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Dear Ladies and Gentlemen,

More than 70 years Chimimport Plc is one of the most successful Bulgarian companies. It started as a foreign trade enterprise specialized primarily in the trade with chemical products, today Chimimport Plc is distinguished as a major holding company, that consolidates near 70 successful in their scope of growth rate of the company. These companies are capturing leading and reputable positions amongst all their competitors in the respective sectors of the Bulgarian economy that they are specialized in: banking, insurance and pension insurance; aviation, river and sea transportation; exploration, extraction, processing and trading with petroleum and petroleum products and natural gas; origination, processing and trading with grain and oilseeds, production and trade with vegetable oils and biofuels. Each one of the over 6 700 employees of Chimimport Group contributes for the successful integration of the Bulgarian business standards with the strong and fundamental European ones. The last years proved to be successful for the affirmation of the company as one of the leading listed companies on the Bulgarian Stock Exchange - Sofia JSC, and our perception is that this position clearly reflects our proper investment planning and professional devotion and efforts of company's management.

As a public company, Chimimport strives to maintain a very high standard of corporate governance within both the parent company and its subsidiaries, including via guaranteeing equal treatment and protection of the rights of all shareholders. The common practice is the transparent and fair disclosure of information needed by current shareholders, stakeholders and potential investors

Our key goals and objectives for the upcoming years remain persistent – increase the growth rate of the company; strengthen the positions of the subsidiaries falling under company's investment portfolio as market leaders not only on the domestic but also on the international markets; continuously improve the efficiency of the manufacturing companies through investment in new technologies and products; continuously improve and strengthen the image of Chimimport and its assets.

From the Management Board of Chimimport Plc

Chimimport today

Chimimport is a company, founded back in 1947 and now possessing 70 years old history and traditions.

Share capital	EUR 122 529 thousand
Equity (consolidated)	EUR 690 633 thousand
Assets (consolidated)	EUR 4 652 280 thousand
Net profit (consolidated)	EUR 35 948 thousand
Executive directors	Ivo Kamenov Marin Mitev
Major Shareholder	The Management of the company, which is represented by Invest Capital Plc – possessing 72,96%

Distinctive minority shareholders of Chimimport are various, highly respected international companies and institutions such as:

Uncredit Bank Austria – Austria
Eurobank Ergasias - Greece
The Bank of New York Mellon – USA
Eaton Vance Emerging Markets Funds – USA
Raiffeisen Bank International – Austria
BNP Paribas Securities Services S.C.A. – France
Euroins Romania Asigurare – Reasigurare -
Horizon Growth Fund N.V.

Over 250 legal entities and over 3500 private individuals.

HISTORY



Main office of Chimimport PLC, Sofia, from 1947 year

History

THE BEGINNING

BASED ON A REPORT OF THE MINISTER OF COMMERCE AND VICTUALS ISSUED ON MARCH 24TH, 1947, AT ITS MEETING HELD ON APRIL 4TH, 1947, THE COUNCIL OF MINISTERS ESTABLISHES (WITH RESOLUTION NO.7 – PROTOCOL NO.50) A STATE-OWNED COMMERCIAL ENTERPRISE, NAMED CHIMIMPORT WITH PRIME OBJECTIVE – THE IMPORT OF CHEMICAL PRODUCTS.

The evolution

- 1947** – Import of basic chemicals, artificial fertilizers, solutions for plant protection;
- 1949** – Begins the import of medicaments, medical specialties and instruments;
- 1950** – The exporting activities of the company begin – herbs, essential oils and raw materials from cultivated plants;
- 1959** – SCE Chimimport merges with SCE Bulgarian Rose. The export of rose oil begins;
- 1963** – The first re-export deal in company's history takes place – selling calculated soda from Belgium to Japan;
- 1969** – Chimimport has in its nomenclature structure approved 70 export positions and 41 import stock groups;
- 1977** – ECE Chimimport is established as a result of the merger between SCE Chimimport, ECE Neftochim and ECE Lesoimpex. Company's prime field of expertise and scope of business is import, export and re-export of chemicals, chemical raw materials, natural gas, petroleum, petroleum chemical products, cellulose and paper;
- 1981** – The export product list consists of over 125 different positions;
- 1985** – The company reaches its highest ever turnover in history - \$ 8.5 billion;
- 1989** – On July 21st a Constitutive Memorandum was signed, and on October 19th, a legitimate General Meeting was held for all Chimimport JSC's shareholders;
- 1990** – On the grounds of Order No.56, Resolution No.1 dated January 24th, 1990, company case No2655/1989 a joint-stock company named Chimimport was established with equity of EUR 5.11 million;
- 1992** – On September 22nd the Shareholders' General Meeting votes in favor of increasing the capital

of Chimimport to EUR 26.14 million through a non-cash contribution by the state of Bulgaria;

- 1993** – The state of Bulgaria transfers the shareholding of over 40 commercial and manufacturing enterprises in the possession of newly established company called Consolid Commerce. Company's capital is increased to EUR 26.42 million;
- 1994** – On October 5th the Privatization Agency signs a contract with the company's management team at the time united under Chimimport Invest JSC for the sale of 58.7% of the capital of Chimimport;
- 1995** – After finalizing the deal of selling preferred shares, the shareholders' capital of the company is apportioned as following: Chimimport – 63.01%; private individuals – 15.70%; Consolid Commerce Ltd – 20.05%; other legal entities – 1.26%;
- 1997** – Chimimport is re-registered under Art. 277 of the Commerce Law as a holding company; Chimimport is re-registered under Art. 277 of the Commerce Law as a holding company;
- 2000** – The first stage from the restructuring process of Chimimport is finalized – establishing subsidiaries based on the former commercial departments;
- 2001** – Chimimport Plc acquires 23% of the share capital of Central Cooperative Bank Plc through the Bulgarian Stock Exchange and consequently establishes a management consortium together with one of the main shareholders – the Central Cooperative Union;
- 2002** – By tender procedure Chimimport Plc acquired an additional 32.77% of the share capital of Central Cooperative Bank Plc. The portion represents the shares of the state owned Bank Consolidation Company JSC; Through the Privatization Deals Agency the company acquired 91.92% from the share

capital of Armeec Insurance JSC; Obtained the majority share capital of pension fund CCB-Sila PIJSC from the Czech financial group Newton; Through CCB, the group of Chimimport Plc takes over the companies of three banks that have been declared in insolvency: Dobrudzha Commercial Bank JSC, Credit Bank JSC and Bank for Agricultural Credit JSC;

- 2003** – Balkan Hemus Group JSC (currently Bulgarian Airways Group JSC) was established with the purpose of unifying the future participation of the group in the airline industry; Successful participation with positive outcome in the privatization process of Hemus Air JSC and Oil and Gas Exploration and Production JSC;
- 2004** – Chimimport Plc establishes a sub-holding company called CCB Group Assets Management JSC (currently CCB Group JSC) with main purpose to consolidate the group's assets and interests in the banking, insurance and pension insurance sectors. Furthermore it acquired the shares of Central Cooperative Union in Central Cooperative Bank: 23.45% of the Bank's share capital.
- 2005** – The company establishes two sub-holding structures – Bulgarian Shipping Company JSC for river and marine transport and Chimimport Group JSC for commercial and production activities; Chimimport's share capital increases to EUR 30.68 million; Chimimport acquired 49.28% of the third in terms of assets and market share pension insurance company in Bulgaria – Pension Insurance Company Saglasie JSC. Nearly 50% of the shares have been sold in 2013 with realization of significant income return; Chimimport Group acquired through Central Cooperative Bank, the filed for insolvency Capital Bank and Crystal Bank.
- 2006** – Chimimport's share capital increases by EUR 30.13 million, amounting to EUR 60.8 million; Chimimport Plc acquired 99.13% of the share capital of Bulgarian River Shipping (70% of which by privatization procedure); Consequently the company successfully merged Chimimport Bimas and its subsidiaries VTC JSC and Mayak JSC into Bulgarian River Shipping; Chimimport's subsidiary Lesport successfully closes a thirty-year contract for concession of Lesport port terminal, which is part of the port for public transport with

national importance for Varna city; Through Port Balchik JSC, Chimimport Group has obtained a 25-year concession over port terminal Balchik – a distinguished territorial zone of Varna port for public transportation with national importance; Chimimport performs an increase of capital from EUR 60.8 million to EUR 66.5 million by Initial Public Offering of 11.08 million shares with nominal value of EUR 0.51 and issue price of EUR 2.05. As a result and on the grounds of Art.110, paragraph 2 of the Public Offering of Securities Act, Chimimport Plc officially becomes a Public Listed Company. The company shares are registered for trade on the official market, segment B, of the Bulgarian Stock Exchange - Sofia JSC on October 30th, 2006. Chimimport Group has successfully performed licensing procedures on two joint-stock special purpose investment companies (CCB Real Estate Fund SPIC and Capital Management SPIC, with scope of business in securitization of real estates and securitization of receivables, respectively.

2007 – The Financial Supervision Commission issues a license to the CCB Assets Management Ltd – an assets management company; Chimimport Plc acquired 51.81% of the share capital of Ship Machine Building JSC, Varna; On the grounds of a resolution, issued by the Board of Directors of Bulgarian Stock Exchange - Sofia JSC, Chimimport Plc is included in the main market index SOFIX and as of February 26th, 2007 the company is included in the market index BG 40. Central Cooperative Bank Plc acquired the insolvent enterprise International Bank for Commerce and Development; Chimimport won the tender procedure for privatization of the national air carrier Bulgaria Air JSC, acquiring 99.99% of its share capital. The Bulgarian state keeps one golden share; The major shareholder of Chimimport Plc – Chimimport Invest acquired 84.60% of the share capital of pension insurance Company Lukoil Garant - Bulgaria JSC with the purpose for later integration of the company into Chimimport's structure. The Management Board of Chimimport Plc, issues a resolution to increase the company's capital from EUR 66.47 million to EUR 76.69 million. The capital increase, executed according to the conditions set forth in the law

on Public Offering of Securities, is successfully accomplished. New 19 999 984 shares with nominal value of EUR 0.51 and issue value of EUR 5.62 were registered and paid. Based on the closure procedure for increase of capital the company has raised EUR 112.48 million. Bulgarian Airways Group JSC concluded an agreement concerning the establishment of a joint-venture with Lufthansa Technik AG. The company is functioning as a Limited Liability Company with main scope of business maintenance, repair and painting of aircraft fleets.

On November 26th, 2007 the project aiming to consolidate the grain business of Chimimport Plc was successfully finalized. By merging 8 companies: Slanchevi Lachi Bulgaria JSC, Sofia (a public company in the sense of the law for Public Offering of Securities), Zarneni Hrani Trade JSC, Sofia, Back International JSC, Sofia, Zarneni Hrani – Valchi Dol JSC, Zarneni Hrani Balchik Ltd, Zora JSC Ruse, Prima Agrochim Ltd, Dobrich and Chimimport Agrochemicals Ltd, Sofia a new company called Zarneni Hrani Bulgaria Plc was established, acting as their legal successor in title. The issue of shares, issued by Zarneni Hrani Bulgaria, was registered for trading on the Bulgarian Stock Exchange - Sofia JSC in December, amounting to over EUR 87.32 million distributed in 170 785 600 shares with nominal value of EUR 0.51 each.

The life insurance company CCB Life Ltd and health insurance company CCB Health Ltd (later sold in 2013) were established and licensed by the Financial Supervision Commission.

2008 – During the first quarter of 2008, Central Cooperative Bank Plc concluded the procedure for acquisition of the majority block of shares of the Macedonian bank Sileks Bank JSC – later renamed to CCB Skopje JSC. After obtaining an authorization from the Commission for Protection of Competition, Chimimport acquired 100% of the share capital of BM Star – a company owning 40% of the share capital of the concessionaire of Varna and Bourgas civil airports – Fraport Twin Star Airport Management JSC. Chimimport successfully placed an issue of secured convertible bonds with value of EUR 65 million with a 7-year term to maturity, convertible for issued regular shares of

Chimimport Plc, traded on the Bulgarian Stock Exchange - Sofia. The bonds are issued by Chimimport Holland B.V., solely owned by Chimimport Plc, established and registered in Holland. The net revenues from the emission were granted as a loan from Chimimport Holland to Chimimport Plc, as the latter used them for financing its expansion through realization of strategic mergers and acquisitions and for general corporative goals. The group of Chimimport, through its subsidiary – Bulgarian Aviation Group JSC, started a large-scale joint project with the Republic of Tatarstan for reconstruction and expansion of the Kazan Airport; Bulgaria Air JSC concluded a contractual deal with the national air carrier of the Republic of Tatarstan for lending part of its fleet on operative lease to Tatarstan Airlines;

2009 – Bulgarian Aviation Group JSC completed the procedure for acquisition of sole participation in the capital of Air Ban airline carrier; Zarneni Hrani Bulgaria Plc acquired 100% of the capital of Goliama Dobrudzhanska Melnitsa Ltd – the third largest mill in Bulgaria; The major shareholder of Chimimport Plc – Chimimport Invest JSC has acquired, via trade offers, the majority share holdings of Assenova Krepost Plc and Holding Assenova Krepost Plc. The capital increase procedure of Chimimport Plc from EUR 76.69 million to EUR 122.71 million was successfully completed by issuing new 89 646 283 preferred dematerialized, non-voting shares with 9% fixed dividend, guaranteed equity share, convertible into ordinary shares with nominal value EUR 0.51 each and issue price of EUR 1.14. As a result of the increase EUR 101.75 million additional funds have been raised; The national air carrier, Bulgaria Air JSC, acquires 45% of the local market leader in the reservation services – Amadeus Bulgaria OOD (part of Amadeus IT Group).

2010 – The merger process of pension insurance company Lukoil Garant-Bulgaria JSC into CCB-Sila PIJSC has been successfully completed. All pension funds managed by Lukoil Garant-Bulgaria JSC have been transferred into the respective funds managed by CCB Sila PIJSC. Following a tender offer to the shareholders of Macedonian Stater Bank, Central Cooperative Bank Plc has acquired 93.72% of the share

capital of the Macedonian bank located in Kumanovo. The subsidiary company Oil and Gas Exploration and Production JSC acquired 100% of the share capital of Chimoil BG Ltd and subsequently started the construction and development of a gas-station chain branded as Chimoil.

The parental company, Chimimport Invest, acquired 85% of the M Kar Ltd share capital, which is the authorized agent of BMW Company for Plovdiv, Stara Zagora and Haskovo.

Chimimport Invest acquired approximately 10% of the share capital of Texim JSC.

2011 – On January 3rd the process of consolidation of the Macedonian commercial banks owned by the group was officially finalized through the merger of Stater Bank JSC Kumanovo and Central Cooperative Bank JSC Skopje; Companies belonging to Chimimport Group obtain associated participation in the business-oriented television channel Bulgaria On Air (TV Bulgaria On Air); On March 15th, 2011 Bulgarian River Shipping Plc and Navigation Maritime Bulgare JSC establish a joint company called Varnaferry Ltd with scope of business ferryboat shipment along the direct railway-ferry route “Varna - Caucasus”; Procedures for capital increase of Assenova Krepost Plc and Holding Assenova Krepost JSC were planned and executed successfully – through public offering of new shares. The authorized capital of the two companies increased considerably as the accumulated funds amount to EUR 5.11 million and EUR 6.41 million respectively; Bulgarian Airways Group finalized the establishment of two international projects in the Russian Federation; Constitutive documents are officially signed for the establishment of the joint companies ZAO TAT AVIA, liable for the implementation of a large-scale project for reconstruction and development of Kazan International Airport, as well as for establishment of ZAO TAT AERO – a managing company involved with the development of OAO – Airlines Tatarstan; Bulgarian Airways Group JSC increased with 4.9% its voting right and direct participation in the equity of the associated company Lufthansa Technik Sofia Ltd – to the total of 24.9%; Companies belonging to the Group –

Chimsnab JSC, David 202 JSC, Myth 2003 SPLLC and Sofgeoexploration SPLLC are involved in the process of transformation through merger in to the equity of the receiving company – Chimsnab Bulgaria JSC. Subsequently the Group sold a large portion of its participation in the newly-established company; The Group participates with EUR 22.82 million in the capital increase of Central Cooperative Bank Plc; After obtaining the necessary approval by the Commodity Exchange Commission, the Group acquired 75% of the share capital of Plovdiv Commodity Exchange JSC; On December 2011 Fraport Twin Star Airport Management JSC started the construction and realization to the turnkey of new international passenger terminals at Varna Airport and Bourgas Airport. Besides this undertaking which is officially completed by 2013, Fraport Twin Star Airport Management JSC started the implementation of several major infrastructural projects at Bourgas Airport – a new building for administration headquarters, a new cargo terminal and a fire station.

2012 – On January 10th the Group transferred portion of its interests’ equivalent to 10% from the capital of VTS JSC, and by doing so decreased its participation in the company’s equity to 41%; On February 29th Airport Services SPLLC (owning 40% of the capital of Fraport Twin Star Airport Management JSC) was merged into the sole owner of the company Molet SPJSC, as the name of the latter has been changed to Airport Services – Bulgaria SPJSC; On March 4th took place the inauguration and the official opening ceremony of the fully renovated runway at Varna airport. The capital expenditure that was required and practically provided for the planning and execution of the project for rehabilitation, executed by Fraport Twin Star Airport Management JSC, amounts to nearly EUR 20 million; The subsidiaries of the Group – Fertilizers Trade Ltd, Silico 07 Ltd and Chimtrans Ltd were terminated by liquidation. The amount of investments in the above companies is recovered through liquidation proceeds; The Group obtained the control over the company Texim Trading JSC by purchasing shares representing 66.67% of its equity and

the rights aloud. As a result of the capital increase of the company held at the end of 2012, the Group increased its shareholding in Texim Trading JSC to 88.32%;
In October 2012 was finalized a process of transformation by merging Holding Assenova Krepst Plc in Assenova Krepst Plc. The Group acquired control over the new company as it become part of the subholding company within Chimimport's boundaries consolidating participations in Production and Trade sector. On the account of its majority shareholding in Assenova Krepst Plc the Group acquired control of Asela JSC and AK Plastic Ltd companies;

On November 2nd was registered the newly established company – Port Invest Ltd with primary scope of business concessions and implementation of the accompanying investment program of Port Terminal Lom. The Group exercises control over the newly established company through its subsidiary Bulgarian River Shipping Plc;
In 2012, the Group acquired control over Petrohan Trade JSC through the purchase of shares of the company as a result of which held 100% of its equity and the rights aloud. Through the acquisition of a majority stake in Petrohan Trade JSC the Group also ensured control over 82.37% of the share capital and the rights aloud in Besa Tour JSC. The stakes in the above mentioned companies were sold in 2013;

Adhering to the strategy that the company had adopted earlier for disengagement from all nonoperational assets, in December 2012 Bulgaria Air JSC sold 100% of the possessed share capital of its subsidiary Bulgaria Air OOO, Russia;

At the end of 2012, the Group acquired 16 425 981 ordinary shares with voting rights from the capital of TatInvestBank JSC, based in Kazan, Russia, by doing which acquired controlling interest of the bank's capital.

After this acquisition the Group has a holding of 59.47% of the capital of TatInvestBank JSC, of which 55.92% through Central Cooperative Bank Plc;

2013 – Bulgarian Airways Group acquired 42.50% of the capital of Alpha Airport Services – a joint venture for airport catering with Alpha Flight Group, Great Britain and Lufthansa Services Europe/Africa, Germany;

On August 15th was held the official opening of the new passenger terminal at Varna Airport. The new facility can boast with 3 times larger passenger service area than the old one, whereas the overall investment of Fraport Twin Star Airport Management in the terminal and adjoining infrastructure is more than EUR 37.5 million;

The new passenger terminal of Bourgas Airport will be officially opened and commissioned by the end of the third quarter of 2013. The facility itself is fully completed as the only outstanding deliverables of the project that are currently in progress are the final tests of the security systems and the equipment intended for passengers and cargo servicing. In 2013 The Group acquired 49% of the share capital of Swissport Bulgaria. The company has signed agreements for sale of a substantial part of its stake in POK Saglasie.

2014 – Chimimport has acquired control over IC OAO Itil Armeec, with headquarters in Kazan, Republic of Tatarstan through purchase of shares from Armeec Insurance JSC, owner of 100% (recomputed to 96.34%) from the shares and the voting rights of IC OAO Itil Armeec.

The Group has acquired 88.90% from the shares and the voting rights of Technoimpex 98 merged in its subsidiary Technoimpex, with headquarters in Sofia, Bulgaria.

In 2014 The Group acquired an additional contribution of 26.52% in its subsidiary ZAO Investment Cooperative Bank (previous name TatInvest Bank), thus increasing its controlling participation up to 86.27.

In 2014 The Group acquired an additional contribution of 10.72% in its subsidiary Oil and gas exploration and production JSC as a result of the Tender offer to the remaining shareholders of the company, thus increasing its controlling participation up to 66.89%.

2015 – The company Bulgaria Air Maintenance AD was founded on 06 January 2015 by in kind contribution of real estate properties previously owned by Hemus Air and Bulgaria Air. The value of the properties (land and buildings) is EUR 46.192 mln. Bulgaria Air Maintenance AD is specialized in construction and facility management for basic and linear technical service, maintenance and repair of aircraft,

construction of logistic centers and cargo terminals. Currently the target investments of the company is development of two projects located in the Sofia Airport area for future expansion of Lufthansa Technik's maintenance center.

In December 2015 the first phase of „West Wing Extension Project:Lufthansa Technik - Sofia OOD MRO facility with provision of buildings and infrastructure by Bulgaria Air Maintenance EAD“ was launched. The project includes the following Sub-projects: Checkpoint, parking lot and corridor access south of the existing structure; Five-storey business and service building with underground level and a transport corridor along the surrounding area and infrastructure; New Hangar 1 for aircraft maintenance and repair and site networks.

From April 2015, after complete reconstruction in compliance to the latest standards and the requirements of the German manufacturer, “M Car Skopje” became the official dealer of the brands BMW and MINI for Macedonia and Kosovo.

