

Interim Condensed Financial Statements

Chimimport AD

31 December 2021




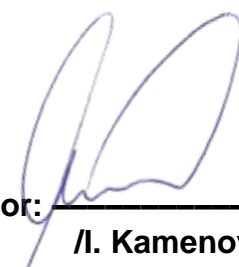
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Interim condensed statement of financial position

	Notes	31.12.2021 BGN'000	31.12.2020 BGN'000
Assets			
Non – current assets			
Property, plant and equipment	8	2 591	2 941
Investment property	9	35 831	35 831
Investment in subsidiaries	10	789 057	789 057
Long – term financial assets	11	139 613	127 021
Long – term related party receivables	18	134 060	106 879
		1 101 152	1 061 729
Current assets			
Short – term financial assets	12	223 184	224 027
Trade and other receivables		51 855	49 850
Short – term related party receivables	18	90 970	113 104
Prepayments and other assets		189	120
Cash and cash equivalents		69 422	70 472
		435 620	457 573
Total assets		1 520 007	1 519 302

Prepared by: 
/A.Kerezov/

Executive Director: 
/I. Kamenov/

Date: 30 January 2022



Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	31.12.2021	31.12.2020
		BGN'000	BGN'000
Equity			
Share capital	12	239 646	239 646
Share premium		260 615	260 615
Remeasurement of defined benefit liability		67	67
Other reserves		59 824	59 824
Retained earnings		702 280	681 473
Net profit for the period		21 294	20 807
Total equity		1 283 726	1 262 432
Liabilities			
Non – current liabilities			
Long – term bank and other loans	14	30 964	41 791
Long – term related party payables	18	21 833	21 321
Pension and other employee obligations		42	42
Provisions		1 547	1 547
Deferred tax liabilities		16 282	13 916
Non – current liabilities		70 668	78 617
Current liabilities			
Short – term bank and other loans	14	467	7 801
Trade and other payables		3 402	4 232
Short – term related party payables	18	174 168	166 117
Pension and other party payables		101	103
Current liabilities		178 138	178 253
Total liabilities		248 806	256 870
Total equity and liabilities		1 532 532	1 519 302

Prepared by: 
/A.Kerezov/

Executive Director: 
/I. Kamenov/

Date: 30 January 2022



Interim condensed statement of comprehensive income

Notes	For twelve months 31.12.2021 BGN'000	For three months 31.12.2021 BGN'000	For twelve months 31.12.2020 BGN'000	For three months 31.12.2020 BGN'000
Gains from transactions with financial instruments	28 657	13 732	20 902	(5 999)
Losses from transactions with financial instruments	(5 838)	(5 838)	(9 170)	(2 623)
Net profit from transactions with financial instruments	22 819	7 894	11 732	(8 622)
Interest income	5 164	930	6 104	2 964
Interest expense	(3 744)	(945)	(4 524)	(2 526)
Net profit from interest	1 420	(15)	1 580	438
Gains from foreign exchange differences	17	4	8	-
Losses from foreign exchange differences	(7)	(1)	(20)	(7)
Net loss from foreign exchange differences	10	3	(12)	(7)
Other financial expenses	(56)	(7)	(97)	(8)
Dividend income	-	-	11 500	11 500
Operating revenue	3 295	(2 207)	1 669	556
Operating expenses	(3 828)	(1 370)	(4 532)	(919)
Result from operating activities	(533)	(3 577)	(2 863)	(363)
Profit for the period before tax	23 660	(4 298)	21 840	2 938
Tax expense	15			
Net profit for the period	(2 366)	(834)	(1 033)	23
Total comprehensive income	21 294	3 464	20 807	2 961
Earnings per share in BGN	16	0.09	0.02	0.08
			0.08	0.04

Prepared by: _____

/A. Kerezov/

Executive Director: _____

/I. Kamenov/

Date: 30 January 2022



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 2021	239 646	260 615	67	59 824	702 280	1 262 432
Net profit for the period, ending at 31 December 2021	-	-	-	-	21 294	21 294
Total comprehensive income	-	-	-	-	21 294	21 294
Balance at 30 June 2021	239 646	260 615	67	59 824	723 574	1 283 726

