

Interim Consolidated Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

30 June 2021



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Interim condensed consolidated statement of financial position

	Notes	30.06.2021 BGN'000	31.12.2020 BGN'000
Assets			
Property, plant and equipment	11	365 477	371 559
Right of use assets		385 535	417 099
Investment property		451 172	440 485
Goodwill		24 066	24 066
Other intangible assets		131 772	129 496
Deferred tax assets		13 053	10 940
Investments accounted for using the equity method	9	24 001	24 253
Loans and receivables to bank customers	12	2 869 004	2 708 863
Equity instruments at fair value through profit or loss	12	2 114 001	2 027 241
Debt instruments at fair value through other comprehensive income	12	731 693	717 595
Equity instruments at fair value through other comprehensive income	12	81 355	83 766
Other financial assets	13	1 373 035	1 328 737
Receivables from insurance and reinsurance contracts		50 604	45 930
Reinsurance assets		76 118	80 379
Tax receivables		408	1 757
Other receivables		33 529	30 276
Inventories		58 915	59 369
Cash and cash equivalents		2 202 905	2 221 632
Total assets		10 986 643	10 723 443

Prepared by: _____

/A. Kerezov/

Executive director: _____

/I. Kamenov/

Date: 30th August 2021



Interim condensed consolidated statement of financial position (continued)

	Notes	30.06.2021 BGN'000	31.12.2020 BGN'000
Equity and liabilities			
Equity			
Share capital	14	226 619	226 604
Share premium		246 477	246 462
Other reserves		302 796	287 583
Retained earnings		705 175	690 078
Profit for the period		12 880	32 003
Equity attributed to the shareholders of parent company		1 493 947	1 482 730
Non-controlling interests		328 313	321 615
Total equity		1 822 260	1 804 345
Liabilities			
Liabilities to depositors	15	6 384 255	6 168 872
Other financial liabilities	15	507 585	541 680
Payables to secured persons		1 636 948	1 561 822
Pension and other employee obligations		16 450	16 993
Deferred tax liabilities		36 067	36 503
Insurance technical reserves		264 485	260 142
Liabilities to insurance and reinsurance contracts		21 147	21 147
Finance lease liabilities		213 480	249 440
Tax liabilities		6 023	5 393
Other liabilities		77 943	57 106
Total liabilities		9 164 383	8 919 098
Total equity, reserves and liabilities		10 986 643	10 723 443

Prepared by: 
/A. Kerezov/

Executive director: 
/I. Kamenov/

Date: 30th August 2021



Interim condensed consolidated statement of comprehensive income

	Notes	For six months 30.06.2021 BGN'000	For three months 30.06.2021 BGN'000	For six months 30.06.2020 BGN'000	For three months 30.06.2020 BGN'000
Income from non-financial activities		121 438	68 084	181 964	73 967
Change in the fair value of investment property		23	23	-	-
Gain on sale of non-current assets		-	(2)	88	(128)
Net result from non-financial activities		121 461	68 105	182 052	73 839
Insurance income		224 680	66 858	220 476	68 548
Insurance expense		(199 394)	(57 472)	(202 875)	(60 050)
Net insurance result		25 286	9 386	17 601	8 498
Interest income		82 463	42 036	87 098	41 765
Interest expense		(16 938)	(9 753)	(20 255)	(11 055)
Net interest income		65 525	32 283	66 843	30 710
Net result from transactions with financial instruments		54 481	21 239	(26 229)	28 870
Other operating and administrative expenses		(231 241)	(125 245)	(247 180)	(117 302)
Share of profit from equity accounted investments		706	123	47	(618)
Other financial income		38 688	12 148	22 218	12 430
Allocation of income to secured persons		(54 762)	(17 117)	10 515	(30 338)
Profit before tax		20 144	922	25 867	6 089
Tax expense	16	(944)	2	(1 791)	87
Net profit for the period		19 200	924	24 076	6 176
Other comprehensive income					
Components that do not reclassify to profit or the loss					
Revaluation of financial assets		(2 145)		2 579	-
Total comprehensive income		17 055	1 813	26 655	6 176
Profit for the period attributable to:					
the shareholders of Chimimport AD		12 880	(541)	22 520	5 914
non-controlling interests		6 320	1 681	1 556	262
Total comprehensive income attributable to:					
the shareholders of Chimimport AD		11 228	144	24 325	5 914
non-controlling interests		5 827	1 885	2 330	262
Basic earnings per share in BGN	17	0.06	0.04	0,1	0,0268