2016 – In 2016 the company Sitnyakovo Project Estate EOOD was set up by the Group. The share capital of the company amounts to EUR 3.33 mln. and represents in kind contribution of real estate with excellent location and an option for construction of high-rise office building. Subject of activity of Sitnyakovo Project Estate is management and rental of real estate; purchase of real estate; construction of buildings; sale of real estate – offices and flats.

The Group acquired additional equity in the amount 1.20% in its subsidiary Parahodstvo Bulgarsko Rečno Plavane AD, thus increasing its controlling interest to 81.91%.

In 2016 M Car Varna reconstructed the BMW showroom in accordance to the high standards and requirements of BMW AG and launched the second showroom of the BMW Motorrad for Bulgaria. In 2016 started the construction of the largest sales and service BMW and MINI Complex. M CAR Sofia is due to open in 2017 and it will span over 11 000 square meters. The Complex strategy of “Invest Capital”, with the aid of its fiduciary company “M Car Group” is to expand, in the future, its activity in the automotive tier as it acquires new dealerships, expands its activity over the

available and to increase the quality of the newly opened service centers. In September 2016, Bulgaria Air Maintenance EAD was launched the built-to-suit project - Logistic center for DHL Express Bulgaria OOD consisting of administrative section and underground car parking. The duration of the construction phase is expected to be 20 months from the date of signing of the contract.

In December 2016 the first phase of the project „West Wing Extension Project: Expanding of Lufthansa Technik - Sofia OOD MRO facility“ was completed. The second phase is planned to start immediately and consist of development of a new hangar with total built-up area of approximately 6 209 sq.m., a 5-storey office building, new workshops and adjacent areas necessary for expanding the maintenance and repair facility of Lufthansa Technik - Sofia OOD. In July 2017 the sole shareholder of Bulgaria Air Maintenance EAD - Bulgarian Airways Group EAD, decided to transfer part of the assets of the Company to a newly established company Rest and Fly EOOD.

2017 – In 2017, the largest dealership of BMW and MINI in Bulgaria, Sofia opened the doors.

2018 – In 2018, the company was authorized for official Rolls-Royce service by Rolls-Royce Motor Cars Ltd.

Supervisory Board

Invest Capital

Chairman of the Supervisory Board

CCB Group JSC

Member of the Supervisory Board

Mariana Bajdarova

Independent Member of the Supervisory Board

Management Board

Tsvetan Botev

Chairman of the Management Board

Alexander Kerezov

Deputy Chairman of the Management Board

Ivo Kamenov

Executive Director and
member of the Management Board

Marin Mitev

Executive Director and
member of the Management Board

Nikola Mishev

Member of the Management Board

Miroljub Ivanov

Member of the Management Board

Chimimport Plc is represented by the
Executive Directors Ivo Kamenov and Marin Mitev
together and individually.

“Chimimport” Plc

For its more than 70 year existence Chimimport Plc has gone from successful foreign trade enterprise, specialized in the trade with chemical products, into a large scale holding company that unites nearly 70 subsidiaries and associated companies operating in various sectors of the Bulgarian economy.

The priority investments of the Group of Chimimport Plc are concentrated in the following sectors:

- » Banking, finance, insurance and pension insurance;
- » Oil and Gas Exploration and Production;
- » Production and trade of petroleum and chemical products;
- » Capacity building in the field of oil refining industry, production of biofuels and rubber;
- » Production of vegetable oils, buying, processing and trade with of grain foods;
- » Aviation transportation and ground-based activities for service and repair of aircrafts and aircraft engines;
- » River and maritime transport and port infrastructure;
- » Securitization of real estate and receivables;
- » Commercial representation and intermediation;
- » Commission, logistics and warehousing operations;

In the last years, due to the ongoing financial - economic and debt crisis on a regional scale, the net result of the Group's operations is amended as follows: EUR 32.96 million for 2014, EUR 29.90 million for 2015, EUR 26.59 million for 2016.

On consolidated basis the equity of Chimimport Plc has increased from EUR 666.52 million at the end of 2014 to EUR 653.48 million at the end of 2015. On December 31st, 2016 the equity of the Group amounts to EUR 686.15 million.

At the present stage the main advantages of Chimimport are as follows:

- » Excellent knowledge of the economic and political conditions and realities in Bulgaria, the needs and specificities of the customers and excellent positions in strategic sectors of the economy of the country;
- » Proven Management team – the Group has a highly motivated team of managers, with a vision for the growth of the company, with excellent skills and experience in the management, acquisition and restructuring of companies in both favorable and adverse market environment;

Significant value of the Group's assets – by December 31st, 2016 Chimimport Group's assets have book value amounting to EUR 4 184.41 million (EUR 4 008.02 million at the end of 2015, EUR 3 704.31 million at the end of 2014). The management of Chimimport AD believes that the acquired assets are the necessary basis for the growth and long-term development of the group, as they represent for the most part strategic advantage - the creation of such assets at the present moment would be virtually impossible or would require huge volume of investment, respectively accompanying equity and / or debt financing.

Main strategy and business model

The main strategy and investment policy of Chimimport Plc are focused to position the Group as a major partner in service of the traditional and regional commercial streams. In particular this approach motivated the Group's entry in sectors such as transport, agriculture, financial operations and real estate.

The financial sector is another area where the Group strives to offer the full range of services to its customers. The financial group within the structure of Chimimport Plc currently includes a universal commercial bank, which has traditionally good positions in agricultural lending, general and life insurance companies, pension insurance company, assets management company (mutual funds), as well as two companies with special investment purposes (for securitization of real estate and receivables).

The business model of the Group is build for the purpose of implementing the above-defined development strategy based on the maintenance and expansion of the Group's leading role in the sectors identified as important for the Bulgarian economy. Some of the more specific objectives defined by the management of Chimimport Plc are:

- » Maintaining high growth rates of the assets and own capital of the Group, which is associated with the provision of a stable long-term investment return to the shareholders;
- » Affirmation of Chimimport Plc as a holding company with a strong presence in the Bulgarian economy and Central and Eastern Europe;
- » Maintaining a leadership position among the Bulgarian public companies and improving the international prominence of the Group.

Transport is an important sector for the Group. Geographically, Bulgaria is located on a crossroad

between Europe, Asia and the Middle East as five of the ten trans-European corridors pass through the country. Chimimport develops air, river and marine transport, as in all three cases is aiming to the full range of activities, not just pure transport (i.e. including the management of airports and ports, repair and maintenance of vehicles, cargoes, servicing agency and others).

Agriculture is another important economic sector for the Group – Chimimport Plc targets to position its business in such a way as that to ensure the fullest benefit of the traditional advantages of the country as a producer of agricultural products and on the other hand to utilize the key geographic location, allowing the Group to play the role of mediator between Europe and traditional countries producing agricultural production like Russia, Ukraine, Kazakhstan and others. Similar to the transport sector, in agriculture, Chimimport Plc aims to encompass the full spectrum of business – in this case, focusing one hand on the buying, trading, logistics, storage of grain and oilseeds where actively seeks and exploits the relations and synergies with other businesses (transportation, finance, etc.).

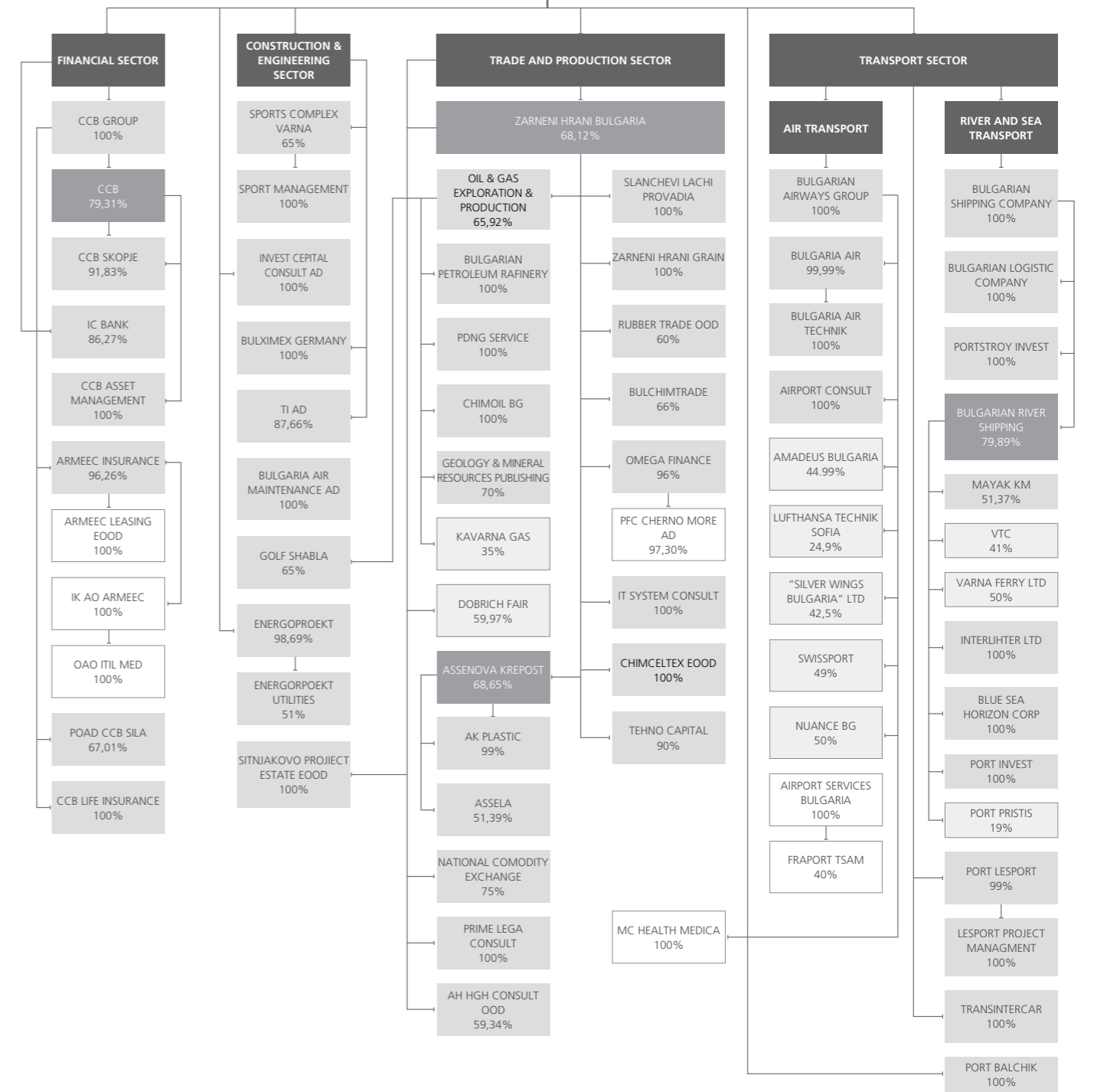
On the other hand Chimimport Plc invests in agriculture-related industries – companies of the group are major players in the industry for the production of vegetable oils, covering all activities from the purchase of raw materials to processing them into finished products (vegetable oils, including for consumption and biodiesel).

The development of the company and its investment plans in the short and mid-term are structured in two main directions – consolidate and optimize the achieved positions and penetration of new markets.



Main office of Chimimport PLC, Sofia, from 1947 year

CHIMIMPORT PLC



BUSINESS SEGMENT
PUBLIC COMPANY
SUBSIDIARY
ACCOUNTED FOR USING THE EQUITY METHOD

FINANCIAL SECTOR

 **Централна Кооперативна Банка**

 **Армеец**

 **Армеец**



“CCB Group” JSC

Historically, the company CCB Group JSC is established with resolution issued by the Sofia City Court upon the merger of two companies in existing, since 1998 company Newton Financial Management BG Ltd. As of the end of 2002, the new company is called CCB Group Asset Management JSC, which operates under the name until September 25th, 2008, when it was renamed to CCB Group JSC. CCB Group JSC is a sub-holding company within the structure of Chimimport Plc, which unites the interests and participation of the holding in the financial sector, including the development and implementation of strategic program for growth of the companies in the sector, according to the long-term goals of Chimimport Plc in the field of financial services.

The company carries out strategic control over the activities of its subsidiaries and assists the process of their long-term funding. Main office of CCB Group In addition, CCB Group JSC supports its subsidiaries and other companies from the holding structure by providing them with a wide range of consulting

services related to financial and capital markets, including methodological support for implementation of major projects, negotiations with foreign investors, public listing of companies, mergers and acquisitions, restructuring, sale of companies and others.

Currently, the financial sector of Chimimport Plc includes a number of companies with a well-established name and presence in their respective segments, namely: Banking services (Central Cooperative Bank Plc and its subsidiaries CCB Skopje and TatInvestBank), Insurance and Reinsurance (Armeec Insurance JSC and CCB Life JSC), Pension Insurance Fund (CCB-Sila PIJSC), Mutual Funds (CCB Assets Management) and securitization real estate (CCB Real Estate Fund SPIC). A part of the above-mentioned companies were constituted by CCB Group JSC during 2006 and 2007 with the purpose to achieve full range of financial products and services offered by the holding. After their creation these companies developed sustainable operations and established a comprehensive presence on the market.



Main office of CCB, Sofia

Central Cooperative Bank Plc

Central Cooperative Bank (CCB or the “Bank”) was registered with a decision of the Sofia City Court on 28 March 1991. The founders of the Bank are Central Cooperative Union, the regional cooperative unions and more than 1 100 cooperative organizations.

Shareholders

As at 31 December 2017 the shareholders’ equity of the Bank amounts to BGN 484,347 thousand. The capital adequacy is 16.83%, exceeding the minimum requirements, in accordance with Regulation (EU) N°575/2013 and Ordinance No 8 of BNB on the capital buffers of banks.

Shareholders of CCB Plc as at 31 December 2018	Participation (%)
CCB Group EAD, Sofia	68.56
Chimimport AD	6.61
Other minority shareholders	24.83
Total	100

As at 31.12.2018 the shareholders of CCB Plc are 5 220 individuals and 1 136 legal persons.

The shares of CCB Plc are traded on the Bulgarian Stock Exchange since 4 March 1999. In the last 19 years the shareholders structure of CCB Plc changed significantly three times – in June 1999, when Bulbank sold to the State Fund Agriculture its share of 35%; in June 2001, when the share of the State Fund Agriculture that initially passed through the Bank Consolidation Company was purchased by Chimimport Plc and at the end of 2004, when the shares of Central Cooperative Union were acquired by Chimimport through CCB Group EAD.

The last procedure of the company capital increase from BGN 83 155 092 to BGN 113 154 291 via the issuance of 30 000 000 ordinary book-entry voting shares with a nominal value of BGN 1 and an issue value of BGN 1,50 took place at the end of 2011. As a result of the subscription approximately 30 million shares were subscribed and paid in, as a result of which approximately BGN 45 million were credited to the capital raising account of CCB Plc.

CCB is a universal commercial bank, licensed to carry out all types of bank operations in the country and abroad. In addition, the Bank carries out activities as an investment intermediary and was approved by the BNB as a primary dealer of government securities. The Bank is a leader in servicing the agrarian sector in

Bulgaria, whereas its purpose in the future will be to defend its leading positions, increasing the scope and volume of its operations with the agricultural producers in the country. Along with that CCB develops as a priority the retail banking and card payments, offering competitive products and services to individuals, SMEs and corporate clients from the other branches of the economy.

CCB reaches its clients via a head-office in the city of Sofia and a well-developed branch network of 308 locations in the Republic of Bulgaria, 1 branch in the town of Nicosia, the Republic of Cyprus and the branch networks of the subsidiaries in the Republic of Macedonia – “CCB Skopje” AD.

As at 31 December 2018 the total number of Bank employees is 2149.

Central Cooperative Bank carries out its international activity thanks to an established and developed huge correspondent network of over 386 financial institutions all over the world. At the end of 2018 CCB maintains 19 Nostro Accounts with banks abroad, which allow the effecting of payment transactions in all freely convertible currencies.

CCB has been licensed by MasterCard Inc. to issue and accept international debit and credit cards – MasterCard and Maestro, it is a full member of VISA International and offers the entire array of VISA cards.



Office of CCB, Branch Cyprus, 69, Arch. Makarios III Avenue, Tlais Tower

Since August 2003 the Bank is a representative for Bulgaria of the biggest global company for fast money transfers Western Union. In 2008 CCB became a direct member of the Trans-European Automated Real-time Gross settlement Express Transfer system TARGET2 and an indirect member of Pan-European payment system for net settlement EBA STEP2 SCT. Since July 1993 CCB is a member of the European Association of Cooperative Banks, domiciled at Brussels, and since September 2004 – a member of the International Cooperative Banking Association, which has more than 55 member institutions from 40 countries.

CCB is a public company and since March 1999 its shares are being traded on the Bulgarian Stock Exchange. At present the shares of the bank are traded on the official "Premium" market segment of BSE and are included in three stock exchange indices – SOFIX, BG40 and BG30.

Market position

According to the statistical data, published by BNB for 2017 CCB ranks on the 8-th place in terms of total assets among 27 banks and branches of foreign banks in the banking sector.

Acquisitions

After the acquisition of CCB by the Chimimport Plc group the Bank actively engages in the purchase of credit institutions, which became insolvent in the second half of the nineties. After Chimimport acquires control over CCB in 2003, the Bank starts growing: the assets and the net profit increase considerably, the whole array of products changes and CCB enters into entirely new segments.

CCB acquires companies of six commercial banks in Bulgaria, announced in insolvency: Bank for Agricultural Credit, Credit Bank, Dobrudjanska Banka, Kapitalbank, Kristalbank, and International Bank for Commerce and Development. In the first quarter of 2008 Central Cooperative Bank Plc acquires 75,51% of the capital of its first subsidiary – the Macedonian bank Sileks Bank AD, Skopje. After the increase in the company capital in September 2008 the share of CCB in the credit institution increases to 82,57% of the voting shares. In October 2008 the name of "Sileks Banka" AD changes to "Central Cooperative Bank Skopje" AD. After the purchase of the own shares in December 2009 the share of the mother Bank reaches 82,63%. CCB intends to use "CCB Skopje" as a base to enter the market in Macedonia, applying its successful strategy and experience in Bulgaria.

On 16 March 2010 CCB, on the basis of a bid offer, acquires the majority stake of 93,72% in the capital of another Macedonian bank – Stater Bank AD, Kumanovo. At the beginning of 2011 the two subsidiary banks on the Macedonian market merged and CCB has 87,35% of the capital of the consolidated credit institution "CCB Skopje" AD.

In 2012 CCB Plc acquires 100% of the capital of CCB Assets Management EAD.

In 2012 the Bank acquired 55,93% of the

shares of ZAO AKB "TatInvestBank", Kazan, the Republic of Tatarstan, Russia, with which it received control on the Bank. Before the acquisition the Bank holds ordinary voting shares, and later acquires additionally shares in the capital of the subsidiaries. In 2013 and 2014 the Bank acquires additionally shares of ZAO AKB Tatinvestbank. As at 31 December 2015 its share reaches 86.27% of the capital of AO "IC Bank".

Consumer and mortgage lending

In 2018 lending to individuals continued to be a main priority in the work of Central Cooperative Bank Plc, whereas in this segment the Bank ranked on the 8th place in absolute growth of the portfolio. The year was especially good for the mortgage loan, which have a growth of more than 50% compared to the previous year. The Bank continued focusing on clients with a good risk profile and high income. The market of consumer and mortgage loans was exceptionally active and banks competed fiercely for clients, improving the parameters and prices of their products. With its aggressive sales policy and attractive products, CCB managed keep its good positions on the market.

A main task for the Bank was preserving and increasing the portfolio of consumer and mortgage loans. Periodically during the year we updated and improved the conditions of the loans to individuals and we launched new products on the market. The emphasis in retail lending during the year was mortgage loans.

In 2018 the Bank focused on segmenting the clients and splitting them into several target groups, to which to offer highly competitive offers. The Bank has worked actively to attract corporate and institutional clients with attractive conditions for servicing the remuneration of their staff. The Bank applied a personal approach and offering special, individual for the distinct client transaction parameters. We continued the offering of credit products with special conditions for the employees of generally known and stable companies, with which we do not have a contract for transferring salaries. The Bank employees maintain a close contact with the key employers in the distinct regions and periodically organize

presentations of the Bank products for the employees.

An analysis of the activity of CCB Plc during last year shows:

From the beginning of the year the Bank has new retail loans for approximately BGN 344,9 million, of which:

- » BGN 188,5 million mortgage loans
- » BGN 156,4 million consumer loans, (including overdraft of electronic debit cards, credit cards and goods on credit)
- » As a result of the sales activity, the net increase in the retail portfolio (the increase after deducting the repayments) compared to 2017 is BGN 139,8 million.

In 2018 the Bank optimized the network of external agents, which offer the credit products of the Bank. As a result of the introduction of regulations, the main partners in the intermediation activity are only registered credit intermediaries with a significant market share. Major products in the mutual activity are the loans, secured by real estate, as well as consumer loans for the clients, receiving good income.

The Bank continued to stimulate the initiative and the development of its employees, organizing two cycles of training to streamline their sales skills. More and more active is the participation of the Front Office employees and the experts servicing and sales in the activity, associated with attracting new clients, making presentations and realising retail sales, in the bank rooms, as well as via visits at clients, employers and other partners of the Bank.

Card products

In 2018 CCB Plc preserves its positions as one of the biggest issuers of credit and debit cards in the country. The Bank issues international Mastercard and Visa credit cards, the cobranded Visa CCB - Bulgaria Air credit card and Visa Platinum credit card. The portfolio of debit cards, which the Bank offers, consists of international debit cards of high class World Debit Mastercard, Debit Mastercard and Visa Debit debit cards, Debit Mastercard cobranded cards

with A1 Bulgaria EAD and the local BCard debit card. The Bank also offers EMOTION debit and credit cards, where the client can select the vision of his card from the proposed gallery with over 50 designs.

The Bank makes possible for its clients to take advantage of the exceptionally fast contactless payments with all major card brands.

From July 2015 the Bank offers a credit card of exceptionally high class - World Mastercard. The card is intended only for significant and solvent clients of the Bank. The World Mastercard credit card is a Premium product of Mastercard, which is positioned at a level higher than the Platinum credit cards.

