment — Proceeds before Intended Use, effective from 1 January 2022, not adopted by the EU
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract, effective from 1 January 2022, not adopted by the EU
- IFRS 14 “Regulatory deferral accounts” effective from 1 January 2016, not adopted by the EU
- IFRS 17 “Insurance Contracts” effective from 1 January 2021, not yet adopted by the EU

7. Risk management regarding financial instruments

The Company is exposed to various types of risks with respect to its financial instruments. The most significant financial risks to which the Company is exposed are market risk, credit risk and liquidity risk.

The interim condensed financial statements do not include all the information on risk management and disclosures required in the preparation of annual financial statements and should be read in conjunction with the annual financial statements of the Company as of December 31, 2019. The objectives and policies of the Company for capital management, credit and liquidity risk are described in the last annual financial statements. There were no changes in the risk management policy for financial instruments during the period.

8. Significant events and transactions

At the beginning of 2020, due to the spread of a new corona virus (Covid-19) worldwide, difficulties arose in the business and economic activities of a number of enterprises and entire economic sectors. On March 11, 2020, the World Health Organization also announced the presence of a coronavirus pandemic (Covid-19). On March 13, the National Assembly of the Republic of Bulgaria declared a state of emergency for a period of 1 month - until April 13, 2020.

In the first weeks of April 2020, the number of new unemployed rose to 4,000 per day, which peaked as a result of the bans imposed and the suspension of many economic sectors.

On April 3, 2020, the National Assembly extended the term of the state of emergency by another month until May 13, 2020.

The state of emergency expired on 13 May 2020, and the Council of Ministers declared a state of emergency from 14 May 2020 to 14 June 2020.

Despite the repeal of anti-epidemiological measures and the resumption of companies, many economic sectors remained affected by the effects of the corona virus pandemic. The macroeconomic forecasts of the world institutions expect a general reduction of Bulgaria's GDP by up to 7% on an annual basis and a recovery of the pre-crisis levels of growth (stabilization) of the economy in 2-3 quarters of 2021.

The transport, tourism, entertainment and leisure sectors, as well as companies in entirely export-oriented industries, which are unable to send their supplies due to restrictions on free movement, are still severely affected.

The impact of the Corona virus pandemic on the financial condition and results of the Company's operations in the first quarter of 2020 is unfavourable, envisages continuation of the pandemic establishment and extraction of aviation business;

In general, the perception has a negative effect on the activities of the Company, but this group continues to offer court decisions to expand the activities and support the business in



this case. Take measures on the part of the Company and the GROUP, generally focusing on restructuring loans and receivables.

As a result of taking measures as a whole, the Company is in a strong position and has sufficient capital and liquidity to service its operating activities for a long time.

9. 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:

| | Buildings | Machines and equipment | Vehicles | Other | Assets in process of acquisition | Total |
|--|-------------|---------------------------|--------------|--------------|--|----------------|
| | BGN '000 | BGN '000 | BGN '000 | BGN '000 | BGN '000 | BGN '000 |
| Gross carrying amount | | | | | | |
| Balance at 1 January 2020 | 26 | 249 | 113 | 3 772 | - | 4 160 |
| Newly acquired assets | | | | | | |
| Depreciated assets | | | | | | |
| Balance at 30 September 2020 | 26 | 249 | 113 | 3 772 | - | 4 160 |
| Depreciation | | | | | | |
| Balance at 1 January 2020 | (24) | (242) | (113) | (486) | - | (865) |
| Depreciation | | (6) | | (262) | - | (268) |
| Balance at 30 September 2020 | (24) | (248) | (113) | (748) | - | (1 133) |
| Carrying amount as at 30 September 2020 | 2 | 1 | - | 3 024 | - | 3 027 |

The carrying amount as at 31 December 2019 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 2019 | 26 | 245 | 113 | 1 451 | 2 318 | 4 140 |
| Newly acquired assets | - | 13 | - | 3 | - | 16 |
| Transfers | - | - | - | 2 318 | (2 218) | - |
| Balance at 31 December 2019 | 26 | 245 | 113 | 1 454 | 2 318 | 4 156 |
| Depreciation | | | | | | |
| Balance at 1 January 2019 | (24) | (230) | (113) | (137) | - | (504) |
| Depreciation | - | (12) | - | (349) | - | (361) |
| Balance at 31 December 2019 | (24) | (242) | (113) | (486) | - | (865) |
| Carrying amount at 31 December 2019 | 2 | 7 | - | 3 286 | - | 3 295 |

10. 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 2019 | 35 831 |
| Carrying amount at 31 December 2019 | 35 831 |
| Carrying amount at 30 September 2020 | 35 831 |

11. Investments in subsidiaries

The Company has the following investments in subsidiaries:

| Name of subsidiary | Country | Main activities | 30.09.2020 BGN '000 | share % | 31.12.2019 BGN '000 | share % |
|---|----------|-------------------------|------------------------|------------|------------------------|------------|
| CCB Group EAD | Bulgaria | Financial services | 249 339 | 100.00% | 249 339 | 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 | 32 153 | 8.24% | 22 492 | 5.88% |
| 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 | 16 928 | 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 | 98.69% | 2 168 | 98.69% |
| 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% |
| TI 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 EOOD | Bulgaria | Services | 4 | 100.00% | 4 | 100.00% |
| | | | 789 057 | | 779 397 | |