Prepared by: _____

/A. Kerezov/

Executive director: _____

/I. Kamenov/

Date: 30th August 2021

Interim condensed consolidated statement of changes in equity

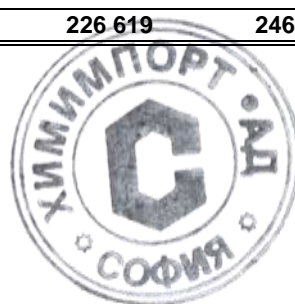
All amounts are presented in BGN'000

	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 2021	226 604	246 462	287 583	722 081	1 482 730	321 615	1 804 345
Increase in the share capital and reservation of changes in the own shares, giving to subsidiaries	15	15	-	-	30	-	30
Bussines combinations	-	-	(41)	-	(41)	871	830
Transactions with owners	15	15	(41)	-	(11)	871	860
Profit for the period	-	-	-	12 880	12 880	6 320	19 200
Other comprehensive loss	-	-	(1 652)	-	(1 652)	(493)	(2 145)
Total comprehensive income for the period	-	-	(1 652)	12 880	11 228	5 827	17 055
Profit distribution from previous years	-	-	15 697	(15 697)	-	-	-
Change in specialized reserves	-	-	1 209	(1 209)	-	-	-
Balance at 30 June 2021	226 619	246 477	302 796	718 055	1 493 947	328 313	1 822 260

Prepared by: _____

/A. Kerezov/

Date: 30th August 2021



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				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2020	226 955	246 850	179 123	713 710	1 366 638	309 851	1 676 489
Reduction of the share capital and reservation of changes in the own shares, giving to subsidiaries	(351)	(388)	-	-	(739)	-	(739)
Bussines combinations	-	-	(65)	5 355	5 290	5 332	10 622
Transactions with owners	(351)	(388)	(65)	5 355	4 551	5 332	9 883
Profit for the period	-	-	-	32 003	32 003	7 560	39 563
Other comprehensive loss	-	-	79 538	-	79 538	(1 128)	78 410
Total comprehensive income for the period	-	-	79 538	32 003	111 541	6 432	117 973
Profit distribution from previous years	-	-	27 283	(27 283)	-	-	-
Change in specialized reserves	-	-	1 704	(1 704)	-	-	-
Balance at 31 December 2020	226 604	246 462	287 583	722 081	1 482 730	321 615	1 804 345