Besides the exceptionally attractive financial parameters of the World Mastercard card, it brings a number of additional perks and privileges to its holders:

- » Free membership in the Priority Pass program – ensures access to over 700 business lounges at airports in over 100 countries all over the world;
- » Special rebates from Bulgaria Air;
- » Free access to Vitosha and Preslav business lounges

at Sofia Airport and Sky Lounge and Jet Lounge in Vienna;

- » Insurance upon travelling abroad with Armeec insurance company JSC – 22 insurance coverages with a maximum amount of the coverage in the amount of USD 50 000;
- » Additional insurance, which provides protection upon theft of the card together with personal belongings and documents, protection upon incident or theft of goods, purchased with the card, as well as the best price upon shopping;
- » Rebates in the CCB Club program;
- » Rebates upon shopping at selected traders in Bulgaria, included in the CCB World Offers catalogue;
- » Additional attractive rebates abroad at hotels, famous shops and rent-a-car companies, provided by Mastercard;
- » Many more rebates upon shopping at the trade shops, included in the CCB Bonus program.

All debit and credit cards of the Bank are open for registration in advance for the E-Secure service for secure payments on the Internet. In this way the Bank provides to all its clients with international debit and



Main office of CCB, Sofia



Office of CCB, Sofia

credit cards additional security, when they shop online.

The Bank continues offering various preferences to the holders of credit and debit cards. In 2018 the holders of Visa Platinum cards of CCB could use free of charge Vitosha business lounge at the Sofia airport, regardless with which air company they travel. The holders of World Debit Mastercard, Visa Platinum, Visa Gold and Mastercard Gold cards can use free of charge Vitosha business lounge at the Sofia airport for the international flights, as well as in the cases, when the fly along the internal lines.

New card products

In 2018 the Bank continued streamlining the already implemented products and implemented new ones, with which it developed the portfolio of products and services.

- » DCC (Dynamic Currency Conversion) with VISA cards at CCB ATMs. The service started at the beginning of July 2018, with which the cardholders were given the choice, the amount received upon withdrawal to be converted in the card currency.
- » ABU (Automatic Billing Updater) - ABU is a global platform, which maintains the correctness of data with respect to the cards, with the aim to decrease the unsuccessful transactions, due to expiry of the card term or upon changes in the card numbers due to reissuance. In this way the customer satisfaction



Office of CCB, Varna

is increased upon payments with Mastercard bank cards, because it is not necessary to manually change the saved data of their cards with the merchants that participate in ABU.

- » At the end of July 2018 the Bank finalized the migration from static to dynamic password upon payment on the Internet – at the end of July there was a change in the functioning of the service for secure payments on the Internet E-Secure – upon every payment at a trader that maintains Verified by Visa/Mastercard SecureCode clients receive on their mobile one-off password for confirmation of the payment on the Internet.

- » BCard – At the end of April 2018 the Bank together with the National Card operator – BORICA AD realised the issuance of BCard cards, which offer protection with the last generation CHIP and PIN technology – the magnetic strip does not contain payment information, which eliminates the possibility of copying the data, written on the card. The cards for the BORICA employees have preferential conditions, and for the remaining clients the card is offered under standard conditions. As at 31.12.2018 a total of 503 cobranded cards were issued.

Market positions and statistics

In 2018 CCB Plc affirmed its market positions in the issuance of bank cards, whereas the total number of

the cards issued by the Bank as at 31.12.2018 amounts to 606 524. The issued international credit cards at the end of December 2018 are 34 321, of which 18 556 Mastercard cards and 15 765 Visa cards. CCB Plc managed to keep good market shares with respect to the development of its network of ATMs and POS terminals: the number of virtual POS terminals at the end of 2018 reached 514, and the total number of CCB ATMs is 571. The total number of the Bank POS terminals is 4 483, including the POS terminals in the bank rooms. The POS terminals that provide a possibility for contactless payments are 3 633.

The table below presents summarized information of the card products and services, offered by CCB Plc.

ATMs, POS terminals, credit and debit cards	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
ATMs					
ATMs	569	569	565	567	571
POS terminals					
POS terminals at the trade shops	4 309	4 343	4 410	4 463	4 483
POS terminals at the bank branches	344	344	344	344	344
Virtual POS terminals	455	459	484	538	514
Total POS	4 767	4 388	4 533	4 578	5 341
Credit cards					
Mastercard Standard	16 976	19 386	19 137	18 726	18 021
Mastercard Gold	348	354	360	357	346
Mastercard New World	99	107	113	116	121
Mastercard Business	77	75	73	70	68
Visa Classic	15 055	14 610	14 240	13 957	13 590
Visa Gold	1 780	1 740	1 717	1 691	1 630
Visa Platinum	439	453	157	455	452
Visa Business	94	91	92	93	93
Total credit cards	34 868	36 816	38 189	35 465	34 321
Debit cards					
Debit MasterCard	304 492	312 760	324 249	329 664	336 219
Debit MasterCard Commercial	943	1 070	1 267	1 407	1 532
Gold Debit MasterCard	828	996	1 121	1 264	1 366
World Debit MasterCard	7 966	8 407	8 810	9 246	9 901
Maestro	66 734	46 780	33 138	22 146	12 638
MasterCard Prepaid	1 815	3 330	3 037	2 732	2 723
VISA Debit	161 496	163 467	163 427	165 498	162 648
Visa Debit Commercial	1 239	1 532	1 781	2 005	2 216
Visa Electron	48 841	42 803	40 697	38 319	35 809
VISA Prepaid	8 875	13 634	16 256	13 370	6 648
BCard	5	5	38	412	503
Total debit cards	603 234	594 289	593 821	586 063	572 203

Promotions for cardholders of CCB with Visa and Mastercard debit and credit cards

In 2018 the Bank again organised various marketing initiatives to stimulate the payments, and also to increase the number of debit and credit cards.

Intended campaigns for the promotion of card payments

- » In the period 28.05.2018 – 01.07.2018 there was campaign to stimulate the contactless payments with CCB MasterCard cards with awards for clients. Every week, during the campaign, 1 holiday voucher, 2 Samsung smartphones and 3 fitness bracelets were distributed.
- » In the period 01.10.2018 – 31.12.2018 together with BORIKA AD there was a campaign to promote payment with Bcard debit cards, issued by CCB with awards for clients. The clients participated for 30 vouchers of BGN 50, 15 vouchers of BGN 100, 5 vouchers of BGN 150 and 3 big awards: SPA weekend for two people.
- » In the period 26.11.2018 – 13.01.2019 together with MasterCard there was a campaign to stimulate the payments with MasterCard debit and credit cards with awards for clients. Every week during the campaign the Bank distributes 2 couple tickets for the concert of Leni Kravic at Arena Armeec and 3 vouchers for fuel at Lukoil petrol stations of BGN 50. At the end of the campaign one award will be distributed to a person among all, who performed and registered at least one contactless payment – a voucher for two people for accommodation at Astor Garden hotel, All Inclusive. At the end of the campaign there will be an additional lottery for all registered payments with award – a voucher from Posoka.com of BGN 2 000.

Campaigns for the promotion of the card issuance

- » In the period 02.10.2017 - 31.01.2018 there was a campaign for the sale of contactless Mastercard credit cards with bonuses for the employees. For each issued and activated credit card for the period, the employee receives a bonus of BGN 13 gross.
- » In the period 30.10.2017 – 31.01.2018 there was a campaign for the sale of Visa debit and credit company cards with bonuses for the employees. For each issued and activated debit card during the campaign the employee receives BGN 6 gross, and for each credit card – BGN 20 gross.
- » In the period 02.04.2018 - 31.05.2018 there was a campaign for the sale of contactless Mastercard credit cards and Debit Mastercard CCB-Mtel debit cards with bonuses for the employees.
- » In the period 02.10.2018 – 30.11.2018 there was a campaign for the sale of Debit Mastercard "CCB Mtel" contactless cards with a bonus of BGN 3 gross for each issued card.
- » In the period 19.11.2018 - 28.02.2019 there was a campaign for the issuance of contactless Mastercard credit cards with a bonus of BGN 13 gross for each issued card.
- » In the period 21.12.2018 - 28.02.2019 there was a campaign for the promotion of credit cards, which includes commercials at BTV Media Group and Nova Media Group, Bulgaria on Air, banner advertisement at popular Internet sites, print advertising, external advertising and radio commercial.



The holders of debit and credit cards of CCB had the opportunity to participate in other campaigns with awards, organized by the Visa and Mastercard card organisations.

CCB Bonus program

CCB Plc continued developing the CCB Bonus program. Its main objective is to direct the cardholders of the Bank to the trade shops of selected partners, where they can take advantage of special rebates. The CCB Bonus program is an important advantage for clients upon selecting a bank, not only for credit, but also for debit cards. It is oriented to stimulating the card payments and

creating relationships of permanent partnership, with clients and traders. The mobile version of CCB Bonus provides a possibility for clients to have access to the catalogue via mobile devices and at any moment to be informed about trade shops, where they can take advantage of the rebate. In 2018 the Bank issued the 17th edition of the CCB Bonus catalogue with included 220 traders with over 650 trade shops across the country.

CCB Club loyalty program

In 2018 CCB Club preserved its stable development. 16 partners participate in this program and offer the following rebates:

- » Bulgaria Air provides to clients the attractive rebate of 5% on the price of the airplane tickets, to which is added the rebate upon payment with the cobranded CCB–Bulgaria Air credit card. Clients benefit from the preference in the form of free transportation of additional luggage with every flight of Bulgaria Air;
- » Armeec provides a possibility for the calculation of bonus points in the program along with using various other rebates from the insurance company;
- » Lukoil, due to the nature of its business, provides the greatest frequency of the bonus sales:
 - » CCB Club gold card – a rebate of 4%;
 - » CCB Club silver card – a rebate of 3.5%;
 - » CCB Club business card - a rebate of 3.5%;
 - » CCB Club standard card – the rebate of 3% is preserved;
- » HomeMax hypermarket chain – 5 % rebate;
- » The Etap-Address and Group Plus bus companies offer a rebate of 10%, exceptionally attractive to the program clients;
- » Happy Bar&Grill restaurant chain – 5% rebate;
- » COOP commercial chain – 3% rebate;
- » BM Market food chain – 3 % rebate;
- » Sport Depot sports shops – 5% rebate;
- » Grand Optics & Joy Optics chain – 20% rebate;
- » Frant men’s fashion shops – 10% rebate;
- » Hush Puppies shoe shops – 5% rebate;
- » Special proposals from Mtel for the members of the CCB Club program;
- » CEZ Electro Bulgaria - 25 Kwh daily electricity upon payment of the bills to the company via “Subscription for utility bills” service of CCB Plc.

At the end of 2018 the number of the clients that participate in the CCB Club loyalty program reached 559 299, and the bonus amount of the sales is over BGN 48 million.

Consumer and mortgage lending

In 2018 lending to individuals continued to be a main priority in the work of Central Cooperative Bank Plc, whereas in this segment the Bank ranked on the 8th place in absolute growth of the portfolio. The year

was especially good for the mortgage loan, which have a growth of more than 50% compared to the previous year. The Bank continued focusing on clients with a good risk profile and high income. The market of consumer and mortgage loans was exceptionally active and banks competed fiercely for clients, improving the parameters and prices of their products. With its aggressive sales policy and attractive products, CCB managed keep its good positions on the market.

In 2018 the Bank focused on segmenting the clients and splitting them into several target groups, to which to offer highly competitive offers. The Bank has worked actively to attract corporate and institutional clients with attractive conditions for servicing the remuneration of their staff. The Bank applied a personal approach and offering special, individual for the distinct client transaction parameters. We continued the offering of credit products with special conditions for the employees of generally known and stable companies, with which we do not have a contract for transferring salaries. The Bank employees maintain a close contact with the key employers in the distinct regions and periodically organize presentations of the Bank products for the employees.

The tendency that started during last years of a double-digit growth in the sale of retail products at CCB Plc continued steadily. A main task for the Bank was preserving and increasing the portfolio of consumer and mortgage loans. Periodically during the year we updated and improved the conditions of the loans to individuals and we launched new products on the market. The emphasis in retail lending during the year was mortgage loans.

An analysis of the activity of CCB Plc during last year shows:

From the beginning of the year the Bank has new retail loans for approximately BGN 344,9 million, of which:

- » BGN 188,5 million mortgage loans
- » BGN 156,4 million consumer loans, (including overdraft of electronic debit cards, credit cards and goods on credit)

- » As a result of the sales activity, the net increase in the retail portfolio (the increase after deducting the repayments) compared to 2017 is BGN 139,8 million.

In 2018 the Bank optimized the network of external agents, which offer the credit products of the Bank. As a result of the introduction of regulations, the main partners in the intermediation activity are only registered credit intermediaries with a significant market share. Major products in the mutual activity are the loans, secured by real estate, as well as consumer loans for the clients, receiving good income.

The Bank continued to stimulate the initiative and the development of its employees, organizing two cycles of training to streamline their sales skills. More and more active is the participation of the Front Office employees and the experts servicing and sales in the activity, associated with attracting new clients, making presentations and realising retail sales, in the bank rooms, as well as via visits at clients, employers and other partners of the Bank.

International payments

The outgoing and incoming customer wire transfers are processed by a department at the Bank head-office, which consists of highly qualified professionals, specialized in several directions:

- » Transfers
- » Documentary operations and trade finance
- » Western Union

Credit transfers are the most common form of payment, used by clients individuals and by our business clients. For their quality and efficient performance in 2018 the Bank maintains 19 correspondent Nostro accounts in 16 foreign banks in 15 of the currencies most used by business and the population - EUR, USD, GBP, CHF, DKK, SEK, NOK, JPY, CAD, PLN, CZK, RON, RUB, TRY and MKD. The correspondent banks, where CCB maintains its Nostro accounts are some of the most reputable and stable international financial institutions, including Bank of New York Mellon, New York, KBC Bank NV,

Brussels, UniCredit S.p.A., Milan, Landesbank Baden-Wuerttemberg, Stuttgart, Raiffeisen Bank International AG, Vienna, Bank of New York Mellon, London, PostFinance AG, Berne, Sumitomo Mitsui Banking Corporation, Tokyo, Skandinaviska Enskilda Banken, Stockholm, Danske Bank, Copenhagen, DnB NOR Bank ASA, Oslo, PKO Bank Polski SA, Warsaw, Raiffeisenbank S.A., Bucharest, T.C. Ziraat Bankasi A.S., Ankara. Via its subsidiaries in Russia and Macedonia, CCB Plc provides direct access to the local payment systems in RUB and MKD, which facilitates the payments of our clients to and from these countries. Besides, by virtue of special negotiations with some of the enumerated correspondent banks, CCB effects transfers in some rarely used and exotic currencies, such as Australian and New Zealand dollar, Hungarian Forints, Chinese renminbi, Indian rupee, Indonesian rupee, South African Rand, Israeli shekel, Korean Republic Won, Malaysian ringgit, Philippine peso, etc.

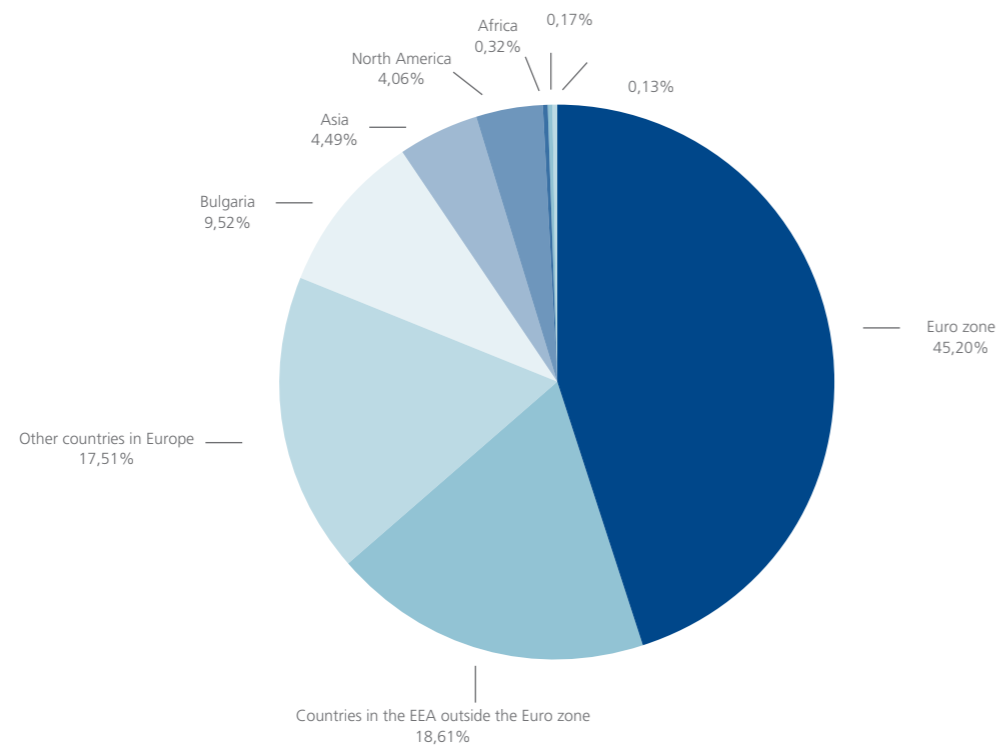
Since November 2008 CCB is an indirect member of the Trans-European payment systems for SEPA transfers STEP2, and since February 2010 CCB is a direct participant in the Trans-European Automated Real-time Gross settlement Express Transfer system TARGET2. From the beginning of 2010 our Bank participates in the local SEPA-compatible payment system for transfers in EUR BISERA7-EUR.

Regarding the volume of the outgoing customer transfers in foreign exchange in 2018 the most important countries were Germany, Great Britain, Italy, Turkey, Netherlands, Spain, Greece, Austria, USA, France, Poland, Belgium, Romania, Russia and China. During the year transfers were ordered to 110 countries.

In terms of value of the ordered customer transfers in foreign exchange the greatest share belongs to the following countries: North Macedonia, USA, Germany, Russia, Great Britain, Turkey, Italy, Belgium, Romania, Austria, Netherlands, Ireland, Greece, Switzerland, France and Poland.

The incoming wire transfers in 2018 as usual considerably exceeded in terms of volume the

Volume of the outgoing customer wire transfers (number of transactions) according to geographic regions



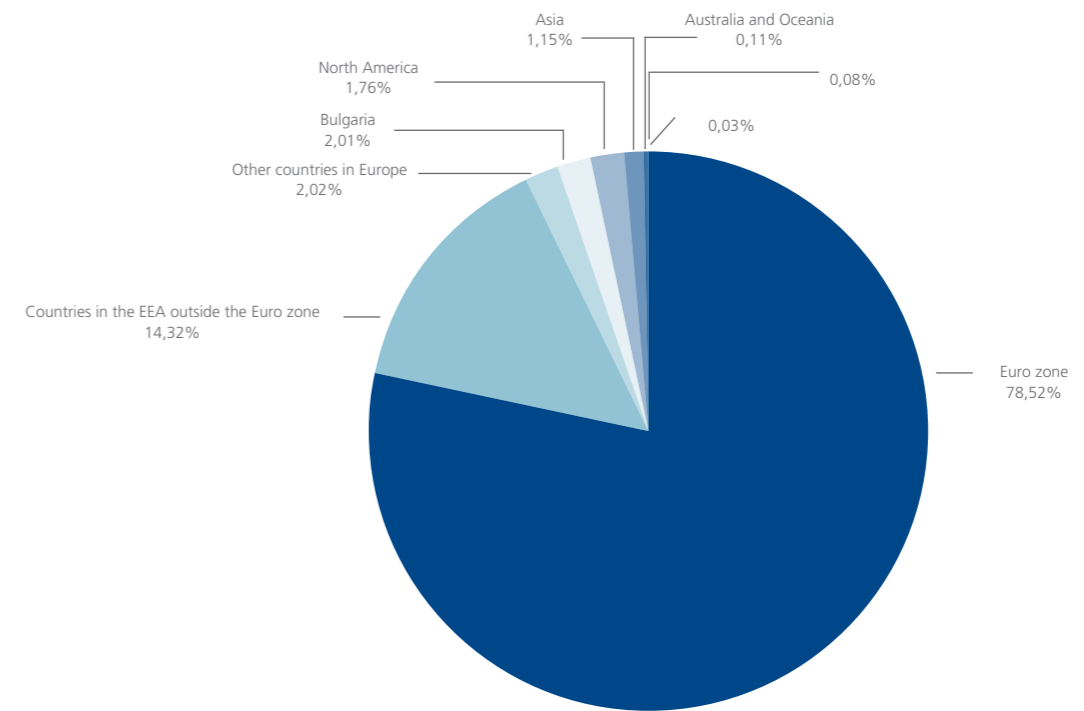
outgoing transfers. The main countries during the year were Germany, Netherlands, Great Britain, France, Spain, Belgium, Austria, Italy, Cyprus, Greece, Ireland, Switzerland, USA, Sweden, Norway, Czech Republic and Russia. In 2018 CCB received customer transfers from 123 countries. The diagram below presents the share of the distinct geographic economic regions all over the world with respect to the received transfers.

In terms of value of received customer wire transfers the greatest share belongs to the following countries: Great Britain, Russia, Germany, USA, Italy, Cyprus, Switzerland, France, Netherlands, Poland, Belgium, Greece, Austria, Spain, Israel, and Turkey. CCB regularly receives awards from its partners in Western Europe and USA in the form of certificates for exceptionally high percentage of the sent payments qualified as STP payments, which is an indicator of the high quality of the outgoing payments of CCB.

The transactions concerning documentary operations (documentary LCs and documentary collections) have significantly smaller share compared to the credit transfers, due to the greater complexity and higher price. In 2018 our corporate clients many times used the services of the documentary payments and trade finance department of CCB, which in addition to the quality processing of the documentary transactions, provided expert consulting for import and export LC transactions.

In 2018 the transactions related to confirmed LCs – import and counter guarantees were effected in collaboration with our partners, with which CCB has negotiations for short-term and mid-term commercial confirmations – first-class banks such as Deutsche Bank AG, Frankfurt am Main, UniCredit S.p.A., Milan, and Raiffeisen Bank International AG.