Prepared by: _____

/A.Kerezov/

Date: 30 January 2022

Executive Director: _____


/I. Kamenov/



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 2020	239 646	260 615	60	59 824	681 466	1 241 611
Profit for the year ending 31 December 2020	-	-	-	-	20 807	20 807
Other comprehensive income	-	-	7	-	-	7
Total comprehensive income	-	-	7	-	20 807	20 814
Other changes	-	-	-	-	7	7
Balance at 31 December 2020	239 646	260 615	67	59 824	702 280	1 262 432

Prepared by: 
/A. Kerezov/
Date: 30 January 2022

Executive Director: 
/I. Kamenov/



Interim condensed statement of cash flows

	31.12.2021 BGN '000	31.12.2020 BGN '000
Operating activities		
Proceeds from short-term loans	67 511	29 879
Payments for short-term loans	(56 910)	(10 723)
Proceeds/(payments) from operations with short-term financial assets, net	(587)	(89)
Receipts from customers	2 017	2 255
Payments to suppliers	(2 614)	(1 696)
Interest received	6 144	3 679
Interest paid	(517)	(1 545)
Cash paid to employees and social security institutions	(857)	(2 330)
Paid corporate tax	-	(4)
Taxes paid	(145)	(553)
Dividend paid	-	2 000
Other proceeds, net	3 428	4 041
Net cash flow from operating activities	17 470	24 914
Investing activities		
Acquisition of long – term financial assets	-	(7 241)
Payments for long – term loans	-	(9 252)
Net cash flow from investing activities	-	(16 493)
Financing activities		
Payments for long-term and bank loans received	(16 870)	(7 334)
Interest paid	(985)	(1 076)
Net cash flow from financing activities	(17 855)	(8 410)
Net change in cash and cash equivalents	(385)	11
Cash and cash equivalents, beginning of period	70 472	70 469
Exchange gains on cash and cash equivalents	10	(7)
Effect from expected credit losses	-	(1)
Cash and cash equivalents, end of period	70 097	70 472

Prepared by: _____

/A.Kerezov/

Executive Director: _____

/I. Kamenov/

Date: 30 January 2021



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
Miroljub 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 December 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 financial statements, and should be read in conjunction with the annual 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).

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 2020.

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, 2020, 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 2021

The Company has considered the following new standards, amendments and considerations to IFRS, developed and published by the International Accounting Standards Board, which are required to apply from the annual period beginning on January 1, 2021, but has no effect of application on the financial result and financial condition of the Company:

- IFRS 17 “Insurance Contracts” effective from 1 January 2021, not yet 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 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

7. Significant events and transactions

During the reporting period for the activity of the Company the influence of the spread of a new coronavirus (Covid-19) continues to be felt.

In Bulgaria, the effects of this virus began to manifest themselves from the beginning of March 2020, and on March 13, 2020 the National Assembly decided to declare a state of emergency for a period of one month. On March 24, 2020, the Parliament adopted the Law on Measures and Actions during the State of Emergency, announced by a decision of the National Assembly of March 13, 2020, and on overcoming the consequences (Title, SG No. 44 of 2020, effective 14.05.2020)”. Subsequently, the state of emergency was extended for another month and remained in force until 13 May 2020.

After that date, on 13 May 2020, the Council of Ministers declared an emergency epidemic situation, as of 14 May 2020, which was extended periodically before its expiration. As of the date of preparation of these financial statements, the term of the emergency epidemic situation is extended by the Government until April 30, 2021.

As the company operates through its investments in various sectors of the economy, supply chain disruptions, disruptions in transport flows and quarantine measures have a direct impact on some sectors such as air transport, the impact of the pandemic is reflected in the effect on investment and the volatility in the prices of the financial instruments that the Company owns.