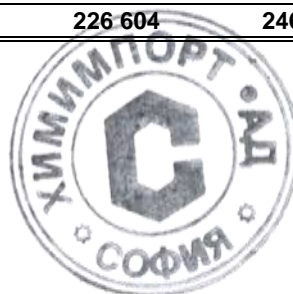
Prepared by: _____

/A. Kerezov/

Date: 30th August 2021

Executive director: _____

/I. Kamenov/



Interim condensed consolidated statement of cash flows

	30.06.2021	30.06.2020
	BGN'000	BGN'000
Proceeds from short-term loans	29 282	8 391
Payments for short-term loans	(30 943)	(10 586)
Proceeds from sale of short-term financial assets	148 100	294 021
Purchase of short-term financial assets	(199 278)	(381 837)
Cash receipt from customers	106 206	139 107
Cash paid to suppliers	(99 908)	(104 377)
Proceeds from secured persons	94 257	83 223
Payments to secured persons	(56 626)	(31 880)
Payments to employees and social security institutions	(58 711)	(63 675)
Cash receipts from banking operations	28 227 974	23 992 548
Cash paid for banking operations	(28 138 584)	(24 002 761)
Cash receipts from insurance operations	91 041	89 297
Cash paid for insurance operations	(67 373)	(79 780)
Income taxes paid	(205)	(313)
Other cash inflows/(outflows)	(2 985)	(7 356)
Net cash flow from operating activities	42 247	(75 978)
Investing activities		
Sale of subsidiaries, net of cash		-
Dividends received	9 170	2 238
Sale of property, plant and equipment	1 077	871
Purchase of property, plant and equipment	(7 701)	(2 990)
Sale of intangible assets	-	1 138
Purchase of intangible assets	(3 732)	(11 814)
Sale of investment property	900	371
Purchase of investment property	(3 289)	(961)
Sale of non-current financial assets	118 500	155 782
Purchase of non-current financial assets	(222 584)	(298 349)
Interest payments received	17 221	20 885
Proceeds from loans granted	-	4 794
Payments for loans granted	(924)	(897)
Other cash (outflows)/inflows	1 257	(1 372)
Net cash flow from investing activities	(90 105)	(130 304)
Financing activities		
Purchase of own shares	14	-
Proceeds from loans received	78 878	60 798
Payments for loans received	(46 432)	(50 607)
Interest paid	(3 585)	(2 647)
Payments for finance leases	(408)	(269)
Other cash inflows/(outflows)	(881)	1 885
Net cash flow from financing activities	27 586	9 160
Net change in cash and cash equivalents	(20 272)	(197 122)
Cash and cash equivalents, beginning of year	2 221 632	2 136 035
Exchange profit on cash and cash equivalents	1 545	(353)
Cash and cash equivalents, end of the period	2 202 905	1 938 560

Prepared by: _____

/A. Kerezov/

Date: 30th August 2021

Executive director: _____

/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 30 June 2021 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 2020, 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 2020.

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 2020.

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 2020. 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 2020.

5. New standards, amendments and interpretations to existing standards that are effective for annual periods beginning on or after 1 January 2021

The Group has reviewed the following new standards, amendments and interpretations to IFRS, developed and published by the International Accounting Standards Board, which are binding from the annual period beginning on 1 January 2021, and is in the process of analyzing the effects of the application on the consolidated financial result and the financial condition of the Group:

Amendments to IFRS 4 Insurance Contracts - Postponement of IFRS 9, effective from 1 January 2021, adopted by the EU

The date of initial application of IFRS 17 is postponed by two years, the standard becomes effective for annual periods beginning on or after 1 January 2023. The date of expiry of the temporary exemption in IFRS 4 Insurance contracts for application of IFRS 9 Financial instruments is changed, so that insurance companies are required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Reform - Phase 2, effective from 1 January 2021, adopted by the EU.

The proposed amendments address issues that could affect financial reporting after the interest rate reform, including its replacement by alternative reference interest rates. Phase 2 of the project addresses issues related to the replacement of interest rate indices, which in turn would affect financial reporting when an existing interest rate index is repealed or replaced with another.

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

As of the date of approval of these financial statements, new standards, amendments and interpretations to existing standards have been published, but have not entered into force or have not been adopted by the EU for the financial year beginning on 1 January 2020 and have not been applied from an earlier date by the Group. They are not expected to have a material effect on the Group's financial statements.

Management expects all standards and amendments to be adopted in the Group's accounting policies in the first period beginning after the effective date.

The changes are related to the following standards:

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-Current, effective from 1 January 2023, not yet adopted by the EU

Changes in the classification of liabilities as current or non-current only affect the presentation of liabilities in the individual statement of financial position - not the amount or timing of recognition of assets, liabilities, income or expenses or the information that companies disclose about these items. The amendments aim to clarify the following:

- the classification of liabilities as current or non-current must be based on an existing right to defer the settlement of the liability by at least twelve months; only the available deferral rights "at the end of the reporting period" should affect the classification of the liability;
- the classification is not affected by the company's expectations whether it will exercise its right to defer the settlement of liabilities; and
- Liabilities may be settled by transferring cash, equity instruments, other assets or services to the counterparty.

Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, effective from 1 January 2022, have not yet been adopted by the EU

- IAS 3 Business Combinations - Update of references to the Conceptual Framework with amendments to IFRS 3 "Business Combinations", which update an outdated reference in IFRS 3 without substantially changing the reporting requirements.
- IAS 16 Property, Plant and Equipment - "Revenue before the Asset Presented to the Location and Condition Required for Its Operation" amends the standard to prohibit the deduction from the value of property, plant and equipment of any revenue from the sale of manufactured products, before bringing this asset to the location and condition necessary for its operation in the manner prescribed by management. Instead, an entity recognizes the proceeds from the sale of such products and the cost of producing them in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Changes in Burdensome Contracts - Contract performance costs are specified by specifying that "contract performance costs" include "costs that are directly attributable to the contract". Costs that are directly related to a contract may be either additional costs for the performance of that contract or an allocation of other costs that are directly related to the performance of the contracts.

Annual improvements 2018-2020 in force from 1 January 2022 have not yet been adopted by the EU

- IFRS 1 First-time Adoption of International Financial Reporting Standards - The amendment allows a subsidiary that applies paragraph D16 (a) of IFRS 1 to assess cumulative differences in the first-time adoption of IFRSs using the values reported in

the consolidated financial statements. statements from its parent, based on the date of transition to IFRSs of the parent.

- IFRS 9 Financial Instruments - The amendment clarifies which fees an entity includes when applying the 10% test in paragraph B3.3.6 of IFRS 9 when assessing whether to write off a financial liability. An enterprise includes only fees paid or received between the borrower and the lender, including fees paid or received by either the enterprise or the lender on behalf of the other.
- IFRS 16 Leases - The amendment to IFRS 16 removes from the illustrative examples the lessor's refund of improvements to leased assets to eliminate any potential confusion regarding the treatment of lease incentives that may arise due to the way in which lease incentives are illustrated in this example.
- IAS 41 Agriculture - The amendment removes the requirement in paragraph 22 of IAS 41 for enterprises to exclude tax cash flows when measuring the fair value of a biological asset using the present value method. This amendment will ensure compliance with the requirements of IFRS 13.

Amendments to IAS 1 Presentation of Financial Statements and IFRSs Statement of Practice 2: Disclosure of accounting policies, effective from 1 January 2023, not yet adopted by the EU

Companies are currently required to disclose material information about their accounting policies instead of their significant accounting policies. Guidance has been added on how an entity can identify material accounting information and examples are given of when accounting information is likely to be material. The amendments clarify that accounting policy information may be material in nature, even if the amounts involved are insignificant. Information about the accounting policy is material if users of the entity's financial statements will need it to understand other material information in the financial statements. If an entity discloses non-material accounting policy information, such information shall not dilute or obscure material accounting policy information.

In support of the amendments to IAS 1, IFRS Statement of Practice 2 has been amended by adding guidelines and examples to explain and demonstrate the application of the four-step process for determining whether information is material.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The definition of an accounting estimate, effective from 1 January 2023, has not yet been adopted by the EU

The definition of a change in accounting estimates is replaced by a definition of accounting estimates. According to the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require that items in the financial statements be measured in a manner that involves measurement uncertainty. The IASB clarifies that a change in an accounting estimate resulting from new information or a new development is not a correction of an error. In addition, the effects of a change in input data or measurement techniques used to

develop an accounting estimate are changes in accounting estimates if they are not the result of a prior period error correction. The change in an accounting estimate may only affect the profit or loss for the current period or the profit or loss for both the current period and future period. The effect of a change in an accounting estimate related to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

Amendments to IFRS 16 Leases: Covid-19 Rental Discounts after 30 June 2021, effective from 1 April 2021, not yet adopted by the EU

The amendment provides the following opportunities to lessees:

- apply the practical facilitation to Covid-19-related rental discounts for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (and not only payments initially due on or before 30 June 2022). June 30, 2021);
- apply the practical facilitation for annual reporting periods starting on or after 1 April 2021;
- the practical facilitation is applied retrospectively, reflecting the cumulative effect of the initial application of the amendment as an adjustment to the initial value of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first apply the amendment; and
- clarification that during the reporting period in which the lessee first applies the amendment, the lessee is not required to disclose the information in accordance with paragraph 28 (f) of IAS 8.