Volume of the incoming customer wire transfers (number of transactions) according to geographic regions



Client structure

A considerable contribution for the success and established market positions of the Bank belongs to its clients. For this reason CCB Plc attracted more clients, especially individuals, households, SMEs. The Bank’s portfolio is entirely subordinated to the needs and desires of clients. The efforts are concentrated on offering competitive and attractive products.

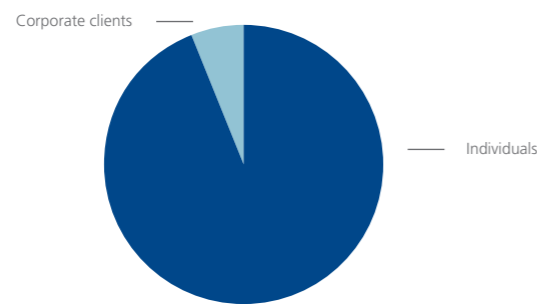
Sector	31.12.2018	31.12.2017
Individuals	1,678,842	1,630,502
Commerce	61,398	60,469
Transport and communications	5581	5,843
Industry and construction	10,035	10,441
Agriculture and forestry, hunting and fishing	5,145	5,079
Finance, loans and insurance	2,123	2,085
Education	2,285	2,159
Healthcare, sports and tourism	2,194	5,390
Other	17,723	10,948
Total:	1,785,326	1,732,916

The clients of the Bank again increased and reached 1,785,326 at the end of 2018. Compared to the previous

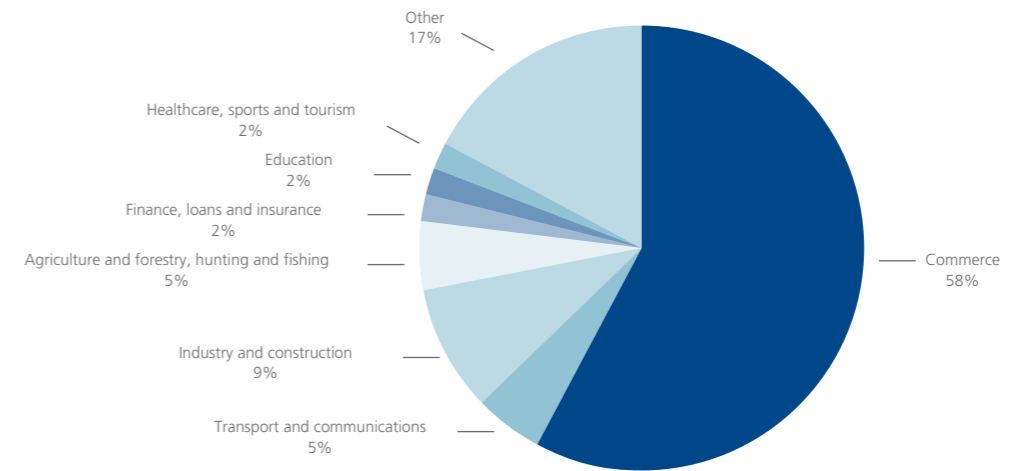
year the increase is in the amount of 3%, whereas the results take into consideration mainly the increase in individuals. Their number increased by 48,356 or by 2.9% compared to 2017. The positive growths that is observed in the last several years is mainly due to the ambition of the Bank to develop in one of the most competitive for the banking sector segment, namely retail banking. There is a growth in lending to SMEs.

The Bank in the future

Central Cooperative Bank Plc has always endeavoured to increase the number of its clients, maintaining an optimum level of risk and excellent financial results.



Branch structure of clients legal entities as at 31.12.2018 /in %/



Office of CCB, Varna



The future goals of the Bank are:

- » New products and services for individuals;
- » Maintaining the achieved success and market share in the card business, ATMs and POS terminals;
- » Benefiting from the existing huge branch network;
- » Collaboration with leading financial institutions from EU, USA and Asia;
- » Maintaining the quality of the loan portfolio and total assets;
- » Adequate monitoring and management of the client, credit and market risk;
- » Preserving the Bank's position among the 10 biggest and efficient Bulgarian banks;

- » Preserving the good liquidity and increasing the total assets;
- » Training and qualification of the staff.

The ambition of the Bank in 2019 will be to improve its relationships with the foreign financial institutions, preserve its place of a well-developed Bank, focused on retail banking and continue defending its position among its counterparties and competitors. In this way and using its good reputation, market positions and huge branch network CCB PLC will be able to satisfy the constantly increasing requirements of its clients.



Office of CCB, Stara Zagora

Central Cooperative Bank Plc. Skopje

History

“Sileks Banka” Plc. Skopje was established on the 5th of December 1992. In September 2001, “Zemjodelska Banka” Plc. Skopje was merged with “Sileks Banka” Plc. Skopje. At the end of 2007, “Central Cooperative Bank” Plc. Sofia buys 35,000 shares, acquiring 15.40% of the capital of “Sileks banka” Plc. Skopje. According to the Law on the Acquisition of Joint Stock Companies, CCB Plc. Sofia buys additional 136,658 shares and on the 28th of February 2008 it became the owner of 171,658 shares or a majority shareholder, with participation of 75.51% of the shares of the capital of “Sileks Banka” Plc. Skopje. At the end of 2008, “Sileks Banka” Plc. Skopje changed the name to “Central Cooperative Bank” Plc. Skopje.

After the implementation of a private trade offer for 93 038 shares, the participation of CCB Plc. Sofia in the capital of “Central Cooperative Bank” Plc. Skopje is increased and by December 2009 amounts up to 82,63%.

On the 6th of April 2010, CCB Plc. Sofia buys 93.72% of the capital of “Stater Banka” Plc. Kumanovo. “Stater Banka” Plc. Kumanovo is the successor of the “Komunalna Banka” of Kumanovo area, which was formed in 1955. Since 1966 the Bank has been working as a “Komerzijalna banka Kumanovo” and since 1968 as “Komecijalno - Investiciona Banka Kumanovo”. Several years later, the Bank became a branch of “Stopanska Banka” Skopje and afterward is transformed into “Stopanska Banka Primary Bank Kumanovo”.

On the 31th of January 1990, a decision was made for the establishment of “Stopanska Banka” Plc. Skopje, in which “Stopanska Banka” Primary Bank Kumanovo became the Main Branch of “Stopanska Banka” Plc. Skopje.

Due to the transformation of the banking system in Macedonia, on the 14th of June 1995 “Stopanska Banka” Plc. Skopje, Main Branch Kumanovo, is being established as “Komerzijalno investiciona Banka” (KIB) Plc. Kumanovo, with the transfer of the capital deposits of the founders of “Stopanska Banka” Plc. Skopje, Main Branch Kumanovo at “Komerzijalno investiciona Banka” Plc. Kumanovo. On the 1st of July 2008 “Komerzijalno investiciona Banka” Plc. Kumanovo changed its name to “Stater Banka” Plc. Kumanovo and was fully privatized by

acquiring 312,647 shares, or 92.18% of the shares of the Bank, by Milestone Ltd from Iceland.

In April 2010, “Central Cooperative Bank” Plc. Sofia, Republic of Bulgaria became the dominant owner of “Stater Banka” Plc. Kumanovo. On the 3rd of January 2011 “Stater Banka” Plc. Kumanovo merged to “Central Cooperative Bank” Plc. Skopje. CCB Plc. Skopje is a public company whose shares are traded on Macedonian Stock Exchange Plc. Skopje - unofficial market. As of the 31st of December 2018, the total assets of the Bank is 149 million EUR.

Activity

CCB Plc. Skopje has a full license issued by the National Bank of the Republic of Macedonia to perform all types of banking activities:

- » Approval of Loans to individuals and legal entities;
- » Deposits in national and foreign currencies;
- » Perform payment operations on the territory of the Republic of Macedonia and internationally;
- » Performing transactions in foreign currency;
- » Issuance of letters of credit and guarantees;
- » Issuance of debit and credit cards;
- » Payment of salaries to employees of corporate clients;
- » Securities trading, etc.

The Bank operates through 5 branches and 21 branch offices on the territory of the Republic of Macedonia - Skopje, Kumanovo, Ohrid, Kratovo, Probistip, Stip, Resen, Tetovo, Gevgelija, Veles, Bitola, Strumica, Kriva Palanka, Kavadarci and Prilep.

“Central Cooperative Bank” Plc. Skopje has developed international correspondent relations with many banks around the world through the SWIFT network.

Market position

According to the grouping made by the National Bank, banks in Macedonia are divided into three groups according to the total assets - large (with assets over 32.1 billion denars), medium (with assets between 8.0 and 32.1 billion denars) and small (with



Office of CCB, Skopje

assets below 8.0 billion denars). At the end of 2018, CCB Plc. Skopje belongs into the second group of banks with an asset of 9.21 billion denars.

Card payments

“Central Cooperative Bank” Plc. Skopje issues domestic cards, Visa and MasterCard cards. As products from domestic cards, customers are offered credit cards - Star Card for individuals and Business Card - credit cards for legal entities. These cards can be used only in the Republic of Macedonia for cash withdrawals at ATMs and bank counters and for in-store purchases.

On the 3rd of February 2012, the Bank was granted a Principal Member license in MasterCard Worldwide and since November 2011 it has issued Maestro debit cards and MasterCard Standard credit cards for individuals and MasterCard Business credit cards for legal entities. Since February 2014, the bank has started with issuing MasterCard Gold credit cards for individuals. Also, since March 2016, the bank has

started with issuing Debit MasterCard contactless debit cards for individuals. These cards can be used anywhere in the world where the MasterCard sign is used to withdraw cash at ATMs and bank counters and in-store purchases.

In accordance with the obtained license from Visa International, from 4th of October 2010, CCB Plc. Skopje is Affiliate Member in Visa Int'l, with a bank sponsor Halkbank Plc. Skopje.



Office of CCB, Skopje

The Bank issues Visa Electron debit cards and Visa Revolving credit cards for individuals, as well as Visa Business Card credit cards for legal entities.

By the 31st of December 2018 the Bank has installed 33 ATMs and 168 POS terminals. By the 31st of December 2018 the number of cards is as follows:

Type of card	Number
Debit cards – Visa Electron	17.547
Debit cards – Maestro	9.892
Debit cards – Debit MasterCard	4.745
Credit card – Star Card	212
Credit card – Business Card	7
Credit card – Visa Revolving	467
Credit card – MasterCard Revolving	2.192
Credit card – Visa Business	51
Credit card – MasterCard Gold	127
Credit card – MasterCard Business	118

Basic financial information for CCB Plc. Skopje

Indicators (mil. euro)	2016	2017	2018
Total assets (balance sheet amount)	136,41	140,03	149,45
Equity	19,17	19,23	19,33
Share capital	22,73	22,73	22,73
Attracted funds	116,45	119,82	129,03
Loans and advances (net)	84,57	94,98	102,96

*Data source: own sources

Perspectives and development

The main goals of the Bank in the future are:

- » Providing maximum security for the clients and depositors of the Bank;
- » Develop new segments, products and distribution channels in the field of banking;
- » Expanding the branch network and market share;
- » Attracting new clients from the segments of SMEs and individuals;
- » Optimize the correspondence network to make fast and seamless payment;

- » Maintaining high and secure asset quality;
- » Maintaining high capital sustainability;
- » Achieve effective cost control;
- » Maintaining an optimal balance between profitability and liquidity;
- » Maintaining a significant amount of profitable assets;
- » Establishment of significant deposit base with optimal client and maturity structure;
- » Achieving high return on equity in the long term;
- » Achieve high net income from the activity and high return on assets.

IC Bank AD, Kazan, Russian Federation

www.icbru.ru

IC Bank AD was established in March 1992 on the basis of the Vahitovsko division of the State Bank of the USSR. It was registered at the Central Bank of the RSFSR on 27 March 1992, state registration number: 1732. Until February 2014 the Bank bears the name of the JSC TatInvestBank (closed joint-stock company).

“IC Bank” AD is a member of the Association of Russian Banks and of ROSSWIFT.

“IC Bank” AD has a licence, issued by the Bank of Russia No 1732 of 18.05.2015 to conduct all types of banking operations with legal entities and individuals.

At the moment “IC Bank” AD services more than 1 500 clients — legal entities and individual entrepreneurs, as well as more than 30 000 individuals.

Customer service is carried out at a central office and

in 8 additional offices, located in Kazan, and also at a bank branch in Moscow.

The Bank’s staff as at 31.12.2018 was 191.

The Bank’s shareholders’ capital is RUB 293,7 million, and the main stake (over 86 %) belongs to Central Cooperative Bank AD, Sofia.

According to the INTERFAX-100 rating on the basis of the results of 2018, IC Bank AD ranks on the 327th place in terms of assets among the banks in Russia (out of a total of 437 banks), 355th place in terms of shareholders’ equity and 357th place in terms of financial result.

Besides the corporate and consumer lending, the Bank shall conduct active operations to invest free resources into highly liquid securities (bonds of the Ministry of Finance and of the Bank of Russia), interbank deposits and deposits with the Bank of Russia.



Main shareholders of IC Bank AD (as at 31.12.2018)

Shareholder	Share in the shareholders' capital (in roubles)	Share in the shareholders' capital (in %)	Shares (number)
Central Cooperative Bank AD	253 383 940	86,27304	25 338 394
OOO "Energoproekt"	27 938 300	9,51252	2 793 830
E000 "BTM ESTATES"	7 320 500	2,49250	732 050
Minority shareholders	5 057 260	1,72	505 726
Total:	293 700 000	100,000	29 370 000

*Data source: own sources

Main indicators of the Bank's activity:

Indicator	31.12.2018 (million roubles)	31.12.2017 (million roubles)
Assets of the Bank	2 277, 4	1 620,8
Shareholders' equity	1 259,8	488,7
Shareholders' capital	293,7	293,7
Funds attracted	1 896,6	1 218,0
Loans and advances — net	701,0	1 022,2
Profit (Loss)	(22,1)	3,4

*Data source: own sources

The main sources of funding of the Bank's active operations are the customer's attracted funds: payment and deposit accounts of legal persons, as well as deposits and current accounts of individuals.

The Bank shall also provide the following services:

- » Accounting cash servicing of legal entities and individuals;
- » Internet banking for legal entities and individuals;
- » Card transactions: payroll projects for the payment of salaries on card accounts, issuance of VISA bank cards and the Russian MIR cards, installation and servicing of merchant POS-terminals;
- » Servicing of the foreign trade activity of clients — legal entities — (conversion transactions, foreign exchange control, advisory and other services);
- » Collection activity and provision of cash to clients — legal entities, but also other banks;
- » Carrying out money transfers via the "Zolotya Corona" system and other services.

The Bank is present on the banking market in the

Republic of Tatarstan as a standalone bank since 1992, has a good business reputation among its clients and a strong client base.

As a universal credit institution, "IC Bank" AD offers a wide range of services to its clients — legal entities and individuals.

The Bank has developed methods and procedures for managing and minimising the main types of bank risks: credit, interest, market, market, liquidity, and country, operational, legal and reputational risks, there is ongoing work to improve risk management and minimisation methods.

The Bank has a large stock of highly liquid funds, placed in deposits with the Bank of Russia, short-term interbank deposits in highly reliable banks and also on correspondent accounts with the Bank of Russia and in the form of cash balances with the Bank.

The Bank is constantly researching the banking services market, develops new products to meet the



needs of current and potential clients, to attract new clients, develop incentives, enhancing staff motivation.

The activity is streamlined in terms of program security, and the network of ATMs and POS is expanded.

A strategic objective of the Bank's shareholders is expanding the business and presence in the banking sector in the Russian Federation and the Republic of Tatarstan.

In 2018 a requirement for a minimum amount of the shareholders' equity of the Bank in the amount of 1 billion roubles was introduced for the Russian banks with a universal licence. The shareholders of the Bank fulfilled the requirement to have a universal licence.

At present, the Bank has the following possibilities and perspectives:

- » Increasing the volume of business by attracting new banking clients in the Republic of Tatarstan and Moscow;
- » Increasing the loan portfolio of loans to individuals on the basis of the lending programmes in place;
- » Development of new lending programmes for individuals and legal entities;
- » The introduction of new banking products to clients of the Bank, modern sales channels for banking services, remote customer service technologies;
- » Deployment of the territorial presence of the Bank;
- » Widening the network of ATMs and POS-terminals;
- » Increasing the number of clients of the Moscow branch by attracting bank servicing of legal entities and individuals, resident in the Republic of Bulgaria, as well as other clients, carrying out their activities in Moscow and Moscow province;

The main strategic objective of the Bank is that the Bank should be a universal, dynamically developing bank, that provides reliable and high-quality client service to its clients, with continuous improvement of the quality of its activities.

The Bank's priority areas for development in 2018-2019 are:

- » Corporate lending;
- » Lending to individual entrepreneurs;
- » Lending to individuals with an increase in the share of credit cards in the loan portfolio;

- » Placement of temporarily free cash resources in RUB into low risk assets, such as deposits with the Bank of Russia, government bonds and short-term bank deposits with highly reliable banks;
- » Placement of temporarily free cash resources in foreign exchange in interbank deposits, bonds of the Russian Federation and highly reliable other issuers;
- » Accounting cash servicing of corporate clients and individual entrepreneurs;
- » Servicing of individuals (attracting deposits, money transfers and other services);
- » Improving the internet banking for legal entities and individuals;
- » Expansion and optimisation of the Bank's office network and increasing the number of clients in cooperation with Armeec Insurance Company in Russia for the opening of new offices and reconstruction of the existing ones, by exploiting the synergy between the banking and insurance business;
- » Preserving the guarantees of the reliability of the attracted funds and the unconditional fulfilment by the Bank of its obligations towards clients and counterparties;
- » Attracting new clients, mainly representatives of small and medium-sized businesses in order to increase the resource availability, increasing the revenues from accounting cash servicing and other non-interest revenues;
- » Development of new products for the Bank's clients, including joint products with Armeec insurance company;
- » Developing and expanding the Bank's card business;
- » Effective management of revenues and expenditures, by maintaining an optimal trade-off between profitability and level of the assumed risks;
- » Improving the automation of banking processes and introduction of new technologies;
- » Improvement of the information safety systems;
- » Organisation of events to preserve the Bank's clients and increase their loyalty;
- » Development of the business of the Moscow branch (attracting bank servicing of clients legal entities and individuals, both from the target segments of the branch, and a wide range of clients, carrying out their activities in Moscow and the Moscow province);
- » Organisation of events to enhance the financial literacy of the Bank's clients.



"Armeec" Insurance JSC

About us

- » **April 1996** "Armeec" Insurance Company was established within the structure of the Ministry of Defence.
- » **June 1998** "Armeec" Insurance JSC receives the right to perform insurance activity in the field of non-life insurance with License No. 7, issued by the National Insurance Council.
- » **July 2002** "Chimimport" AD acquires 91.92% of the capital of the company. The Ministry of Defence and its trading companies retain 8.08% shareholding participation.
- » **October 2007** The Bulgarian Credit Rating Agency awarded the first credit rating certificate to Armeec Insurance Company.
- » **April 2008** "Armeec" Insurance JSC sends a notification to the FSC (the Financial Supervision Commission) for performing insurance activities on

the territory of the EU.

- » **July 2011** "Armeec" Insurance JSC becomes the first company in Bulgaria, which owns the rights to the name of a sports and entertainment facility, through the contract for general sponsorship agreement of Arena Armeec Sofia.
- » **December 2012** "Armeec" Insurance JSC holds the first place on the non-life insurance market in Bulgaria with a market share of 12.8%.
- » **April 2016** On April 11, 2016, "Armeec" Insurance JSC celebrates 20 years since its establishment.
- » **May 2016** "Armeec" Insurance JSC wins first prize at the "Insurer of the Year" ceremony for 2015 in the category "General Insurance".
- » **December 2018** "Armeec" Insurance JSC implements the European and national Solvency II, GDPR and IDD2 legal framework.

Shareholders

As at 31 December 2018 the paid-in capital of "Armeec" Insurance JSC is BGN 33 019 000 The main shareholders of the company are:

Company	Number of shares	%
CCB Group EAD	267 413	80.99
Chimimport AD	32 155	9.74
Others	30 756	9.27

Management

"Armeec" Insurance JSC employs a two-tier management system consisting of a Supervisory Board and a Board of Directors.

Supervisory Board

Chairman:

Chimimport AD, represented by Nikola Mishev

Members:

Professor Ivanka Daneva, PhD
Central Cooperative Bank AD, represented by Georgi Konstantinov, Sava Stoynov, Georgi Kostov and Tihomir Atanasov

Board of Directors

Chairperson:

Alexander Kerezov

Members:

Mirolyub Ivanov, Konstantin Velez, Diana Maneva, Vasya Kokinova, Valentin Dimov, Galin Gorchev

Representatives

Executive Directors:

Mirolyub Ivanov, Konstantin Velez, Diana Maneva, Vasya Kokinova



Joint Office of Armeec and CCB, Bourgas

Insurance Business

"Armeec" Insurance JSC holds a license to conduct insurance transactions in Bulgaria. The Company offers all types of insurance products and services in general insurance, auto insurance, property insurance, aviation insurance, maritime and transport insurance, rail-based vehicle insurance, technical, agricultural, travel and personal insurance, liability insurance, and insurance against financial and commercial risks. "Armeec" Insurance JSC operates a branch network comprised of 53 agencies and 36 representative offices covering the entire country. The distribution of the company's insurance products is entrusted to more than 300 brokers and more than 1 100 agents.

Reinsurance program

"Armeec" Insurance JSC's reinsurance program is meant to ensure the stability of the insurance portfolio and to meet the needs of all the company's customers in case of adverse events. The program was designed based on an in-depth risk analysis and

the applicable insurance and technical parameters. "Armeec" Insurance JSC's reinsurance contracts cover the company's major insurance business lines and comply with the General Terms and Conditions and the underwriting rules for the insurance. The Reinsurance program complies with the requirements of the Insurance Code and the agreements concluded by the company cover all of the necessary elements needed to ensure the timely payout of insurance compensations related to insurance events that have taken place and the optimal distribution of risk and protection against adverse events that could impact the financial stability of the company even temporarily. "Armeec" Insurance JSC's reinsurance carriers meet all of the ratings requirements in accordance with the international standards. Our risks are covered by companies such as Swiss Re, Hannover Re, Gen Re, Partner Re, Deutsche Rückversicherung AG, Amlin and other leading global reinsurers with reliable credit ratings of at least A on the scales of recognized global ratings agencies. Over the years, the Company has built fair and transparent collaborations with its partners.