12. Non-current financial assets

| | 30.09.2020 | 31.12.2019 |
|---|-----------------------|-----------------------|
| | BGN'000 | BGN'000 |
| Debt instruments at amortized cost | | |
| Loans granted and deposits | 74 191 | 76 411 |
| | <u>74 191</u> | <u>76 411</u> |
| Equity instruments at fair value through other comprehensive income | | |
| Unquoted equity instruments | 15 837 | 15 837 |
| | <u>15 837</u> | <u>15 837</u> |
| Financial assets at fair value through profit or loss | | |
| Unquoted instruments | 19 558 | 19 558 |
| | <u>19 558</u> | <u>19 558</u> |
| | <u>109 586</u> | <u>111 806</u> |

13. Current financial assets

| | 30.09.2020 | 31.12.2019 |
|---|-----------------------|-----------------------|
| | BGN'000 | BGN'000 |
| Debt instruments at amortized cost | | |
| Loans granted and deposits | 33 505 | 18 369 |
| | <u>33 505</u> | <u>18 369</u> |
| Financial assets at fair value through profit or loss | | |
| Unquoted instruments | 206 788 | 206 788 |
| | <u>206 788</u> | <u>206 788</u> |
| Equity instruments at fair value through other comprehensive income | | |
| Unquoted equity instruments | 9 | 9 |
| | <u>9</u> | <u>9</u> |
| | <u>240 302</u> | <u>225 166</u> |

14. Share capital

The share capital of the Company as at 30 September 2020 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 30.09.2020 BGN'000 | Number of Shares as at 31.12.2019 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 |

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 30.09.2020 Number of shares | As at 30.09.2020 % | As at 31.12.2019 Number of shares | As at 31.12.2019 % |
|---------------------------|--|--------------------------|--|--------------------------|
| Invest Capital AD | 173 487 247 | 72.39 % | 173 487 247 | 72.39 % |
| Other legal entities | 50 761 796 | 21.18 % | 50 126 772 | 20.92 % |
| Other private individuals | 14 037 224 | 5.86 % | 16 032 248 | 6.69 % |
| | 239 646 267 | 100.00 % | 239 646 267 | 100.00 % |

15. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

| | Current | | Non - current | |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30.09.2020 BGN'000 | 31.12.2019 BGN'000 | 30.09.2020 BGN'000 | 31.12.2019 BGN'000 |
| Bank loans | 7 801 | 17 482 | 26 104 | 18 986 |
| Other borrowings | - | - | 21 406 | 20 816 |
| Total carrying amount | 7 801 | 17 482 | 47 510 | 39 802 |

16. 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 2019 of 10 % applied to the financial result for the period ended as at 30 September 2020.

17. 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 30.09.2020 | As at 30.09.2019 |
|---|---------------------|---------------------|
| Profit attributable to the shareholders (BGN) | 15 610 000 | 35 005 000 |
| Weighted average number of outstanding shares | 239 646 267 | 239 646 267 |
| Basic earnings per share (BGN per share) | 0.07 | 0.15 |

18. 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.

18.1. Transactions with owners

| | 30.09.2020 BGN'000 | 30.09.2019 BGN'000 |
|--|-----------------------|-----------------------|
| Purchases | | |
| <i>purchase of services, goods and interest income</i> | (224) | (4) |

18.2. Transactions with subsidiaries and associates

| | 30.09.2020 BGN'000 | 30.09.2019 BGN'000 |
|--|-----------------------|-----------------------|
| Sales | | |
| <i>sale of services, rental income and interest income</i> | | |
| - subsidiaries | 3 880 | 5 380 |
| - other | 346 | 1 128 |
| Purchases | | |
| <i>purchase of services, goods and interest income</i> | | |
| - subsidiaries | (1 980) | (2 132) |
| - others | (14) | - |

18.3. 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:

| | 30 September 2020 BGN'000 | 30 September 2019 BGN'000 |
|---|--|--|
| Short-term employee benefits: | | |
| Salaries, including bonuses | (1 765) | (125) |
| Social security costs | (12) | (118) |
| Total short-term employee benefits | (1 777) | (143) |

19. Related party balances

| | 30.09.2020 BGN'000 | 31.12.2019 BGN'000 |
|--|-------------------------------|-------------------------------|
| Non-current receivables from: | | |
| - subsidiaries | 66 398 | 59 859 |
| - other related parties | 48 624 | 38 624 |
| Expected credit losses and impairment losses | (6 632) | (4 986) |
| Total | 108 390 | 93 497 |

| | 30.09.2020 BGN'000 | 31.12.2019 BGN'000 |
|--|-------------------------------|-------------------------------|
| Current receivables from: | | |
| - owners | 20 083 | 20 083 |
| - subsidiaries | 85 328 | 89 571 |
| - associated | - | - |
| - other related parties | 51 158 | 61 912 |
| Expected credit losses and impairment losses | (43 039) | (39 883) |
| Total | 113 530 | 131 683 |

| | 30.09.2020 BGN'000 | 31.12.2019 BGN'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Non-current payables to: | | |
| - subsidiaries | 20 559 | 20 955 |
| Total | 20 559 | 20 955 |



| | 30.09.2020 | 31.12.2019 |
|-----------------------------|----------------|----------------|
| | BGN'000 | BGN'000 |
| Current payables to: | | |
| - owners | 10 538 | 20 803 |
| - subsidiaries | 142 805 | 128 062 |
| - associated | - | - |
| - other related parties | 8 592 | 8 603 |
| Total | 161 935 | 157 468 |

20. Post-reporting date events

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

21. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 30 September 2020 (including comparatives) were approved for issue by the managing board on 30 October 2020.