During the fourth quarter of 2021, as well as at the date of preparation of these financial statements, travel restrictions, quarantine measures and other adverse conditions are in force. Businesses need to deal with challenges related to reduced revenues and disrupted supply chains. With the development of the second and third waves of the pandemic and the slow process of vaccination and extension of measures in the EU countries (including Bulgaria) in the fourth quarter of 2021, there are objective obstacles to the activities of companies in individual economic sectors and a large dose uncertainty about when revenues and normal operations will be restored.

Throughout 2020, as well as within the fourth quarter of 2021, there was a high degree of uncertainty in assessing the impact of the coronavirus pandemic on the macroeconomic development of individual economies. Estimates ranged from catastrophic declines to near-forecast levels. Individual countries, depending on their approaches to dealing with the pandemic and the introduced closures ("lockdowns"), registered different elasticity of change of the individual macroeconomic indicators compared to the baseline forecasts made since the beginning of the year. Also of great importance were the support measures introduced in the various countries, which sought to largely support the income of employees in closed companies and to prevent rising unemployment and a collapse in consumption. To the extent that these measures varied in intensity, volume and success from country to country, the effect was different in terms of macroeconomic parameters.

In this situation, various governments, including the Bulgarian one, have announced measures to provide both direct financial and non-financial assistance to the affected sectors and business organizations. In a similar way, the various regulators - ECB, EBA, BNB - supported and stimulated the economy and the economic entities.

In connection with the continuing global pandemic of Covid-19, with a Decision of the Council of Ministers № 72 of 26.01.2021, the term of the emergency epidemic situation in Bulgaria was extended until March 31, 2022.

In view of the actions taken by various governments, incl. Bulgarian, dynamic measures to restrict some businesses and the resulting changes that directly affect the development of economic sectors of the Republic of Bulgaria, EU countries and other trading partners of companies in the country, the Company's Management is not able to assess the ongoing impact of the Covid-19 pandemic on the future financial condition and results of the Company's operations, including the Company's investments in the air transport sector but considers that the impact could lead to volatility of market and price risk associated with the financial and other assets of the Company and may have a negative effect on the results of the Company's activities

and its investments. Management's expectations are that the negative effects will subside after the restrictions on the movement of people, vehicles and goods are lifted, and economic activity is expected to be positively affected by the announced support measures and the allocated additional state and European funds, leading to additional public guarantees, receivables portfolios, additional interest-free financing of economic operators and direct aids for the affected companies and individuals. As these measures are supplemented and expanded on a daily basis, the Management of the Company is not able to assess the final effect on the economic activity, which also depends on the currently unknown duration of the introduced quarantine restrictions.

The impact of the coronavirus pandemic on the financial condition and results of the Company's activities in the fourth quarter of 2021 is unfavorable, given the continuing pandemic situation and the affected aviation business;

- Increase in the net profit for the quarter in the amount of BGN 3 464 thousand and increase compared to the comparative period by BGN 487 thousand

Overall, the impact had a negative effect on the Company's operations, however, the Group continues to assist in expanding its operations and supporting the businesses in which it participates. The measures taken by the Company and the Group as a whole are focused on the restructuring of loans and receivables.

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

As of the date of the report, the Company has not taken advantage of the measures provided by the state to overcome the consequences of COVID -19.



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:

	Buildings	Machines and equipment	Vehicles	Other	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount					
Balance at 1 January 2021	26	249	113	3 774	4 162
Balance at 31 December 2021	26	249	113	3 774	4 162
Depreciation					
Balance at 1 January 2021	(24)	(249)	(113)	(835)	(1 221)
Depreciation	-	-	-	(350)	(350)
Balance at 31 December 2021	(24)	(249)	(113)	(1 185)	(1 571)
Carrying amount as at 31 December 2021	2	-	-	2 589	2 591

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The carrying amount as at 31 December 2020 can be analyzed as follows:

	Buildings	Machines and equipment	Vehicles	Other	Total
	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	-	-	-	2	2
Balance at 31 December 2020	26	249	113	3 774	4 162
Depreciation					
Balance at 1 January 2020	(24)	(242)	(113)	(486)	(865)
Depreciation	-	(7)	-	(349)	(356)
Balance at 31 December 2020	(24)	(249)	(113)	(835)	(1 221)
Carrying amount at 31 December 2020	2	-	-	2 939	2 941