Memberships and credit rating

"Armeec" Insurance JSC is a member of Bulgarian and international professional and for-profit organizations including the Association of Bulgarian Insurers, the National Bureau of Bulgarian Motor Insurers, the Bulgarian Chamber of Commerce and Industry, the Sofia Chamber of Commerce and Industry, and the Bulgarian-Russian Chamber of Commerce and Industry. In February of 2019 the Bulgarian Credit Ratings Agency confirmed "Armeec" Insurance JSC's long-term rating as BB+ with a stable prospect and the company's long-term A- rating on the Bulgarian scale (BG) with stable prospect.

Market environment and positions of Armeec Insurance Jsc

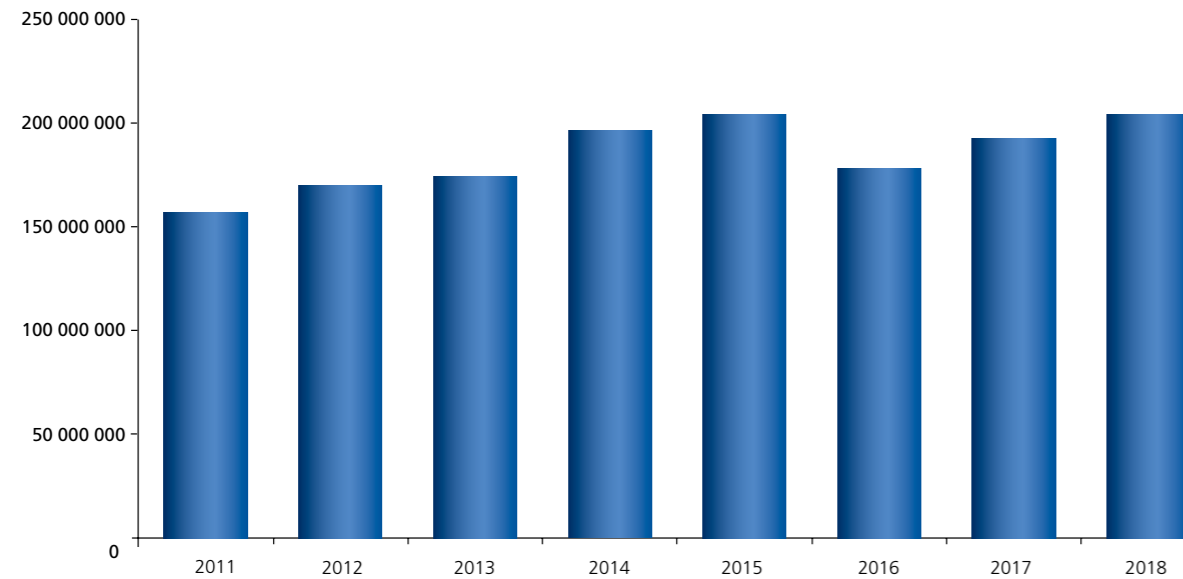
In 2018 the Bulgarian general insurance market was characterised by stiff competition, continuous growth and concentration among key players and brokerage and distribution channels existing in a critical business environment for the Motor Third-Party Liability Insurance product (third-party liability insurance of motorists). Based on preliminary data by the Financial Supervision Commission as of the end of the month of December 2018 the Bulgarian general insurance market reached BGN 2 082 822 176, which represents a real growth of 19.10 % compared to 2017. The combined gross premium revenue for the market was calculated based on the registered (accrued) premiums for general insurance products, including active reinsurance, sold by the 26 insurance carriers operating directly on the Bulgarian market and excluding the insurers working on a freedom-of-service basis. The market was once again dominated by auto insurance and, as in 2018, the growth and expansion of the market was driven mainly by those business lines. In 2018, premium revenues from vehicle CASCO insurance for the entire market amounted to BGN 614 083 452, which is by 8.50 % more than the levels registered in 2017. Premium revenues from Motor third-party liability insurance for the entire market in 2018 came to BGN 935 640 959, or 41.93% more than in 2017. The gross premium revenue from property insurance

(excluding auto insurance) generated by the insurers operating on the Bulgarian market in 2018 was BGN 284 476 810, which is a decline of 0.55% compared to the previous year. The market concentration trend accelerated as the top 5 companies on the market accounted for 54.22% of the total premium revenue. In 2018 "Armeec" Insurance JSC ranked fourth in Bulgaria commanding a share of 9.98 % of the domestic general insurance market according to data provided by the Financial Supervision Commission. Taking into account the different forecasts for the development of the insurance industry, the transposition of the European regulatory requirements regarding GDPR, IDD2, IFRS 17 and others, and the financial and economic forecasts for the growth of Bulgaria's GDP by 3.9%, a case could be made for a forecast of 8% growth of the insurance market in 2019.

Operational overview

In 2018, "Armeec" Insurance JSC accrued a revenue of BGN 207 969 965 from 531 024 individual insurance agreements according to final data by the Company. Given that the revenue generated in 2017 stood at BGN 194 797 264, this constitutes a growth of 7%. In 2018 "Armeec" Insurance JSC paid out a total of BGN 112 078 464 in compensations to its customers. In absolute terms, the increase in the payout in 2018 as compared to the preceding year amounted to BGN 8 455 thousand. The uptick was caused mainly by the increased payouts for motor third-party liability insurance, which came to BGN 13 763 thousand, and for fire and natural disaster insurance, which increased by BGN 3 414 thousand. The Company managed to achieve favorable levels under the Solvency II Directive with solvency capital requirement (SCR) of 118% and Minimum capital requirement (MCR) of 368%. In 2018 the company made a prudent and reasonable assessment of its more significant insurance risks and exercised great care in selecting which of them to assume. As a result, the Company won many tenders to ensure emblematic Bulgarian institutions and leading corporate clients and obtained first-class reinsurance.

Premium income of Armeec Insurance Jsc for the period 2011-2018



The growth in sales was the result of growth in the major strategic business lines while maintaining a conservative approach towards Motor third-party liability (MTPL) insurance and adhering to the strategy and principles for corporate management launched in 2016. Improving the technical results by business line is a key priority in the management of the company and is a driving force for the premium revenue growth of the Company which does not coincide with the market trend for a growth in the MTPL insurance segment. As a result of the Company's sales policy, major performance indicators such as gross and net claims ratio remain at favorable levels of 55.3% and 43.4% respectively.

In 2018, the Company's management focused its efforts on achieving compliance with all of the applicable regulatory requirements, including those under the Solvency II Directive, maintaining the high level of reserves of the Company and ensuring its financial stability.

In 2018, the structure of "Armeec" Insurance JSC's portfolio continued to be dominated by vehicle insurance as the CASCO insurance remained a fundamental business line for the Company. In 2018, the spike in the Company's premium revenue can be attributed mainly to CASCO, Fire and natural disasters, and Accident insurance, which lead to a restructuring of the portfolio and increase in the relative share share of those insurance products

(1.1% in Casco, 0.5% in Fire and natural disasters, and 0.3% in Accident insurance). The relative share of MTPL insurance declined despite the increase in sales for this product, which was outpaced by the other insurance products.

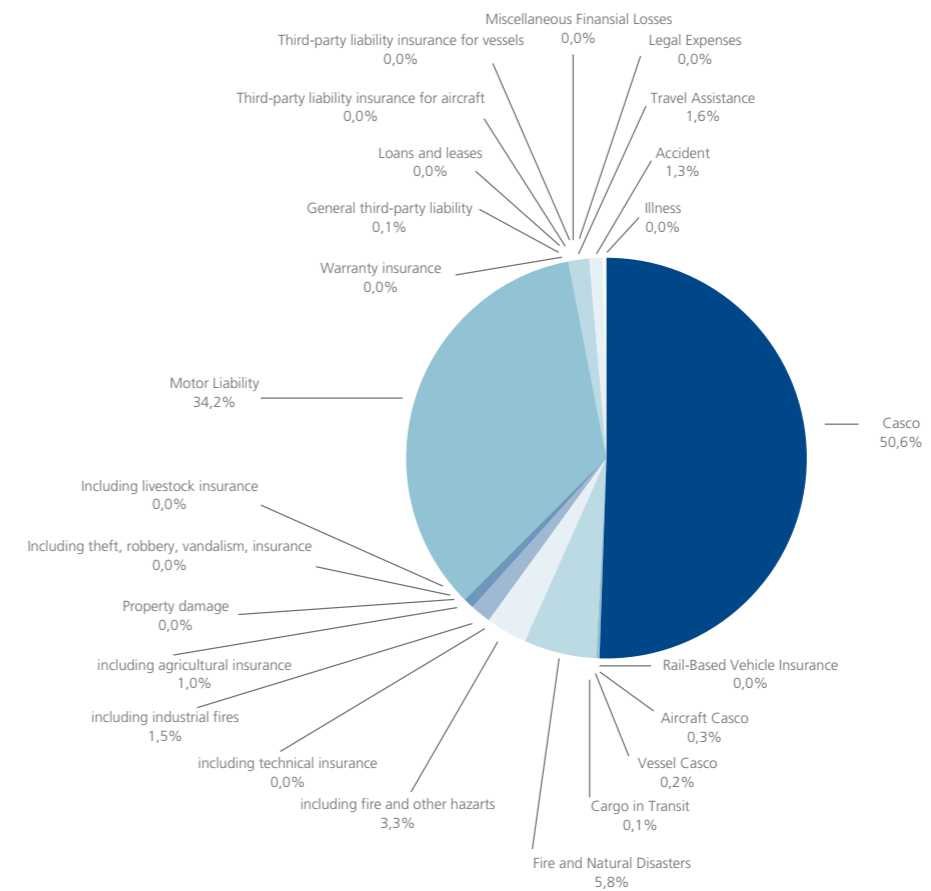
In 2018, the breakdown of business by distribution channel remained unchanged despite the stiff competition in attracting customers which insurance brokers had to contend with in the strategic business lines, and the brokerage channel retained its significance for the portfolio of "Armeec" Insurance JSC (61.8%).

The Company's sales strategy for the next three-year period (2019 - 2021) will remain the same. "Armeec" Insurance JSC's strategic priorities will include retaining its market-leading positions in CASCO insurance and Travel assistance insurance and the stable market positions in other business lines. The Company's main goal is to maintain and improve its capital requirement indicators and the solvency coefficients under the Solvency II Directive.

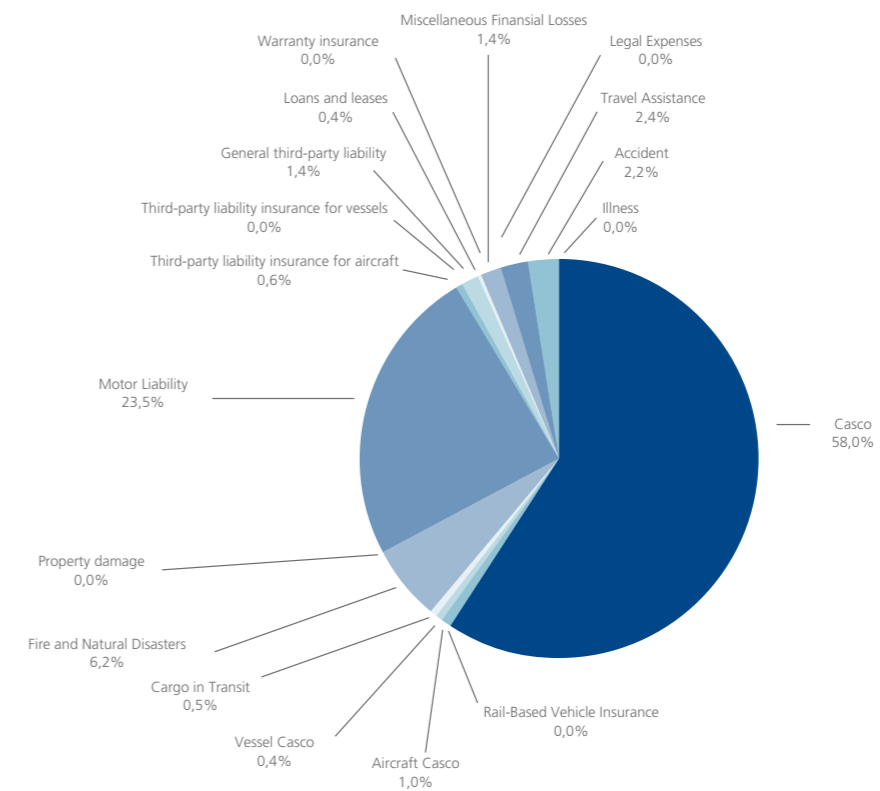
Initiatives and corporate social responsibility

The Company has made it in the SEE Top 100 chart for the eight year running. Thanks to its solid performance, the Company was ranked 21st among Southeastern Europe's best insurance companies in

Breakdown of the Insurance Payout by Type of Insurance in 2018



Breakdown of the premium revenue of "Armeec" Insurance JSC by type of Insurance in 2018



2017, which is two places higher than where it finished in the 2016 rankings. By keeping the rights to the name of the multifunctional sports facility known as Arena ARMEEC in Sofia in 2018, the company continued promoting the ARMEEC brand. "Armeec" Insurance JSC kept on working on its social responsibility campaigns in 2018. As a follow-up to the Rodolyubie Campaign and given the success of the documentary series entitled Bulgarian Military Miracles in 2017, in 2018 the Company realized a second joint project in conjunction with the Bulgarian History – Our Military Commanders Society. A 10-part series of short documentary films presented some of the most illustrious Bulgarian commanders who have achieved some of the most celebrated victories in the history of the Bulgarian Army during the five wars for national independence, namely the Serbo-Bulgarian War, the Balkan War, the Second Balkan War, World War I, and World War II. The objective of the joint initiative of "Armeec" Insurance JSC and the Bulgarian History Society was to show that Bulgaria's history matters and impacts the daily lives of every Bulgarian and society in general and to encourage young Bulgarians to know and respect their history and heritage.

As part of the initiative entitled Bring Back Saker Falcons to Bulgaria, in 2018 at the wildlife shelter in Stara Zagora voliers were built fully funded under the project and the newly hatched young Saker falcons were released into the wild. It has been six years since "Armeec" Insurance JSC started providing support to the wildlife shelter and its efforts to breed the threatened species. As a result, so far, the shelter has managed to release into the wild more than 70 birds. Traditionally, over the years the Company has supported different sports initiatives. "Armeec" Insurance JSC is a major sponsor of the Bulgarian Karate Kyokushin Federation and provides financial support for all competitions, championships and training camps with the aim of promoting and developing the sport. There were a number of competitions 2018, where Bulgarian fighters won dozens of medals for Bulgaria.

Future development

"Armeec" Insurance JSC has set a target of more

than 5 % of average annual growth in sales for the upcoming three-year period. This growth will enable the company to retain its leading position on Bulgaria's general insurance market. "Armeec" Insurance JSC will retain its status as the preferred Casco and travel assistance abroad insurance carrier and will expand its share in the property insurance business line with insurance products such as Fire and natural disaster insurance and Property damage insurance. The projection is based on a moderate risk appetite, adherence to the capital requirements and the underwriting rules of the company. The further balancing and improvement of the insurance portfolio at the expense of decreasing the share of MTPL insurance is a focus of the future development of the Company. Product development and regular reviews of the underwriting processes along with continuous monitoring of the claims ratio and adequate price policy, especially with regard to MTPL insurance, are among the key priorities for improvement for the next reporting period. The overall operational program of the Company will be defined by the risk management policy, the sales and underwriting policy, which will focus on compliance with the capital requirements and ensuring financial stability, and an open and transparent policy for the distribution of the insurance products. The effort made toward the continuous optimization of the reinsurance program of the Company is a prerequisite for achieving even better levels for the indicators covered in the Solvency II Directive.

In 2019, the Company will continue implementing its program for the introduction of a new main information system at "Armeec" Insurance JSC. The launch of the new system will create more opportunities for the company to expand and upgrade with innovations all of its product lines and processes. While work on the integration of the new system is ongoing, a host of business processes and information flows will be optimized. The successful implementation of the system will serve as the basis for process automation.

The strategic goals of "Armeec" Insurance JSC for the next reporting period include improving customer satisfaction through updating and improving the quality of the insurance product offering, product development, and innovation based on a new and stabilized information system.



Main office of CCB Sila, CCB Life, office of Armeec, Sofia

CCB-Sila Pension Provision JSC

CCB-Sila PPJSC was established in February 1994. The company is the first provider on the market for supplementary pension provision in the country. With its 25 years of tradition, CCB-Sila PPJSC has established itself as a secure and reliable partner. The Company manages three licensed funds for supplementary pension provision, which operate on the fully funded principle:

- » Universal pension fund CCB-Sila;
- » Professional pension fund CCB-Sila;
- » Voluntary pension fund CCB-Sila.

In late 2002, the group of Chimimport Plc acquired the majority shares in the Pension provision company. Up to that moment the number of participants in CCB-Sila PPJSC pension funds is 57 284, which is 3.17% of the market share in terms of insured persons, while the managed assets amount to BGN 6 124 thousand, which is 1.84% of the market share under this index.

Company's net financial result for past 2018 is BGN 7 911 thousand, as the profit of pension provision activities is BGN 6 979 thousand. For comparison, company's realized net financial result in 2017 is BGN 9 369 thousand, and the profit of pension provision activities is BGN 7 751 thousand.

The outcome of the long-term presence at the pension provision market is presented by the following figures:

- » As per December 31, 2018 within the managed by CCB-Sila PPJSC pension funds 418 703 persons are insured, which represents 8.97% of the market share by number of insured persons.
- » In 2018 a growth of the net assets of the funds for supplementary pension provision is observed. As per December 31, 2018 the sum of net assets reached BGN 1.296 billion, against BGN 1.196 billion at the beginning of the year. This represents an increase by BGN 100.339 million or 8.39%. Company's market share by net assets is 9.70% at the end of 2018.

DEVELOPMENT OF THE PENSION FUNDS MANAGED BY CCB-SILA PENSION PROVISION JSC DURING THE PAST 5 YEARS

CLIENTS	2014	2015	2016	2017	2018
Number	416 065	422 808	420 947	420 245	418 703
Market share (%)	9.70	9.64	9.41	9.16	8.97
NET ASSETS	2014	2015	2016	2017	2018
BGN Million	812.3	940.1	1 057.8	1 195.6	1 295.9
Market share (%)	9.95	10.07	9.83	9.44	9.70

Company's income from main activities is BGN 14 779 thousand, market share by that indicator is 9.52% in 2018.

Universal Pension Fund CCB-Sila

Rate of return, which is geometrical mean nominal on an annual basis over 5-year period (Jan 1,2014 – Dec 31,2018) is 3.52%. Standard deviation for the same period is 2.78%.
Market share as of Dec 31, 2018 in number of insured persons is 8.84%, and in managed net assets is 9.72%. Newly insured persons in 2018 are 6 863 – 6.79% of all newly insured.

Professional Pension Fund CCB-Sila

Rate of return, which is geometrical mean nominal on an annual basis over 5-year period (Jan 1,2014 – Dec 31,2018) is 3.41%. Standard deviation for the same period is 5.98%.
Market share by number of participants as of Dec 31, 2018 is 11.23%; market share by managed net assets: 11.22%. Number of newly insured persons in 2018 is 1 167 – 8.12% of all newly insured.

Voluntary Pension Fund CCB-Sila

Rate of return, which is geometrical mean nominal on an annual basis over 5-year period (Jan 1,2014 – Dec 31,2018) is 4.04%. Standard deviation for the same period is 8.66%.
Market share as of Dec 31, 2018 by number of insured persons is 8.77%; market share by managed net assets is 8.09%.
Number of insured persons in 2018 increased by 1.43%; new participants are 2 184 – 7.61% of all new participants.

There is a balance between contracts for personal contributions and contracts for employer's contributions.

VPF CCB-Sila keeps its leading positions by number of granted fixed and lifetime pensions. That shows customers' loyalty.

Among bigger corporative customers (who insure their workers and employees for a supplementary voluntary pension) are:

- » Lukoil Bulgaria JSC
- » United Bulgarian Bank AD
- » Lukoil Neftochim Bourgas JSC
- » Central Cooperative Bank Plc
- » Guard HMS Plc
- » NC Control JSC
- » DS Smith Bulgaria Plc
- » National Academy of Music Prof. Pancho Vladigerov
- » SGS Bulgaria Ltd

The Fund offers flexible pay-out options among various types of lifetime or fixed term pensions, lump-sum or programmed withdrawals of the accumulated funds. VPF CCB-Sila starts paying pensions in 1996.

Note:

. Data are from the FSC website (www.fsc.bg), geometrical mean nominal rate of return of the pension funds is calculated pursuant to Art. 10, para 2 of Regulation No.61 of FSC on advertising and written information matter and web sites of the pension insurance companies. Sharpe ratio data are presented on www.ccb-sila.com. The results are not indicative of future results and do not guarantee future positive returns, preservation of the full investment amount or increase of the unit value. Meaning and methodology for calculation of the indexes, funds' investment policies and their modifications are released on www.ccb-sila.com.

Customer Service:

- » The customer service is conducted through the branch network of Central Cooperative Bank Plc, which covers the whole country;
- » Each client receives a personal identification code by which the individual account can be checked at any time on www.ccb-sila.com;
- » The insured person may refer all questions of interest, including fund's dynamics in the individual account, to Customer Care Service on phone number 0700 11 322.

Insurance Company “CCB Life” JSC

The Insurance Company CCB Life is a single-person JSC, set up in 2007 with Resolution №1333-ЖЗ, dated 31.10.2007, issued by the Financial Supervision Commission. The Company is licensed to take out the following types of insurance policies:

- » Life and Renters' Insurance;
- » Marriage and Child Insurance;
- » Supplementary Insurance;
- » Accident Insurance and health Insurance.

The Company is governed in one-tier board system.