IFRS 14 “Deferred Accounts at Regulated Prices” effective from 1 January 2016, not yet adopted by the EU

IFRS 14 “Deferred Accounts at Regulated Prices” allows first-time adopters to continue to recognize amounts related to regulated prices in accordance with the requirements of their previous accounting basis when applying IFRS. In order to improve the comparability with the statements of companies that already apply IFRS and do not recognize such amounts, the standard requires the effect of regulated prices to be presented separately.

IFRS 17 “Insurance Contracts” effective from 1 January 2021, not yet adopted by the EU

IFRS 17 replaces IFRS 4 Insurance Contracts. It requires the application of an ongoing valuation model, according to which estimates are reviewed during each reporting period. Contracts are valued using:

- discounted cash flows with weighted probabilities;
- explicit risk adjustment, and

- allowance for contracted services, representing the unrealized gain on the contract, which is recognized as income during the coverage period.

The standard allows a choice in recognizing changes in the discount rate or in profit or loss or other comprehensive income.

The new rules will affect the financial statements and key indicators of all companies that issue insurance contracts.

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 during the reporting period

At the beginning of 2020, due to the spread of a new coronavirus (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. After the specified period until July 31, 2021, an emergency epidemiological situation is in force.

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 coronavirus pandemic on the financial condition and performance of the Group in the first half of 2021 was as follows:

- decrease in revenues from non-financial activities by BGN 60 526 thousand in the first quarter of 2021 compared to the same period last year; but an increase in insurance revenues by BGN 4 204 thousand and a decrease in administrative and operating expenses by BGN 15 939 thousand.
- decrease in operating profit
- there is no significant decline in the adoption of larger projects

Overall, the impact had a negative effect on the Group's activities, with the Transport sector continuing to be the most affected.

The following main measures have been taken by some Group companies:

- applying for compensation under the measures for support of small / medium enterprises.
- compensations under the "60/40" scheme; .

- there is a renegotiation with the creditor banks for rescheduling of maturing loan installments according to the decisions taken by the BNB, with which commercial banks can reschedule loans to individuals and companies for up to 9 months, applying 3 forms of rescheduling mechanisms;

As a result of the measures taken, the Group as a whole is in a strong position and has sufficient capital and liquidity to service its operating activities and debts.

9. Investments accounted for using equity method

9.1. Investments in associates

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

Name	30.06.2021 BGN'000	Share %	31.12.2020 BGN'000	Share %
Lufthansa Technik Sofia OOD	8 740	24.90%	8 558	24.90%
Swissport Bulgaria	5 495	49.00%	5 665	49.00%
Silver Wings Bulgaria Ltd.	4 489	42.50%	4 713	42.50%
Amadeus Bulgaria OOD	3 967	41.00%	3 694	41.00%
VTC AD	686	35.00%	626	35.00%
Kavarna Gas OOD	361	44.99%	263	44.99%
	<u>23 640</u>		<u>23 519</u>	

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 2020.

9.2. Investments in joint ventures

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

Name	30.06.2021 BGN'000	Share %	31.12.2020 BGN'000	Share %
Nuance BG AD	165	50%	538	50%
Consortium Bulgaria Air-Direction	141	90%	141	90%
Consortium Bulgaria Air and Direction	55	70%	55	70%
Varna ferry OOD	-	50%	-	50%
	<u>361</u>		<u>734</u>	