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 2020	35 831
Carrying amount at 31 December 2020	35 831
Carrying amount at 31 December 2021	35 831



10. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country	Main activities	31.12.2021 BGN '000	share %	31.12.2020 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	32 152	8.24%	32 152	8.24%
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	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		789 057	

11. Non-current financial assets

	31.12.2021	31.12.2020
	BGN'000	BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	101 481	93 390
	101 481	93 390
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	14 074	14 073
	14 074	14 073
Financial assets at fair value through profit or loss		
Unquoted instruments	24 058	19 558
	24 058	19 558
	139 613	127 021

12. Current financial assets

	31.12.2021	31.12.2020
	BGN'000	BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	11 490	17 230
	11 490	17 230
Financial assets at fair value through profit or loss		
Unquoted instruments	211 788	206 788
	211 788	206 788
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	9	9
	9	9
	223 287	224 027

13. Share capital

The share capital of the Company as at 31 December 2021 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 31.12.2021 BGN'000	Number of Shares as at 31.12.2020 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 31.12.2021 Number of shares	As at 31.12.2021 %	As at 31.12.2020 Number of shares	As at 31.12.2020 %
Invest Capital AD	173 487 247	72.39 %	173 487 247	72.39 %
Other legal entities	49 076 777	20.47 %	49 792 119	20.78 %
Other private individuals	17 082 243	7.14 %	16 366 901	6.83 %
	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	
	31.12.2021 BGN'000	31.12.2020 BGN'000	31.12.2021 BGN'000	31.12.2020 BGN'000
Bank loans	467	7 801	10 775	20 843
Other borrowings	-	-	20 189	20 948
Total carrying amount	467	7 801	30 964	41 791

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 2020 of 10 % applied to the financial result for the period ended as at 31 December 2021.

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 31.12.2021	As at 31.12.2020
Profit attributable to the shareholders (BGN)	21 294 000	20 807 000
Weighted average number of outstanding shares	239 646 267	239 646 267
Basic earnings per share (BGN per share)	0.09	0.07

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

	31.12.2021 BGN'000	31.12.2020 BGN'000
Purchases		
<i>purchase of services, goods and interest income</i>		
<i>-owners</i>	(322)	(433)

17.2. Transactions with subsidiaries and associates

	31.12.2021 BGN'000	31.12.2020 BGN'000
Sales		
<i>sale of services, rental income and interest income</i>		
<i>- subsidiaries</i>	4 430	4 876
<i>- other</i>	626	-
Purchases		
<i>purchase of services, goods and interest income</i>		
<i>- subsidiaries</i>	(3 092)	(2 824)
<i>- others</i>	(4)	(21)

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 December 2021 BGN'000	31 December 2020 BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(492)	(1 779)
Social security costs	(16)	(24)
Total short-term employee benefits	(508)	(1 803)

18. Related party balances

	31.12.2021 BGN'000	31.12.2020 BGN'000
Non-current receivables from:		
- subsidiaries	88 073	59 120
- other related parties	53 181	53 181
Expected credit losses and impairment losses	(7 194)	(5 422)
Total	134 060	106 879

	31.12.2021 BGN'000	31.12.2020 BGN'000
Current receivables from:		
- owners	15 583	20 083
- subsidiaries	39 477	71 184
- other related parties	63 795	64 333
Expected credit losses and impairment losses	(28 422)	(42 496)
Total	90 433	113 104

	31.12.2021 BGN'000	31.12.2020 BGN'000
Non-current payables to:		
- subsidiaries	21 833	21 321
Total	21 833	21 321

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	31.12.2021	31.12.2020
	BGN'000	BGN'000
Current payables to:		
- owners	20 804	17 970
- subsidiaries	146 298	140 885
- other related parties	7 066	7 262
Total	174 168	166 117

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 December 2021 (including comparatives) were approved for issue by the managing board on 30 January 2022.