The Board of Directors includes:

Yaroslava Krasteva, Chair and Executive Director
Zdravka Dimitrova - Deputy-chair
prof. Tsvetan Davidkov, DEc - Member

The company is jointly represented by:

Yaroslava Krasteva, Chair and Executive Director
Konstantin Velev - Procurement Officer

The Company operates in strict adherence to the Insurance Code of the Republic of Bulgaria, as well as to the applicable normative documents.

The share capital is 7 400 000 BGN. Company's shares have not been listed on the Bulgarian Stock

Exchange.

The main goal of the Company is first-rate customer service, as well as providing an effective insurance protection by offering a wide range of insurance products, among which are the following policies:

- » Individual risk life insurance;
- » Group risk life insurance;
- » Life insurance for credit holders;
- » Individual savings policy, which combines a savings account with different options for supplementary risk coverage;
- » Group savings life insurance.

By developing and the implementing specific projects, the company aims to meet the individual needs of each and every of its customer.

In order to provide a complex financial service, CCB Life does cross selling with the other financial companies part of Chimiport Holding.

The company does business on the entire territory of Bulgaria, through the well-developed branch network of Insurance Company Armeec JSC and through leading insurance brokers. The cooperation between Insurance Company CCB Life JSC and Central Cooperative Bank JSC has been very successful, especially in selling Life Insurance policies and Life Insurance policies for credit holders.



CCB Assets Management JSC

Chimiport Plc owns 100% of the share capital of CCB Assets Management JSC through its subsidiary Central Cooperative Bank Plc, which during the fourth quarter of 2011 acquired 500,000 dematerialized, ordinary and registered shares with right to vote, having nominal value of BGN 1.00 each.

CCB Assets Management is one of the leading asset management companies in Bulgaria whose investment products are developed and managed by a team of experts with solid experience in the financial markets. According to the size of the managed assets CCB Assets Management JSC is ranked in Top 10 in the ranking of the asset management companies – members of the Bulgarian Association of Asset Management Companies (BAAMC), having market share of 3.77%. As of December 31st, 2018 the assets managed by the company amount to BGN 56 154 million.

Scope of Activity

CCB Assets Management JSC was established as a management company on November 22nd, 2006. Since the beginning of June 2007 the company is managing three mutual funds with different risk profile - CCB Garant, CCB Active and CCB Leader. The income from investments in a mutual fund is exempt from tax under Bulgarian law.

» CCB Garant Mutual Fund

CCB Garant is suitable for investors with a conservative investment strategy, seeking stable income for their savings while taking low risk.

Subject to investments are primarily high-quality bonds, other debt securities and money market instruments, accepted for trading on regulated markets in Bulgaria and abroad.

The main goal of CCB Garant is to preserve the value of the shareholders' investments and also to ensure stable increase while taking minimal risk.

CCB Garant brought investors a return for the year 2018 at the rate of 1.23%. A reference to the data

of the Bulgarian Association of Management Companies (BAAM) on an annual basis shows that this is the another year in which the mutual fund CCB Garant ranks among the top positions in yield compared to the other bond funds managed by companies that are members of the association.

» CCB Active Mutual Fund

CCB Active is suitable for investors with a balanced investment strategy, seeking stable income and moderate growth of their savings while taking moderate risk.

The investment policy of the fund envisages realization of capital gains from shares and dividend earnings, as well as current income from debt securities, instruments of the money market and other financial instruments accepted for trading on regulated markets in Bulgaria and abroad.

CCB Active is one of the largest balanced mutual funds by assets under management compared to the mutual funds with balanced investment strategy, managed by companies that are members of the Bulgarian Association of Management Companies (BAAM). The fund size amounts to BGN 27 117 241 as of 31.12.2018.

» CCB Leader Mutual Fund

CCB Leader is a fund suitable for investors with an aggressive investment strategy seeking higher income for their savings while taking moderate to high risk.

Investments are made primarily in shares accepted for trading on regulated markets in Bulgaria and abroad. The fund can invest also in debt financial instruments and money market instruments mainly with the purpose of maintaining liquidity in times of market disruptions.

As of December 31st, 2018 CCB Leader is ranked in Top 10 by assets under management compared to the mutual funds with an aggressive investment strategy, managed by companies that are members of the Bulgarian Association of Management Companies

(BAAM). The fund size amounts to BGN 26 508 750 as of 31.12.2018.

Detailed information on the mutual funds managed by CCB Assets Management can be found in the Prospectus and the Document with key information for the investors that can be accessed on the company's website: www.ccbam.bg.

Advantages of Mutual Funds

- » High investment liquidity - Investors can receive the cash equivalent of their units in the fund at any time through the redemption of units.
- » Tax relief -The income from investments in mutual funds is exempt from tax under Bulgarian law.
- » Asset Allocation - The Funds invest in a large number of financial instruments in different spheres of the economy and geographic regions, leading to optimization of the risk.
- » High return - It is possible to achieve a higher profit rate than another type of savings and to keep finance from inflation.
- » Security - Purchased units of the funds are a direct property of the investor that is inherited.
- » Transparency - Daily information for the value of the units of the mutual funds is published on the website of CCB Assets Management www.ccbam.bg and www.investor.bg. So every day, the investors could see how much their money has become.

Distribution

The mutual funds managed by CCB Assets Management are offered in the offices of Central Cooperative Bank Plc, indicated in the Prospectus for the respective fund, on the basis of a signed distribution contract.

Strategy and Goals

The mission of CCB Assets Management is oriented towards continuing the development of the company as one of the leaders in the financial sector through deployment of a policy corresponding to the best industry standards and international standards.

The main goals of the management company are:

- » Preservation and increase of the investment managed by CCB Assets Management funds and realization of higher profit while taking the respective risk depending on the fund's profile;
- » Ensuring liquidity of the investments;
- » Increasing the growth rate of the managed funds by raising the general level of social knowledge about the financial products and services.

Investors should keep in mind that the value of the units and the income from them may decrease, profits are not guaranteed, there is a risk for the investors not to recover the full amount of the investment. The investments in units of the fund are not guaranteed by a guarantee fund or otherwise. The future performance of the mutual funds is not necessarily linked to the results of previous periods.

TRANSPORT SECTOR



“Bulgarian Airways Group” JSC

The investments of “Chimiport” JSC in the aviation sector are made mainly through “Bulgarian Airways Group” JSC which was established in 2003 under the name “Balkan Hemus Hold” JSC. The company was founded as the sole property of Chimiport with the purpose of acquisition through its subsidiary company “Hemus Hold” LTD of 51% of the share capital of “Hemus Air”.

In early 2004, “Hemus Hold” LTD won a tender and became the owner of the avio-technical base of the Sofia Airport. At the end of the same year (2004) the merger of “Hemus Hold” and “Hemus Air” into “Bulgarian Airways Group” JSC was done and the company gained control over the airway entity.

In early 2007, “Bulgarian Airways Group” JSC won the tender for the privatization of the National Airways “Bulgaria Air” JSC.

The company also participates in “Lufthansa Technik Sofia” LTD. In 2011 “Bulgarian Airways Group” JSC expanded its cooperation with “Lufthansa Technik Sofia” LTD by the increase of the hangar base, respectively the capacity, for the servicing of the Boeing and Airbus aircrafts.

Projects in Russia

In the spring of 2011, “Bulgarian Airways Group” JSC successfully completed two international projects in the Russian Federation. The establishment papers of the joint venture ZAO TAT AVIA were signed in order for the latter company to perform the large reconstruction and development of the international airport in the city of Kazan, and namely:

- » Building of a new terminal 1A, the capacity of which is increased up to 2.5 million passengers per year and its official opening was on the 12th of December, year 2012.
- » The company ZAO TAT AERO was founded in Russia for the performance of another large project – the reconstruction, modernization and development of the TATARSTAN airways. That project ended successfully in January 2012 and was followed by ownership transfer back to the local State, thus putting the project to an end in December 2012.

In 2015, the BAG Group established its subsidiary Bulgaria Air Meintenance through instalment in kind. Created for the purpose of investment and realization of the following two large investment projects, namely: the project “West Wing Extension Project: Expansion of Aircraft Repair and Maintenance Base” Lufthansa Technik - Sofia Ltd. and project “Construction of a Logistics Base and Office building for HDL Express Bulgaria Ltd.”. For the West Wing project, the Company together with Lufthansa Technik - Sofia Ltd. received a class A investment certificate issued by the.

The policies of “Bulgarian Airways Group” JSC are dedicated to the development of the subsidiary companies creation of joint ventures with local and foreign companies, active participation in airport concessions (presently the “Chimiport” group controls 40% of the capital of “Fraport Twin star Airport Management” – concessioner of Burgas and Varna Airports for a term of 35 years), as well as in provision of complex services for present and former customers. Currently a large scale investment program is being performed, as well as a restructuring of the aviation business within the holding.

“Bulgaria Air” AD

“Bulgaria Air” AD is a joint stock company, national carrier of the Republic of Bulgaria. By 14 February 2007 sole proprietor of the company was the state in the form of the Ministry of Transport, and thereafter the company has been privatized. Holder of the capital is “Bulgarian Airways Group” EAD, whereas one of the shares with serial number No. 1 is property of the Bulgarian state. The capital of the company amounts to EUR 61.3 million – 120 thousand shares of face value BGN 1 000 each. The airline is a member of the International Air Transport Association (IATA) and the International IATA Clearing House and the BSP.

The airline “Bulgaria Air” performs the following scope of activities:

- » regular flights from Sofia, Varna and Burgas to 22 major cities in Europe and Middle East: capitals and big cities in Russia, Germany, the United Kingdom, Switzerland, Spain, France, Italy, Czech Republic, Austria, the Netherlands, Belgium, Greece, Israel, Lebanon and Cyprus, as well as domestic flights to Varna and Burgas;
- » the airline has Code-share contracts signed with airlines such as Air Italy, Cyprus Airways, Wind Rose, Qatar Airways, Aeroflot, Air France, Alitalia, Iberia, Czech Airlines, KLM, Tarom, Air Serbia, Aegean;
- » “Bulgaria Air” offers its customers the opportunity to fly to more than 400 cities in Europe, Asia, Africa

and North and South America on the basis of contracts for partnerships signed with a number of airlines;

- » charter and business flights to more than 100 destinations; Aircrafts of the company are hired throughout the year by big tour operators for carriage of tourists to various destinations in Europe, the Middle East and North Africa. “Ad-Hoc” charters are also offered – single charter flights for corporate and private clients.
- » aircraft lease – aircrafts are offered for wet and dry lease to other airlines in Europe and the Middle East;
- » carriage of cargo and mail – the airline works with all shipping agents registered on the Bulgarian market and with selected partners on the international markets;
- » on board sales – on board its aircraft the airline offers the “Sky Shop” service – sales of various articles on flights within the EU and duty free sales on flights to destinations beyond EU. Shopping on boards the aircraft of “Bulgaria Air” is convenient and attractive for passengers: the prices do not include any duties on flights to certain destinations (DF), the assortment has been carefully selected and of guaranteed origin, with choice of various categories of products, appropriate as special gifts or everyday use. “Sky Shop” also offers a special service: passengers may order in advance a specific article and they can rest assured the article will be delivered on board the aircraft and kept particularly

The hangars of Lufthansa Technik Sofia



for them.

The management strategy in effect provides for rapid growth of business operations and entering new markets by expanding the flights network, increasing the frequency of operations and attracting new clients with advantageous offers for direct and transfer flights, depending on the specificity of each particular market.

The passenger based market share of the airline is 21.7%.

Bulgaria Air distributes its product on the Bulgarian market via travel agencies and tour operators, the offices of Central Cooperative Bank throughout the country, as well as via its own Call Centre and its own

sales offices, inclusive of the Internet site www.air.bg and mobile app Bulgaria Air. The airline works with some 180 travel agencies and tour operators in the country. The sales by agents in Bulgaria account for 56% of the value of sales on annual basis, and the sales by own offices in Bulgaria and abroad – 44%.

The main objective of the company is to uphold its existing market share and to improve the indices relevant to the number of passengers and the average rate of revenue per passenger. The clients are offered the maximum choice on destinations of "Bulgaria Air" and the whole range of services offered by other air carriers, of comparable quality but at more advantageous prices. In 2018, the airline has updated and expanded several of its codeshare collaborations. Three new destinations to France - Lyon, Nice and

Bordeaux - have been successfully added to the codeshare agreement with Air France, and the agreement with Alitalia has been renewed, including sales from Sofia via Rome to the entire flight network of Italia, as well as to Madrid, Barcelona, Geneva and other key European destinations. New partnerships are being negotiated with a number of airlines, including Condor, Air Italy, Air Baltic, Windrose and others.

The company has representative offices in London and Moscow. "Bulgaria Air" airline has completed its ambitious programme for expansion and optimization of its operations. The company made investments for modernization of its fleet of aircraft and for obtaining last generation of technology for more efficient management of its business operations. The objective

was to enhance substantially the quality of the transport service offered and to introduce the highest standards of service in both economy and business classes.

Ground services for "Bulgaria Air" are provided by Swissport Bulgaria. The service maintenance of all aircraft is done at the aviation technical base of Lufthansa Technik – Sofia.

The employees of "Bulgaria Air" as of 31.12.2018 are 406, comprising 85 pilots and 126 persons as cabin crew.

Most of the investments were targeted for replacement of the existing fleet with new aircraft from the Airbus concern, as well as from the Embraer



Airbus A319-112



Airbus A320-214

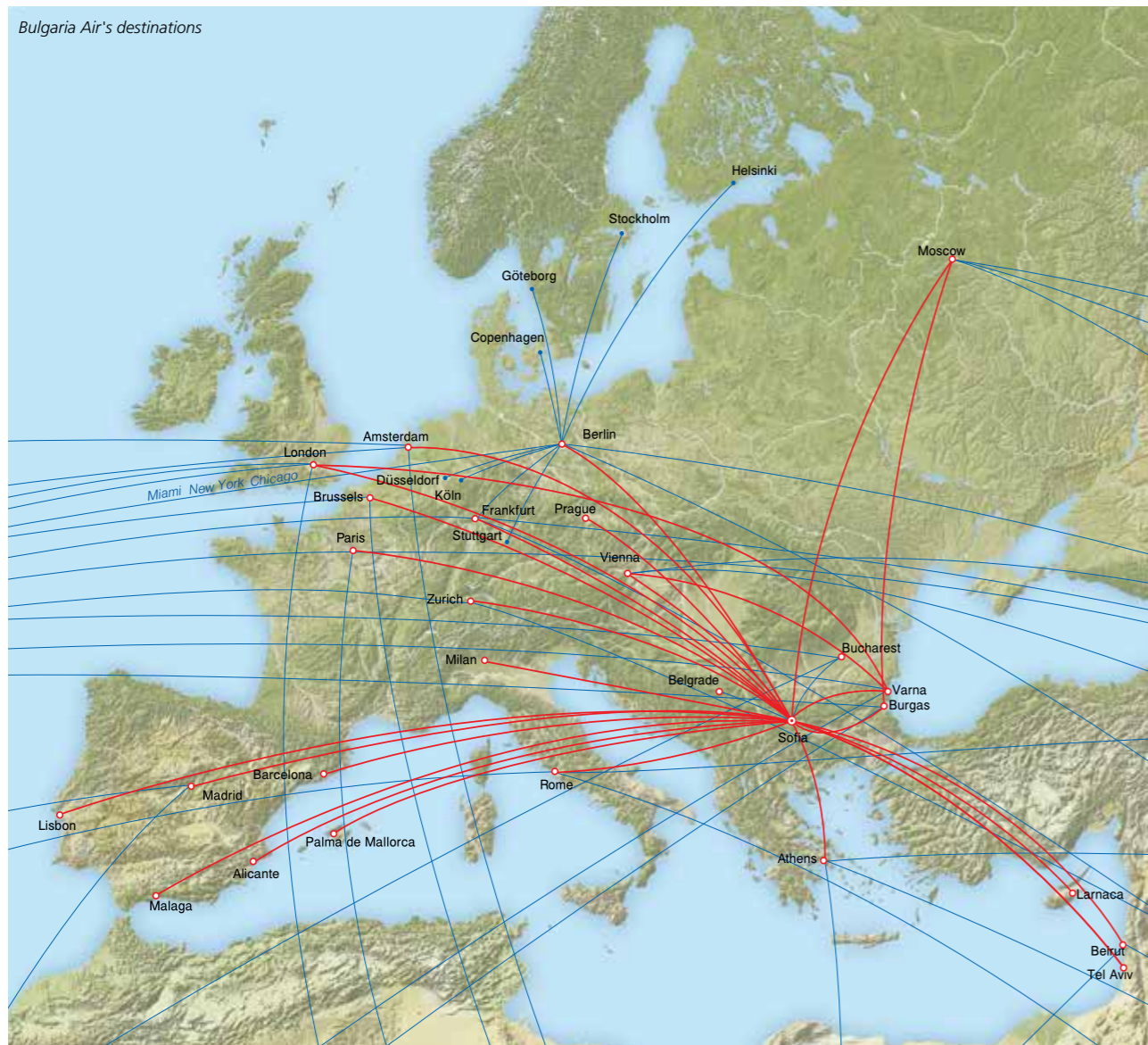


Embraer E190-100

concern, which in 2012 added to the fleet of the Bulgarian carrier 4 new, specially manufactured E-190 airplanes. This enabled flying to more distant destinations, higher efficiency, and improvements of the services rendered in general. Further to its lighter fuselage, this airplane boasts least harmful emissions in

its segment, reducing directly the fuel costs and the en route and landing charges. Its novel construction offers more comfort for passengers on board. The optimal dimension of the machine allows the national carrier to implement its strategy for development of new destinations and to increase the frequency of flights.

Bulgaria Air's destinations



Embraer E190-100



The main building of Bulgaria Air



United fleet of "Bulgaria Air"

Manufacturer	Type of airplane	Flights operated by	MSN	Registration No.	Configuration
Airbus	A319-112	Bulgaria Air	3564	LZ-FBA	8C/132Y
Airbus	A319-112	Bulgaria Air	3309	LZ-FBB	8C/132Y
Airbus	A320-214	Bulgaria Air	2540	LZ-FBC	180Y
Airbus	A320-214	Bulgaria Air	2596	LZ-FBD	180Y
Airbus	A320-214	Bulgaria Air	3780	LZ-FBE	8C/156Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000492	LZ-SOF	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000496	LZ-VAR	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000551	LZ-BUR	8C/100Y
Embraer 190	Embraer 190-100	Bulgaria Air	19000584	LZ-PLO	8C/100Y



Embraer E190-100

“Bulgaria Air Maintenance” EAD

Bulgaria Air Maintenance EAD is a single-shareholder joint-stock company, entered in the Commercial Register at the Registry Agency on 06 January 2015. On 19 December 2014, the companies Bulgaria Air AD and Aviation company Hemus Air EAD decided on the incorporation of the company Bulgaria Air Maintenance AD via contribution in kind of real estate properties consisting of investment properties (land and buildings) valued at EUR 43 848.39 thousand and buildings valued at EUR 2 481.81 thousand. The newly-established company was entered in the Commercial Register on 06 January 2015. On 09 January 2015, a share purchase agreement was signed for the shares of Bulgaria Air Maintenance AD, with which Bulgarian Airways Group EAD acquire all transferable property and non-property rights to 100% of the shares of the Company. With a decision for transformation adopted on 19 July 2017 by the sole shareholder of the Company - Bulgarian Airways Group EAD, part of the assets of the Company was transferred into the acquiring company Rest and Fly EOOD.

The seat and address of management of the Company is Sofia, Slatina District, Airport Sofia, 1, Brussels Blvd.

The share capital of the Company is EUR 44 836.72 thousand, divided into 44 836.72 common, available, registered voting shares with face value of BGN 1 each. Shares are securities certifying the participation of their holders in the Company.

The company has a one-tier management system, its governing bodies are the General Meeting of Shareholders and the Board of Directors.

The Company has a Board of Directors (BD) consisting of:

- » Hristo Todorov Todorov - executive member of BD;
- » Maria Ilieva Vladimirova - executive member of BD;
- » Plamen Tsvetkov Atanasov – President of BD;
- » Bulgarian Airways Group EAD - member of BD, represented by Lyubomir Todorov Chakarov.

Bulgaria Air Maintenance EAD is represented jointly by the two executive directors Maria Ilieva Vladimirova and Hristo Todorov Todorov.

The scope of business of Bulgaria Air Maintenance EAD is construction and facility management for basic and linear technical service, maintenance and repair of aircraft, construction of logistic centers and cargo terminals, aviation services, consultancy activities and any other activity that is not prohibited by the legislation of the Republic of Bulgaria.

The company's activity consists of leasing the corporate real estate – land, hangars and auxiliary buildings thereto.

Bulgaria Air Maintenance EAD is an investor and contractor of two major investment projects, namely: "West Wing Extension" project: Expansion of aircraft repair and maintenance base Lufthansa Technik-Sofia OOD and "Construction of a logistic base and office building for DHL Express Bulgaria EOOD" project. For the West Wing project, the Company, together with Lufthansa Technik-Sofia OOD, have received a Class A investment certificate issued by the Bulgarian Investment Agency.

Description of the Company's real estate

The investment properties of the Company include land, hangars and auxiliary buildings in operation located on the territory of Sofia Airport. The most important of them are as follows:

- » LAND – 121 024 sq.m.;
- » LAND – 1 743 sq.m.;
- » LIGHTWEIGHT HANGAR WITH CONNECTING CORRIDOR;
- » HANGAR 1;
- » HANGAR 2;
- » HANGAR 3;
- » ADMINISTRATIVE BUILDING 5.

Strategic objectives

The strategic objectives of the company are connected with the implementation of two investment projects on the territory of Sofia Airport Complex.

The "West Wing Extension Project: Expanding of Lufthansa Technik - Sofia OOD MRO facility with provision of buildings and infrastructure by Bulgaria Air Maintenance EAD", which was launched in December 2015, is successfully proceeding within the timeframe stipulated by the agreement, with the first stage of the project completed in December 2016 – construction of a new checkpoint and parking lot for Lufthansa Technik - Sofia. The following buildings will be erected and leased as part of the project – a new hangar with total built-up area of approximately 6 209 sq.m. and a 5-storey office building, new workshops and adjacent areas necessary for expanding the maintenance and repair facility of Lufthansa Technik - Sofia OOD.