10. 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 June 2021	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	33 160	15 083	68 608	6 274	(1 687)	121 438
Change in fair value of investment property	-	23	-	-	-	23
Gain on sale of non-current assets	-	-	-	-	-	-
Inter-segment income from non-financial activities	5 764	402	2 828	320	(9 314)	-
Total income from non-financial activities	38 924	15 508	71 436	6 594	(11 001)	121 461
Insurance income from external customers	-	218 998	-	-	5 682	224 680
Inter-segment insurance income	-	5 848	-	-	(5 848)	-
Total insurance income	-	224 846	-	-	(166)	224 680
Result from insurance	-	25 087	-	-	199	25 286
Interest income	3 162	81 365	1 251	221	(3 536)	82 463
Interest expenses	(2 842)	(11 092)	(5 512)	(1 028)	3 536	(16 938)
Result from interest	320	70 273	(4 261)	(807)	-	65 525
Gains from transactions with financial instruments	105	53 510	970	21	(125)	54 481
Other non - financial and administrative expenses	(38 889)	(102 784)	(93 829)	(5 546)	9 807	(231 241)
Net result from equity accounted investments in associates	26	-	680	-	-	706
Other financial income/ expense	(201)	41 697	409	(16)	(3 201)	38 688
Profit for allocating insurance batches	-	(54 762)	-	-	-	(54 762)
Profit for the period before tax	285	48 529	(24 595)	246	(4 321)	20 144
Tax expenses	(155)	(3 336)	2 547	-	-	(944)
Net profit for the period	130	45 193	(22 048)	246	(4 321)	19 200



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
30 June 2021	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	676 489	11 198 543	1 176 197	322 261	(2 410 848)	10 962 642
Equity accounted investments in associates	363	-	22 150	2	1 486	24 001
Total consolidated assets	676 852	11 198 543	1 198 347	322 263	(2 409 362)	10 986 643
Liabilities of the segment	238 771	8 872 592	765 910	149 920	(862 810,00)	9 164 383
Total consolidated liabilities	238 771	8 872 592	765 910	149 920	(862 810)	9 164 383

Operating segments	Production, trade and services	Finance	Transport	Real estate and engineering	Eliminations	Consolidated
31 December 2020	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Assets of the segment	684 653	10 892 306	1 083 735	318 531	(2 280 035)	10 699 190
Equity accounted investments	363	-	22 150	2	1 738	24 253
Total consolidated assets	685 016	10 892 306	1 105 885	318 533	(2 278 297)	10 723 443
Liabilities of the segment	228 392	8 610 565	650 758	147 177	(717 794)	8 919 098
Total consolidated liabilities	228 392	8 610 565	650 758	147 177	(717 794)	8 919 098



Operating segments 30 June 2020	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	30 914	42 792	101 738	6 520	-	181 964
Change in fair value of investment property	-	-	-	-	-	-
Gain on sale of non-current assets	-	-	90	-	(2)	88
Inter-segment income from non-financial activities	5 385	210	2 122	118	(7 835)	-
Total income from non-financial activities	36 299	43 002	103 950	6 638	(7 837)	182 052
Insurance income from external customers	-	220 476	-	-	-	220 476
Inter-segment insurance income	-	144	-	-	(144)	-
Total insurance income	-	220 620	-	-	(144)	220 476
Result from insurance	-	17 509	-	-	92	17 601
Interest income	3 096	86 720	391	239	(3 348)	87 098
Interest expenses	(3 149)	(13 975)	(5 325)	(1 154)	3 348	(20 255)
Result from interest	(53)	72 745	(4 934)	(915)	-	66 843
Gains from transactions with financial instruments	127	(26 356)	2 916	-	(2 916)	(26 229)
Other non - financial and administrative expenses	(35 841)	(113 865)	(100 507)	(4 917)	7 950	(247 180)
Net result from equity accounted investments in associates	26	-	21	-	-	47
Other financial income/ expense	(324)	24 578	(2 044)	(18)	26	22 218
Profit for allocating insurance batches	-	10 515	-	-	-	10 515
Profit for the period before tax	234	28 128	(598)	788	(2 685)	25 867
Tax expenses	(58)	(1 732)	-	(1)	-	(1 791)
Net profit for the period	176	26 396	(598)	787	(2 685)	24 076



