

ANNUAL REPORT ON PAYMENTS TO GOVERNMENTS

The Group of Chimimport AD through its subsidiary Exploration and Production of Oil and Gas AD carries out activities in the mining industry and according to the Accountancy Act has the obligation to prepare and publish a report on payments to governments along with its activity report.

The main activity of Exploration and Production of Oil and Gas AD is based on concession rights granted by the state under 13 concession agreements.

According to the contracts, Exploration and Production of Oil and Gas AD is obliged to make concession payments (concession remunerations) every six months on the basis of realized quantities of crude oil and natural gas, the payment being due until the end of the month following the respective semester.

In 2020, the company has paid concession remuneration to the Ministry of Energy as follows:

- ✓ for the second half of 2019 - BGN 917 076;
- ✓ for the first semester of 2020 - BGN 673 695;

These amounts are inclusive of value added tax and represent the payments made by Exploration and Production of Oil and Gas AD in 2020, which differ from the accrued amounts for the concessionary expense.

In 2020, Exploration and Production of Oil and Gas AD has paid corporate income tax at the amount of BGN 137 and taxes on expenses at the amount of BGN 2 467 under the annual tax return under Article 92 of the CITA for 2019 and advance payment for income tax at the amount of BGN 10 000 for 2021.

**MANAGING BOARD
OF CHIMIMPORT AD
SOFIA
29 April 2021**