In September 2016, a second project implemented by Bulgaria Air Maintenance EAD was launched, and namely the construction of a new logistics center for DHL Express Bulgaria OOD, entitled: "Logistics center with administrative section and underground car park for DHL Express Bulgaria EOOD". The duration of the project is 20 months from the date of signing of the contract to its construction and the newly-built premises will be leased long term.

In 2018 Bulgaria Air Maintenance EAD successfully completed two investment projects:

1. A project with certification class A: Expansion of : Expansion of the aircrafts maintenance and repair base of Lufthansa Technik – Sofia LLC with construction of Multifunctional 5 story administrative building, a new Hangar (awarded at the National competition Building of the Year 2018), new check point at Sofia airport territory. The expansion of the aircraft maintenance and repair base provides for a first time the opportunity in Bulgaria to be served not only narrow body aircrafts but also wide body aircrafts from Airbus family - A330, A 380 as well as aircrafts from Boeing family, which creates conditions for new jobs.

2. In April 2018 the Company finalized the investment project „New logistics center for DHL Express Bulgaria“ approved by Deutsche Post/DHL Express. The constructed high tech, modern center allows direct access to the aircraft service area of Sofia Airport and is equipped with the most advanced automated sorting system with capacity of 3000 parcels per hour – which permits a considerable reduction in the time of delivery to the final receiver, bigger turnover and more customer satisfaction.

With both partners Lufthansa Technik – Sofia LLC and DHL Express Bulgaria the Company has concluded long term rental contracts for the facilities.



About Lufthansa Technik

With some 35 subsidiaries and affiliates, the Lufthansa Technik Group is one of the leading providers of technical aircraft services in the world. Certified internationally as maintenance, production and design organization, the company has a workforce of more than 25,000 employees. Lufthansa Technik's portfolio covers the entire range of services for commercial and VIP/special mission aircraft, engines, components and landing gear in the areas of digital fleet support, maintenance, repair, overhaul, modification, completion and conversion as well as the manufacture of innovative cabin products.

Since it was established in 2007 Lufthansa Technik Sofia has become one of the leading MRO facilities in Europe with total area of 50 000 square meters and more than 1 000 highly qualified employees. The company is specialized in line and base maintenance services for Airbus and Boeing narrowbody aircraft.



Logistics base with administration part and underground parking for “DHL Express Bulgaria” LTD

The subject of this project is the construction and commissioning of Logistics base with administration part and underground parking for “DHL Express Bulgaria” Ltd on a site within the municipal area of Sofia, at Sofia Airport area.

In April 2018, the Company finalized the investment project approved by Deutsche Post / DHL Express. There was built a high-tech, modern center, with direct access to the platform for ground service of aircrafts at Sofia Airport, which is equipped with the most modern automatic sorting system, with a sorting capacity of 3000 shipments per hour. This allows to be significantly reduced the delivery time of shipments to final recipients, higher turnover and more satisfied customers.

The building is functionally adapted to the combined requirements of trans-shipment operations. The delivery of shipments takes place day and night via HGVs with a maximum overall weight of 40 t.

The project is divided into 2 functional areas - Terminal and Office Building.

Terminal

Central body with underground parking, docks for intercity transport of shipments, distribution of shipments with conveyor processing technology.

Core body, with mainly linehaul-docks, distribution of shipments, partially with conveyor technology, building additionally suitable for dangerous goods handling.

PuD – Fingers, as an area suitable for PuD activities (Pickup and Delivery), partially with conveyor – technology only with Van-docks

Office building

The administration building is attached to the terminal. It provides all necessary space for staff’s accommodation, according to the numbers of employees - 247 (74 Women /173 Men), and for visitors reception (up to 10% of staff).

The total Site area: 12 837 m²

Project of logistics base DHL Express Bulgaria



Project of logistics base DHL Express Bulgaria



The construction of logistics base DHL Express Bulgaria

“Swissport” Bulgaria

Swissport Bulgaria is a joint venture between Swissport International and Bulgarian Airways Group. Swissport International Ltd. provides ground and cargo handling services on behalf of some 850 client companies in the aviation sector and handles around 282 million passengers and 4.8 million flights (movements) per year. with a workforce of around 66 000 personnel, Swissport is active at more than 303 stations in 48 countries across five continents, and generates annual consolidated operating revenue of EUR 2.9 billion. On the other hand, Bulgarian Airways Group is a leader in the Bulgarian aviation sector,

successfully integrating aviation companies under one umbrella. Swissport Bulgaria AD is focused on providing comprehensive range of services including Passenger & Ramp Services, Lounge services, De-icing and Fueling Services. Sofia Airport is the largest airport in Bulgaria with more than 7 million served passengers per year. Swissport Bulgaria AD has more than 350 employees and the company generates annual revenue of more than EUR 5.5million. In order to streng then its market presences Swissport Bulgaria AD is focused on introducing new services and innovating existing.



“Amadeus Bulgaria” OOD



Travel powers progress. Amadeus powers travel.

Amadeus is a truly global company of more than 16,000 professionals serving customers in more than 190 countries. We are united by a common purpose: to shape the future of travel.

Amadeus provides the solutions that keep the world of travel moving, developed in partnership with the industry for 30 years and counting. Every day, we deliver intelligent solutions to the world’s travel agents, search engines, tour operators, airlines, airports, hotels, car rental companies, railways and more – helping them deliver more rewarding journeys to travelers.

Amadeus portfolio includes merchandising, revenue management, travel intelligence and travel expense management, harnessing the potential of cloud computing, mobile and big data for our customers.

Amadeus at the heart of travel



Amadeus Bulgaria OOD was established in 1998 as a subsidiary of Amadeus IT Group. In September 2009 Bulgaria Air JSC acquired 45% of Amadeus Bulgaria OOD. Amadeus has over 300 clients in Bulgaria. It provides the full portfolio of Amadeus products and solutions to the Bulgarian market.

“Fraport Twin Star Airport Management” AD

Fraport Twin Star Airport Management AD is a German-Bulgarian company awarded the concession of Varna Airport and Burgas Airport for 35 years. In the joint venture, Fraport AG holds a 60% share and with 40% participation is the company "Airport Services - Bulgaria". Fraport Twin Star is responsible for operating, managing and developing the two airports – 24-hour gateways to the Black Sea: VAR serving the northeast and BOJ the southwest of Bulgaria. Fraport Twin Star’s tasks include training and improving employee qualification and expertise, enhancing service quality and the overall passenger experience, upgrading airport equipment and introducing new technologies, as well as modernizing and expanding infrastructure. From the beginning of the concession in 2016 to the end of 2018, more than BGN 400 million have been invested in the two Black Sea airports. By the end of the 35-year concession, the company is committed to invest over BGN 790 million.

In 2013, Fraport Twin Star Airport Management AD opened two new passenger terminals at both Varna and Burgas airports. The construction of the two facilities is a crucial component in the development of both coastal cities, as well as the development of tourism in the region. The new terminals offer large areas for arriving and departing passengers, modern passenger and luggage handling systems, an attractive shopping atmosphere, as well as comfortable outdoor areas. The design of the

terminals is the work of world-renowned designers whose work combines modern design with traditional elements from the Bulgarian natural and architectural environments, aimed to maintain the festive holiday mood of the passengers for the whole duration of their stay at the airport.

In 2018, Varna Airport and Burgas Airport set a historic record, welcoming over 5.5 million passengers, handling more than 38,000 flights which were serviced by 103 Bulgarian and foreign airlines, offering charter and scheduled services to some 173 destinations in Europe, Middle East and Northern Africa. More than 650 permanent and about 1,200 seasonal employees work at Fraport Twin Star in Varna and Burgas.

Since the start of its airport management operations, the passenger traffic has increased by 42% at both Varna and Burgas airports. Between 2015 and 2018, both airports have registered more than 50% passenger growth.

The winter flight schedule in Varna has tripled – from 6 destinations in 2015 to 17 routes this year, which include 6 new year-round routes or + 60% year-round destinations 2019/2020 compared to 2018/2019. This development of the winter destination portfolio has risen by 283% compared to year 2015.





Burgas Airport

CHECK-IN

CHECK IN 18

CHECK IN 14





All efforts of the company continue to be determinedly aimed at developing traffic beyond the summer tourist season.

SUSTAINABLE DEVELOPMENT **Airport Carbon Accreditation**

Varna & Burgas Airports have successfully joined the Airport Carbon Accreditation at Level 1 Mapping. The program has four levels, recognizing and accrediting the efforts of airports to manage and reduce their carbon emissions. Airport Carbon Accreditation is the only institutionally-endorsed carbon management certification standard for airports.

Climate protection and energy are two interrelated aspects, since burning of fossil fuels results in releasing greenhouse gas emissions. Using the energy in an effective manner has never been more important. Consequently, Fraport Twin Star Airport Management AD has invested in reducing the electricity consumption through purchasing new energy saving equipment, also reducing energy for heating and lighting. The Company observes the

energy efficiency policy introduced. We are aware that with the growth of air traffic, we are increasing our energy and fuel consumption, and thus our carbon footprint on the environment. Our long-term goals are to retain our carbon footprint and to use fuel, energy and water responsibly in order to keep our environment clean.

AWARDS:

- » Award for contribution to the development of the regional economy of Burgas in 2017.
- » Award of the German Economy in Bulgaria 2016 in the Big Enterprise category
- » Award for overall contribution to the development of tourism on the Bulgarian Black Sea coast by the Bulgarian Hotel and Restaurant Association in 2016.
- » Investor of the Year Award 2013 in the Transport and Logistics sector from the Bulgarian Investment Agency.
- » "Building of the Year" Award 2013 in the category "Urban Environment - Transport Infrastructure".



“Nuance BG” AD

Nuance BG is a joint venture between The Nuance Group (50%) and Bulgarian Airways Group (50%). The company has operated the Duty free and Duty paid shops at Airport Varna and Airport Burgas since 2013, offering a wide choice of first-class products in the categories of Perfumes & Cosmetics, Liquor, Tobacco, Confectionary, Local Food & Liquor, Toys, Sunglasses, Leather Goods & Bags, Watches & Jewelry.

With retail space of close to 1000 sq. m in each airport, split into a Walk-Through Duty Free Store, an Arrival store, a Gate shop, Specialty store and Bulgarian Bazaar store, the joint venture presents an ultra-modern airport shopping experience perfectly combined with true Bulgarian style.

The company is the only retailer in Bulgaria of the world-famous brand Victoria's Secret as since 2018 it offers the iconic brand' products in categories Beauty, Lingerie and Accessories.

After a successful acquisition in September 2014, The Nuance Group became part of Dufry achieving even greater levels in terms of market share, turnover

volume, geographic footprint and number of employees.

The symbioses between the two companies strengthened Dufry as an industry leader and the largest travel-retail company, with presence on 5 continents across the globe, operating more than 2200 shops in 63 countries. To the group's portfolio belong the brands Nuance, Hellenic Duty Free, Hudson, Colombian Emeralds, World Duty Free and others.

In 2018 Dufry confirmed its profitable growth strategy with strong financial performance and a substantial number of contract extensions, which account over 30,000 sq.m. new commercial space, as well as full refurbishment of another 35 000 sq.m. existing commercial space, including the Next Generation Stores at Heathrow and Cancun airports.

Dufry Ltd is publicly listed in Switzerland and in NYSE. The headquarters of the Group are located in Basel, Switzerland.



“Silver Wings Bulgaria” LTD

In 2013 a joint venture was established between Bulgarian Airways Group holding – 42.5% of the shares, LSG Lufthansa Service Europe / Africa GmbH with 28.75% shares, and Alpha Flight Group Limited with 28.75% shares, which was established in 1998 when it was registered under the name Abela Airport Services Ltd, but due to a change in ownership in 2005, it was renamed to Alpha Airport Services Ltd.

The newly established company is registered under the name of Silver Wings Bulgaria OOD as its main activities are airline catering and restaurant management.

At present the headquarters and registered office of the company is on 138 Mimi Balkanska Str., municipality of Slatina in Sofia city. The main activity of the company is carried out in a newly built catering owned by the company.

The site is built and equipped according to the latest

international requirements for aviation catering. The company performs the restaurant business at two sites, rented from Sofia Airport on Terminal 2 – Deli Sandwich Bar and World News Coffee, as well as in two fast food outlets in Lufthansa Technik Sofia OOD and DHL Express Bulgaria EOOD.

Major customers of the company are the following airlines:

- » Bulgaria Air;
- » Air Force 28;
- » British Airways;
- » Air France;
- » Lufthansa;
- » Wizz Air;
- » Qatar Airways;
- » Lufthansa Technik Sofia OOD and others.

In addition the company also serves the majority of the governmental, charter and business flights to and from Sofia and Plovdiv Airports.



Building of Silver Wings, Sofia

“Bulgarian Shipping Company” JSC

Chimimport’s investments in the river and marine transport industry are realized through its subsidiary Bulgarian Shipping Company, 100% owned by Chimimport Plc.

Bulgarian Shipping Company JSC was established in 2006 with the purpose to consolidate the interest of Chimimport Plc in the river and marine transport.

Bulgarian Shipping Company, being a parent-company, has an effective control over its subsidiaries Bulgarian River Shipping Plc, where the company owns 76.15% of the shares (directly or via affiliates), Bulgarian Logistic Company Ltd.– 100%, and since 2011 – 100% of the capital of Portstroy Invest Ltd.

Through Bulgarian River Shipping, the Bulgarian Shipping Company JSC holds the majority share capital in the following companies:

Subsidiaries:

- » Mayak KM JSC – 94.25%;
- » Interlichter Slovakia Ltd – 100%;
- » Port Invest Ltd – 100%;
- » Port Pristis Ltd – 55%;

Associates:

- » VTC JSC – 41%;
- » Blue Sea Horizon Corp – 19%.

Jointly controlled:

- » Varnaferry Ltd – 50%

Bulgarian Shipping Company JSC effectively participates in the management of:

- » Port Lesport JSC – subsidiary of Chimimport – 99%;
- » Lesport Project Management Ltd – subsidiary of Port Lesport – 100%;
- » Danube Investment Company Ltd – subsidiary of Chimimport – 100%;
- » Port Balchik JSC – subsidiary of Zarneni Hrani Bulgaria – 65%;

- » Since the middle of 2016 Bulgarian Shipping Company JSC has not been a member of the Board of Directors of Ship Repair Yard Odessos Plc.

Bulgarian Shipping Company JSC has direct ownership of 33% of the share capital of Port Balchik JSC.

The future plans of the Bulgarian Shipping Company include acquisition of shares in ports, ship-building and ship-repairing companies, construction of new port terminals, purchase and management of vessels for river and sea, as well as improvement of the transport streams from/to Russia and the region.



“Bulgarian River Shipping” J.S.Co

“Bulgarian River Shipping” J.S.Co Ruse is the undisputed leader among the Bulgarian companies dealing with river navigation, as the volumes of transport activities and the company's fleet exceed considerably those of its closest competitors sailing under Bulgarian flag.

The company was established in March 1935 under the name “River Coastal Shipping”. In May 1940 it was transformed into a separate company “Bulgarian River Shipping” based in the town of Rousse. The company has been public till January 2004, its shares are currently traded on the official stock market – segment “B” of the Bulgarian Stock Exchange – Sofia JSCo.

„Chimimport” through “Bulgarian Shipping Company”, as well as through other subsidiaries, is the owner of 79.89 % of the capital of “Bulgarian River Shipping”.

As of 31.12.2018 the shared capital of the company amounts to BGN 35,708,674.00 as the shares are in possession of more than 500 shareholders legal entities and individuals.

As to 31.12.2018 Bulgarian River Shipping is the owner of a fleet, consisting of:

» Self-propelled vessels:

- » Pushers with 1540-2700 HP – 15 pcs.;
- » Self-propelled ships – 3 pcs.;
- » Assisting ships – 2 pcs.;
- » Manoeuvring ships – 2 pcs.;
- » Ferryboat platform for transport of passengers and motor vehicles.

» Non-propelled fleet:

- » 3 tank-barges;
- » 64 barges, including:
 - 29 pcs. with hatch covers:
 - Type SE-2000 with TTC up to 2000 MT – 8 pcs.;
 - Type SE with TTC between 1500-1700 MT – 13 pcs.;
 - Type SB with TTC up to 2100 MT – 5 pcs.;
 - Barges for the self-propelled ships with max. TTC 1100 MT – 3 pcs.;
 - 19 pcs. open top barges with max. TTC up to 2200 MT;
 - 12 pcs. barges with crew with TTC from 1000 to 1500 MT;
 - car-carrier type barges – 2 pcs.;

- Ro-Ro – 2 pcs.

» **Pontoons** – 11 pcs.

Bulgarian River Shipping J.S.Co offers a wide range of services to its clients, covering most of the needs of the companies looking for transport on the Danube. The company is specialized in:

- » Transport of bulk and general cargoes, liquid non-hazardous cargoes and fuels, large-sized and concentrated cargoes;
- » Container transport;
- » Ferry services between Port Nikopol and Port Turnu Magurele;
- » Agency services for Bulgarian and foreign ships in all Bulgarian Danube river ports;
- » Shipping, forwarding and chartering of river and sea vessels;
- » Organizing of combined transport: river – railroad – sea and river – sea.

Bulgarian River Shipping maintains:

- » Own agency offices rendering agency services to the

fleet of the company, as well as to other ship-owners in the ports of Rousse, Lom, Vidin and Svistov;

- » Agency representative office in the port of Budapest, dealing with agency and chartering of own and foreign vessels.

Bulgarian River Shipping J.S.Co has its own repair facilities in the town of Rousse for ship repairs and technical works.

Holding company “Chimimport” undertook to invest in Bulgarian River Shipping JSCo 25 million EUR during 2007 – 2011 through its subsidiary company “Bulgarian Ship Company”.

The main objective of the investment program was the increasing of the tonnage of Bulgarian River Shipping, as well as renovating the fleet of the company by replacing ship engines with new ones, product of “Caterpillar”; making constructive changes in some of the pushers thus enabling them to sail in the Upper Danube. The full reconstruction and replacement of the engines of 6 of the pushers



The “Sredna Gora” Pusher



Constanza Port



Port Vidin

was completed and their exploitation proved exceptionally good, resulting in low fuel consumption and minimal environmental pollution.

The investment program paid special attention to the building of new vessels, as well as to the growth of the fleet through purchase of vessels from other ship-owners.

Upon signing a contract with "Ship Building" JSC – Varna in 2008 started the building of six covered barges (2 000 DWT dry cargo river barges "Europe-II" type). "Ship Building" JSC – Varna launched the first two barges in 2008 and by the end of 2009 with the building of the other 4 barges the series was completed and they were put also into operation. At present, these barges are the newest barges on the Danube under Bulgarian flag.

In 2010 in implementation of the investment program Bulgarian River Shipping increased its fleet with purchasing, as follows:

- » 10 pcs. river vessels, incl. 3 self-propelled vessels with 3 barges to the vessels, 2 non-propelled river barges

and 2 pushers. The acquisition of the vessels was due to the contract between Ship Building JSCo and Bulgarian River Shipping, as a result of which the fleet of the company was increased by additional loading capacity of 9400 MT and power of 6600 HP;

- » 4 pcs. non-propelled river barges and 1 pusher, purchased from Eastern River Shipping - Rousse.

Due to these two transactions the fleet of the company was increased by a total of 17,000 MT loading capacity and 7,500 HP.

The investment program of Bulgarian River Shipping foresees the building of a logistics centre with a capacity of over 25,000 square meters, facilities for the storage and marketing of petroleum products with a capacity of over 10,000 tons and grain silo with a capacity of 2,780 cubic meters. The center is going to cover an area of 185,000 square meters (45,7 acres) owned by BRS in the Industrial Zone Rousse-East, next to bank of the Danube River.

On 20.08.2010 the Ministry of Transport, Information Technologies and Communications concluded with

Bulgarian River Shipping JSCo contract to award a 35-year concession for the operation of **Port Terminal "Vidin-North"** and **Ferryboat Terminal "Vidin"**, parts of Port for Public Transport of National Importance Vidin. The contract entered into force on 20.10.2010 and is for a period of 30 years.

Port terminal "Vidin-North" has an area of 120 decares, with its rail tracks, built road link with national route E79. The open storage area of the terminal reaches 10,000 square meters. On the territory of the terminal there has been a constructed warehouse operating in a customs warehousing mode. Port terminal "Vidin-North" has had three berths, one of which is specialized in processing of grain and the other two are multipurpose.

Port terminals "Vidin-North" and Ferryboat Terminal "Vidin" form the territory and operational aquatory of port "Vidin-North", namely from km. 792.800 till km. 793.600 according to Danube mileage.

Huge problem for most river ports are the low waters of Danube River during the summer months. Having in

mind the depth of the port aquatory and the technical parameters of the port technique for transshipment, this matter does not concern port Vidin-North at all. Even during the lowest water levels ever measured so far, the port provides incessancy of the transshipment operations, which contributes to more qualitative services for the clients.

Port terminal "Vidin-North" has been certified for handling general cargo (containers, metals, machinery, equipment, oversized and heavy parcels, etc.), bulk (grain, aggregates, wood, coal, etc.), non-hazardous liquid cargo (vegetable and animal oils, liquid chemical products and preparations, etc.), supply ships with energy and communications, ship bunkering (fuel, lubricants, water, etc.), supply of maritime-technical services, supply of food and other products.

From the concession of Port terminal "Vidin-North" until now an annual cargo turnover of almost 100 000 tones has been reached. A major share of the commodity turnover of the port is occupied by bulk cargo, of which leading ones with the largest volume are agricultural products, followed by coal, plaster,



Port Vidin

technical wood, etc.

The covered warehouse is with total built-up area of 3725 m² and it's divided into 5 separate sections, each with area of 745 m².

Height, width and length of every section are, as follows: 6,10 m/17,75 m/42 m.

"Bulgarian River Shipping" JSCo has been certified by DNV GL – Business Assurance, Hungary, under standard ISO 9001:2015, covering the activities on commercial shipping on the European inland waterways and linked activities, as well as operation of river ports.