11. 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 June 30, 2020. 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
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
2021									
Balance at 1 January 2021	52 150	136 508	167 209	85 920	123 188	23 373	82 715	45 910	716 973
Additions:									
- separately acquired	457	10 508	780	345	395	34	431	2 885	15 835
Disposals									
- separately disposed	-	-	(95)	(60)	(102)	-	(33)	(6 327)	(6 617)
Balance at 30 June 2021	52 607	147 016	167 894	86 205	123 481	23 407	83 113	42 468	726 191
Depreciation									
Balance at 1 January 2021	-	(35 325)	(127 520)	(36 765)	(74 839)	(23 373)	(47 592)	-	(345 414)
Disposals	-	-	95	60	97	-	33	-	285
Depreciation	-	(2 435)	(3 642)	(739)	(6 797)	(34)	(1 938)	-	(15 585)
Balance at 30 June 2021	-	(37 760)	(131 067)	(37 444)	(81 539)	(23 407)	(49 497)	-	(360 714)
Carrying amount at 30 June 2021	52 607	109 256	36 827	48 761	41 942	-	33 616	42 468	365 477



- as at 31 December 2020

2020	Land	Building	Machines and equipment	Facilities and spare parts	Vehicles	Repairs of rented assets	Other	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 2020	52 157	136 486	164 083	86 093	123 875	23 373	81 193	34 818	702 078
Additions:									
- separately acquired	-	78	5 050	607	1 077	-	1 621	15 986	24 419
Disposals									
- separately disposed	(7)	(56)	(1 943)	(780)	(1 961)	-	(100)	(4 677)	(9 524)
- reclassification	-	-	19	-	197	-	1	(217)	-
Balance at 31 December 2020	52 150	136 508	167 209	85 920	123 188	23 373	82 715	45 910	716 973
Depreciation									
Balance at 1 January 2020	-	(31 364)	(121 524)	(35 901)	(62 292)	(23 373)	(43 599)	-	(318 053)
Depreciation of disposed assets:									
- from separately disposed	-	29	1 610	609	902	-	98	-	3 248
Depreciation	-	(3 990)	(7 606)	(1 473)	(13 449)	-	(4 091)	-	(30 609)
Balance at 31 December 2020	-	(35 325)	(127 520)	(36 765)	(74 839)	(23 373)	(47 592)	-	(345 414)
Carrying amount at 31 December 2020	52 150	101 183	39 689	49 155	48 349	-	35 123	45 910	371 559

12. Financial assets

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

	30.06.2021	31.12.2020
	BGN '000	BGN '000
Loans and advances to bank customers	2 869 004	2 708 863
Financial assets at fair value through profit or loss	2 114 001	2 027 241
Debt instruments measured at fair value through other comprehensive income	731 693	717 595
Equity instruments measured at fair value through other comprehensive income	81 355	83 766
	5 796 053	5 537 465

13. 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:

	30.06.2021	31.12.2020
	BGN '000	BGN '000
Loans granted	194 476	179 731
Receivables under repurchase agreements	383 634	394 693
Debt instruments measured at amortized cost	526 434	464 877
Receivables from related parties	169 608	172 468
Trade receivables	119 489	137 349
Impairment loss	(20 606)	(20 381)
	1 373 035	1 328 737

14. 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:	30.06.2021	31.12.2020
- beginning of the year	226 604 029	226 955 233
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	15 704	(351 204)
Shares issued and fully paid as at period end	226 619 733	226 604 029

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

	30.06.2021	30.06.2021	31.12.2020	31.12.2020
	Number of ordinary shares	%	Number of ordinary shares	%
Invest Capital AD	173 487 247	72.39%	173 487 247	72.39%
Other legal entities	49 839 643	20.80%	49 792 119	20.78%
Other private individuals	16 319 377	6,81%	16 366 901	6.83%
Shares of the Group, acquired by subsidiaries	239 646 267	100.00%	239 646 267	100.00%

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2020 and 2021 amounts to 5% and the tax is deducted from the gross amount of dividends.

15. Borrowings

Borrowings include financial liabilities as follows:

	30.06.2021	31.12.2020
	BGN'000	BGN'000
Financial liabilities at fair value:		
Derivatives, held-for-trading	-	-
Financial liabilities measured at amortized cost:		
Liabilities to depositors	6 384 255	6 168 872
Bonds and debenture loan	55 535	40 451
Bank loans	165 087	176 583
Other borrowings	40 456	29 201
Deposits from banks	41 006	66 092
Cession liabilities	42 028	53 926
Liabilities under repurchase agreements	13 773	15 449
Trade obligations	95 697	98 461
Payables to related parties	54 003	61 517
Total carrying amount	6 891 840	6 710 552

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

16. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2021 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2020 was 10%).

17. 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:

	30.06.2021	30.06.2020
Profit attributable to the shareholders (BGN)	12 880 000	22 520 000
Weighted average number of outstanding shares	226 619 733	226 909 733
Basic earnings per share (BGN per share)	0.06	0.10

18. Related party transactions

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

18.1. Transaction with owners

Sale of goods and services, interest income and other income	30.06.2021	30.06.2020
	BGN'000	BGN'000
- <i>sale of services</i>	4	244
- <i>interest income</i>	73	2
- <i>others</i>		-
Purchase of goods and services, interest expense and other expense		
- <i>purchase of services</i>	(15)	(8)
- <i>other expense</i>		-
- <i>interest expense</i>		-

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

Sale of goods and services, interest income and other income	30.06.2021	30.06.2020
	BGN'000	BGN'000
<i>sale of finished goods</i>		
- associates enterprises	336	111
- other related parties outside the group	146	378

Sale of goods and services, interest income and other income	30.06.2021	30.06.2020
	BGN'000	BGN'000
<i>sale of goods</i>		
- associates enterprises	133	8
- other related parties outside the group	176	216
<i>sale of services</i>		
- associates enterprises	6 134	5 074
- other related parties outside the group	1 424	348
<i>interest income</i>		
- associates enterprises		-
- joint ventures	108	132
- other related parties outside the group	351	215
<i>other income</i>		
- associates enterprises		-
- joint ventures		-
- other related parties outside the group	116	-
Purchase of services and interest expense	30.06.2021	30.06.2020
	BGN'000	BGN'000
<i>purchase of services</i>		
- enterprises accounted using the equity method	(4 344)	(4 995)
- other related parties	(632)	(725)
<i>interest expense and other expenses</i>		
- enterprises accounted using the equity method	(27)	-
- other related parties joint ventures	(33)	(38)

18.3. 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:

	30.06.2021	30.06.2020
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(84)	(1 195)
Social security costs	(8)	(8)
Total:	(92)	(1 203)

19. Related party balances

	30.06.2021	31.12.2020
	BGN'000	BGN'000
Non-current receivables from:		
-owners	-	-
-associated enterprises	3 136	3 450
-joint- ventures	-	-
- other related parties	49 691	49 296
Total	52 827	52 746

	30.06.2021	31.12.2020
Current receivables from:		
-owners	22 051	21 820
- associates enterprises	965	961
-joint- ventures	6 091	1 264
- other related parties	87 674	95 677
Total	116 781	119 722

	30.06.2021	31.12.2020
	BGN'000	BGN'000
Non-current payables to:		
-owners	-	12
-associates enterprises	7 372	5 010
-joint- ventures	626	236
- other related parties	11 167	11 771
Total	19 165	17 029

	30.06.2021	31.12.2020
	BGN'000	BGN'000
Current payables to:		
-owners	9 352	22 153
- associates enterprises	4 358	6 099
-joint- ventures	80	295
- other related parties	21 048	15 941
Total	34 838	44 488

20. Post - reporting date events

From March 30, 2021 until August 30, 2021 there are no significant events that have occurred that are important for the development of the Group of Chimimport AD

21. Autorization of the interim condensed financial statements

The interim condensed consolidated financial statements as of 30 June 2021 (including comparatives) were approved for issue by the Managing board on 30 August 2021.