Port "Vidin-North" is an advanced modern port with well-developed infrastructure. The port terminals dispose of the necessary equipment, advanced technologies and qualified personnel for providing the full circle of port services – handling of ships, wagons and trucks from accepting the cargoes, their storage in open and covered storage areas until their expedition to the final recipients.

In October 2013 Bulgarian River Shipping JSC concluded a contract with the Ministry of Transport, Information Technologies and Communications to

award a 35-year concession for the operation of **"Port Terminal Nikopol"**.

The port terminal is located on the Pan-European Transport Corridor № 7 (Rhine-Main-Danube Canal). Its main purpose is to provide a place for berthing of "Ro-Ro" type ships with horizontal loading for the transport of people, cars and agricultural and wheeled vehicles running between the Bulgarian and the Romanian bank of the Danube River on the "Ro-Ro" line Nikopol – Turnu Magurele.

"Port Terminal Nikopol" was designed, built and put into operation in 2008. Its total area is 17,642 sq. m. Within the territory of the terminal there is a border checkpoint, customs office, phytosanitary control point etc. Cargoes to and from the port are transported by road and waterway.

At the end of June 2015 within the Port Nikopol there has been put into operation a second berth intended for loading of grain in a direct manner "car – ship". Loading facilities it has been equipped have a capacity of about 300 tons/h, allowing realization of a ship daily rate of at least 2-3 thousand tons of grain, depending primarily on the haulage of grain. For the period from 01.07.2015 till the end of 2018 at the port were

processed over 53 700 tons of grain cargoes, of which over 39 500 tons of wheat, 11 300 tons of barley and 2 900 tons of corn.

With the conclusion of these 4 agreements, Bulgarian River Shipping J.S.Co enriched its main activity with more services – i.e. to act as a port operator, providing transshipment operations and port services to passenger and cargo ships in several Bulgarian ports.

Since December 2006 the company is certified by the Germanischer Lloyd Certification GmbH according to ISO, current version ISO 9001:2015. The number of employees in the company by the end of 2018 runs to 175 people.

General financial data

Bulgarian River Shipping J.S.Co completes its production activities for 2018 with reported results 380.2 KT transported goods. The volume of cargoes on the Danube for the EU member countries amounts to 43.9 % of the total transport volume, whilst for non EU-member countries is 56.1 %. The financial result (audited) of the company for 2018 amounts to BGN 1.874 thousand losses.

On the 15.03.2011 Bulgarian River Shipping J.S.Co and Navibulgar (Bulgarian Maritime Fleet J.S.Co) established a joint limited liability company "Varnaferri" for providing ferryboat transport of cargoes on the **direct rail-ferry line "Varna – Caucasus (Russia)"** (each company owns 50% of the capital of "Varnaferri" Ltd.).

"Varnaferri" Ltd. assures high-quality sea transport service on this line, without damages and/or claims for the cargoes. There are regular trips, thus realizing fast and on-time wagon turn.

Since April 2014, mv "Varna" commenced regular weekly trips on the line Varna – Caucasus. At the end of 2015 "Varnaferri" Ltd. succeeded in attracting one of the biggest daughter companies of Gazprom as a client. This allowed gaining the position of exclusive sea carrier for companies, such as Gastrade /Austrofin/, Nordstar, etc. In 2018 the have been shipped 44,592 t LPG. On 01.09.2018 mv "Varna" moved on to higher Class Register – RINA. In 2018 mv "Varna" is performing regular trips on the line Varna – Caucasus. For the period 02.08.2018 – 02.09.2018 (31 days) the

ship has been out of operation due to repair works for Class requirements. With the top client of the company has been established long-term trading relations, as a result a mutual exchange of information and schedules has begun with the other participant in the "Four-party agreement on joint exploitation on the line Varna – Caucasus", namely Anship LLC, leading to time optimization, complete trips and reducing of costs. From the transport activities in 2018 the incomes amount to 6,866,000.00 BGN, with operational losses 985,000.00 BGN.

Investments in daughter companies and associated enterprises

Mayak KM Ltd.

"Bulgarian River Shipping" JSCo owns 51.37 % share in Mayak KM Ltd. The daughter company manufactures ship equipment – cranes, anchor mechanisms, grippers and other steel constructions for shipbuilding and engineering. Within the counterparties of the company are serious clients, such as Rolls-Royce.

Port Invest Ltd.

"Port Invest" Ltd. is registered as a limited liability company with head office in Ruse. "Bulgarian River Shipping" JSCo is the sole owner of the capital with 100 % share. In 2013 "Port Invest" Ltd. is determined as a concessioner of Port Terminal Lom, part of Port for Public Transport of National Importance Lom. The port has established an ambitious program for innovation and modernization.

Port Pristis Ltd.

"Bulgarian River Shipping" JSCo owns 19 % share in Port Pristis Ltd. The associated enterprise is performing services with commercial character, provided in ports, etc.

Participation in VTC Ltd. – Varna

The company owns 41 % voting rights and the sole capital of VTC Ltd. The company provides mainly maritime and navigational services, forwarding and towage activities, including port towage in all 10 ports in the vicinity of Varna, as well as port Balchik. As to 31 December 2018 the investment in the associated company amounts in 519,000.00 BGN.

Participation in Interlighter – Budapest

The company participates with 25 % voting rights in the management and in the shares of the company.



Varna ferry-boat, designed for the line Varna - Port Caucasus BRP building, Rousse

Interlighter – Budapest is primarily engaged in inland water transport and brokerage activities.

Nowadays Bulgarian River Shipping J.S.Co is the biggest Bulgarian river carrier on the Danube River. It's almost impossible the company to be displaced from the leading positions in the transport of common mass cargoes in bulk as coal, fertilizers, ores, coke, grains, etc. (most of the long-term contracts for 2019 are already concluded), as well as general cargoes like containers, heavy parcels and project cargoes (in 2019 Bulgarian River Shipping J.S.Co has concluded long-term contracts for the execution of transport of steel pipes for the international natural gas pipeline "TurkStream" on the Danube River to Republic of Serbia, and it seems we're going to be the only Bulgarian carrier admitted to the project amongst many others European transport companies).

Bulgarian River Shipping J.S.Co is in successful partnership with over 200 small and large companies all over Bulgaria and Europe.



Office-building, Rousse

	Registered capital EUR'000			Fixed assets EUR'000			Net sales EUR'000			Operational profit EUR'000		
	2018	2017	2016	2018	2017	2016	2108	2017	2016	2018	2017	2016
Bulgarian River Shipping JSCo	35 709	35 709	35 709	72 319	72 172	75 598	9 466	11 399	15 251	-1 962	245	736
Port Invest Ltd.	1 600	1 600	1 600	5 711	6 060	5 704	3 941	3 977	3 840	622	746	789
Varnaferry Ltd.	10 114	10 114	10 114	10 878	12 064	14 106	6 866	7 744	10 951	-1 959	1 015	1 955
Mayak KM JSC	1 003	1 003	1 003	1 553	1 675	1 832	2 004	2 587	2 050	-22	20	-38
VTC S.A.	1 100	1 100	1 100	6 167	4 273	3 589	5 734	5 974	5 632	1 450	1 691	1 816
Port Pristis Ltd.	100	100	100	2	0	0	90	130	130	5	1	3
Interlighter – Budapest	815	815	815	656	743	744	3 901	5 882	6 335	10	8	53



Port Terminal Nikopol

"VTC" S.A.

"VTC" S.A. (hereinafter referred to as VTC) is an associate of Bulgarian River Shipping J.S.Co. The company is founded in 2005. The authorized capital of VTC amounts to EUR 560 thousand, Bulgarian River Shipping J.S.Co owns 41% voting rights and the sole capital of VTC.

The company's main activities are maritime and navigation services; towing activities, incl. Performing port service harbour towage, towing or pushing of ships; agency services; chartering and freighting of ships; handling of ships and ships' supplying; bunkering; forwarding and comprehensive transport activity in Bulgaria and abroad; representation services of local and foreign persons and legal entities; consulting and expertise in the area of maritime transportation; calculation of maritime cargoes; management of the entire main activity, as well as performing any other services, related with shipping.

VTC is performing its main activity /towage and mooring services/ in all ports within the jurisdiction of Executive Agency "Maritime Administration", Directorate Varna: Varna East, "Petrol", Odessos Shiprepair Yard S.A., Bulyard Shipbuilding Industry AD, "Maritime Antipollution Enterprise" J.S.Co, Port Odesos PBM, Port Lesport S.A., MTG Dolphin Shipyard, TPP Varna EAD, TEREM - KRZ FLOTSKI ARSENAL VARNA EOOD, Varna west and Port Balchik. The main activity – towage and mooring services – includes berthing, re-birthing, towage, shifting of ships from one berth to another, mooring and unmooring of ships, as well as transport of people, supplies and equipment to/from ships, located in the sea.

The tug boats of the company perform also regular sea towages between Varna and Bourgas, as well as between Varna and Constanta.



Tug boats: "SANMAR XII", "SANMAR XIII" and "SANMAR XIV"



The company owns 4 tugboats which assist VTC in performing company's main activity. Three of the tugboats "SANMAR XII", "SANMAR XIII" and "SANMAR XIV" have ship's particulars as follows:

- » Year of built – 2003;
- » Place of built – Tuzla, Istanbul;
- » LOA – 18,28 m;
- » Breadth – 6,70 m;
- » Draft – 3,20 m;
- » Main engines – CATERPILLAR 2 x 746kW (2 x 1014BHP);
- » Bollard Pull /Тяга на гака/ - 27 t.

In 2018 VTC acquired a new tugboat, type RApport 1600-SX, specially developed for VTC by the leading tugboat designer Robet Allan Ltd. Canada and built by the leading tugboat constructor Sanmar Shipyards, Turkey. The ship's particulars of the tugboat "TICHA" are as follows:

- » Year of built – 2018;
- » Place of built – Tuzla, Istanbul;
- » LOA – 16,30 m;
- » Breadth – 7,40 m;
- » Draft – 2,70 m;
- » Main engines – CATERPILLAR 2 x 651kW (2 x 885BHP);
- » Bollard Pull - 21 t.

Customers and partners of VTC are leading shipping companies, such as Agrotrade Ltd., Bulgarian Shipping Company J.S.Co, Bon Marine Agency Ltd., Bulyard Shipbuilding Industry AD, Zodiac Maritime Agencies Ltd., Cargill Bulgaria Ltd., Odessos Shiprepair Yard S.A., Neft Oil Ltd., Oliva J.S.Co, Navigation Maritime Bulgare (NAVIBULGAR®), Sea Partner Shipping Ltd. and many others.

VTC is the undisputable leader among the market of towage services in ports Varna and Balchik with market share over 40%. In 2018 the company has handled over 900 vessels and has generated revenues from sales, amounting to EUR 2.93 million. Net operating profit after tax for 2018 amounts to EUR 663 thousand.

Gross operating incomes of VTC are, as follows:

- » for 2006 – EUR 1.06 million;
- » for 2007 – EUR 2.43 million;
- » for 2008 – EUR 1.24 million;
- » for 2009 – EUR 3.64 million;
- » for 2010 – EUR 1.86 million;
- » for 2011 – EUR 2.29 million;
- » for 2012 – EUR 2.29 million;
- » for 2013 – EUR 2.73 million;
- » for 2014 – EUR 2.66 million;
- » for 2015 – EUR 2.97 million;
- » for 2016 – EUR 2.88 million;
- » for 2017 – EUR 3.05 million;
- » for 2018 – EUR 2.93 million.

“Mayak - KM” JSC

“Mayak - KM” JSC was founded in 1968 at the industry zone of the town of Novi Pazar, located 70 kilometers to the West from the city of Varna close to the “Hemus” motorway.

The company was initially transformed into a jointstock company in 1966 and since 2006 is a fiduciary company of “Bulgarian River Shipping” J.S.Co.

The company is occupying 90 acres, 15 of which are closed manufacturing areas.

The core manufacturing is performed at a building with dimensions 96x130 meters, as well as in a preparatory workshop with dimensions 48x60 meters. The plant is designed to produce machine building products and metal constructions for the construction of ships and the energy sector.

Production capacities:

- » digital machines for gas and plasma cutting of sheets with dimensions 2.5x8 m and thickness up to 100 mm;
- » guillotines for cutting and partitioning of sheet metal up to 20 mm thick;
- » presses up to 2 000 tons;
- » abcant presses with load up to 200 tons;
- » bending machines for sheet metal up to 25 mm thickness;
- » Hobel milling machine with table dimensions 1000 x 5400 mm;
- » carousel lathe with plan washer 2200 mm;
- » coordinate drilling CNC machines;
- » the assembly workshops are equipped with cranes for loads up to 12.5 tons, welding equipment from ESAB for semiautomatic welding, ovens for thermal treatment of welded constructions, radial and column drilling machines, stands and welding equipment, section for hydraulic density testing;
- » section for jet cleaning up to degree Sa 2.5;
- » painting section.

The company had 70 employees in 2018, 16 of which have higher education degrees. The latter are highly qualified experts with numerous years of practice and have the required knowledge of the requirements that the production shall meet. All of the welding personnel have updated certificates of welding and some of them are certified by TUF NORD as well.

During the years the company produced:

- » ship cranes with load carrying capacity up to 40 tons by license from the Swedish “HAGGLUNDS”;
- » ship life rescue devices and mechanisms;
- » grips of all sorts and sizes;
- » metal constructions for the fifth block of the “KOZLODUY NPP” and technological lines for the TPP “Maritza Iztok”.

During the last few years, “Mayak - KM” JSC produces hydraulic system components for propulsion and guiding of sea ships and floating vessels. After the year 2000, the fundamental customer of “Mayak - KM” JSC is Rolls-Royce Marine Companies - Finland. For Rolls-Royce the company has delivered: cisterns of different volume and purpose; fundaments of pump aggregates; protectors for pumping screws and others as the total amount of items ordered reaches up to 12 thousand per year.

As a result from the successful performance of the orders for Rolls-Royce, the company gained some new customers – Polarteknik, Fluid House Bosch Rexroth and Cemnia. The sales for Rolls-Royce, Polarteknik, Fluid House and Bosch Rexroth produced around 90% of the total capacity of “Mayak - KM” JSC.

In 2010 a pilot order for Rolls-Royce Marine AS – Norway was performed and approved by the customer and in the fourth trimester of 2010 “Mayak - KM” performed the first regular orders. In 2011 some pieces went to a new Norwegian customer –Tingstd.

Thanks to the active price policies in the conditions of crisis in the month of June, year 2013, the company managed to perform a pilot order for PMC GROUP AB Sweden.

Since the beginning of 2018 the organization has been working with a new company from Finland – Tana Oy.

Manufactured production for the external market in 2018 is as follows:

- » Rolls-Royce Finland – 884 000 BGN;
- » Fluid House - 191 000 BGN;
- » Tana –29 000 BGN;
- » Senmia Finland - 581

- » Tingstd – Norway – 23 000 BGN.

Manufactured production for the external market in 2017 is as follows:

- » Rolls-Royce Finland – 1 133 000 BGN
- » Fluid House - 174 000 BGN
- » Senmia Finland - 799

Manufactured production for the external market in 2016 is as follows:

- » Rolls-Royce Finland – 1 435 000 BGN
- » Polarteknik - 9 000 BGN
- » Fluid House - 101 000 BGN
- » PMC GROUP AB Poland –25 000 BGN
- » Senmia Finland - 104
- » Tingstd – Norway – 23 000 BGN

Manufactured production for the external market in 2015 is as follows:

- » Rolls-Royce Finland – 2 529 000 BGN
- » Polarteknik - 74 000 BGN
- » Fluid House - 47 000 BGN
- » PMC GROUP AB Sweden – 87 000 BGN
- » PMC GROUP AB Poland – 225 000 BGN.
- » Senmia Finland - 39
- » Rolls-Royce Norway– 17 000 BGN
- » Tingstd – Norway – 12 000 BGN
- » Spare parts for ships – 84 000 BGN

Manufactured production for the external market in 2014 is as follows:

- » Rolls-Royce – 3 516 000 BGN
- » Polarteknik - 748 000 BGN.
- » Fluid House - 25 000 BGN
- » PMC GROUP AB Sweden – 12 000 BGN
- » PMC GROUP AB Poland – 30 000 BGN
- » Senmia Finland - 25
- » Kumera – 5 000 BGN

Except the deliveries for Konsberg Maritime Finland the following more noticeable items are being produced:

- » grips for harbor and industrial needs;
- » metal constructions for the new grain terminal of “Port Balchik”;
- » emergency ladders for public buildings;
- » metal constructions for reconstruction of river

floating vessels.

The company registered income not only from its regular activity – production of metal items, but also from the rendition of services – mainly equipment repair, as well as income from the sale of scrap metal and other materials.

Income for 2018:

- » Sale of export goods – 1 708 000 BGN.
- » Sales of products on the domestic market – 106 000 BGN
- » Other income – 190 000 BGN
- » Financial revenues – 42 000 BGN

Income for 2017:

- » Sale of export goods – 2 106 000 BGN
- » Sales of products on the domestic market - 26 000 BGN
- » Other income – 455 000 BGN
- » Financial revenues - 46 000 BGN

Income for 2016

- » Sale of export goods – 1 697 000 BGN
- » Sales of products on the domestic market - 38 000 BGN
- » Other income – 315 000 BGN
- » Financial revenues - 97 000 BGN

Income for 2015

- » Sale of export goods – 3 114 000 BGN
- » Sales of products on the domestic market - 54 000 BGN
- » Other income – 85 000 BGN
- » Financial revenues - 107 000 BGN

Income for 2014

- » Sale of export goods – 4 361 000 BGN
- » Sales of products on the domestic market - 98 000 BGN
- » Other income – 49 000 BGN
- » Financial revenues - 128 000 BGN

“Mayak-KM” JSC has an ISO 9001:2015 certificate and a licence for carrying out activities with high-risk equipment issued by the State agency for metrological and technical surveillance.

“Varnaferry” OOD

The joint-stock shipping company “Varnaferry” OOD has been established with the view to provide ferryboat carriage on the line Varna-Kavkaz. By running the ferryboat “Varna”, it is our obligation, as a Bulgarian marine carrier, according to the Bulgaria-Russian agreement to organization the ferry service between port of Varna and port Kavkaz.

This ferry-line has been officially opened up on 03.03.2009 and it is the first direct transport line between Bulgaria and Russia. It saves the distance up to 800km between the two countries. As a direct transport connection, it gives priority to the business and provides opportunity for sparing financial means, time and transit fees.

Varna Ferry Complex, where the vessel is loading and discharging is situated at the west coast of Beloslav lake by 30km from Varna and it is only place in the Black Sea region with possibility to change the rail car

bogies from European (1 435 mm) to Russian standard (1 520 mm). This is a unique advantage of this terminal offering one of the shortest and cheapest routs for the cargo traffic between Europe and Asia.

The ferry terminal Varna has two shipping places at its disposal which are equipped with lifting bridges having 5 tracks in one wheel-gauge (1 520mm).

With the start of its operations the new Bulgarian ferryboat vessel “Varna”, managed by “Varnaferry” OOD, will increase the volume of the cargo traffic and the profitability of the ferry line. It's capacity is 43 railwagons /51 cisterns on an upper deck and 24 heavy-trucks on a lower deck. The ferry has luxury cabins for the crew and the truck drivers. On average the line will service once a week. The distance between the two ports is 420 nautical miles and can be covered in less than 2 days. The annual turnover of m/f “Varna” for 2018 61 824 tons in 70 voyages.



Varna ferry-boat, designed for the line Varna - Port Caucasus BRP building, Rousse

“Port Lesport” S.A.

Port Lesport S.A. – Varna was established on 15-th of March 2005 with Resolution of Varna county court. The company has a capital of BGN 15 million, divided into 4000 shares with nominal value (issue) BGN 3750. Major shareholder is Chimimport JSC which possesses 99% of the capital and Invest Capital JSC possesses 1 %.

On 8-th of June 2005 has been signed Concession contract for 30 years period between “BM PORT” S.A. (new name “Port Lesport” S.A.) – Varna (a “Concessionaire”) and the Republic of Bulgaria, represented by the minister of transport and communications (a “Conceder”) of Port terminal Lesport, part of port Varna – a public port of national importance. The Concession contract comes into force on 30-th of May 2006.

General informaton

Port Lesport is located on the northern shore of Lake Varna, at a distance of about 8 km from the lighthouse “St. Nikolay ”. Due to its location, the port is protected from wind and is accessible all year round. The port is connected to the national railway network via Ezerovo station and to the national road network through the exit of the highway Sofia - Varna.

The total area is 124 000 m². The port has 3 berths with a total length of 450 m There are six indoor warehouses with a total area of 2 176 m². The open warehouse area is 69 000 m² which are under Customs regime.

“Port Lesport” S.A. has 5 port cranes “Kirovets” with 10 t load capacity, gantry crane “ABUS” – 10 t and 2 modern “SENNEBOGEN” diesel cranes with load capacity of 10 t. The company owns also modern lifting equipment and wheel loaders “Svetruck” and “Volvo” for handling the port cargoes.

“Port Lesport” S.A. is a holder of an Operational Certificate for handling general, bulk and ro-ro cargoes and vegetable oils. In 2016 Port Lesport developed new technological cards for handling of open top, refrigerated and ISO standard containers, municipal waste containers and drilling waste containers, also cargoes under IMDG Code

– explosives, sources of ionizing radiation for civilian purposes, types of flammable gas and flammable liquids; caustic soda in bags of 25 kg on pallets and cargo baskets; fuel - container tanks; Gas cylinders for maintenance in containers; Ammonium nitrate in big begs; vegetable oils.

“Port Lesport” S.A. meets the requirements of European Quality Standard ISO 9001:2015 for port activities, including stevedore operations, storing and other parallel cargo handling. The certificate is issued by Bureau Vertias.

In order to improve working conditions and quality of work, increase labor productivity of employees and competitiveness of the company by reducing the risk of accidents, incidents and health damage in the working environment, in 2014 a System for Management of Health and Safety at Work is developed , which is certified according to the international standard ISO 45001:2018. The certificate was issued by Bureau Vertias.

“Port Lesport” S.A. meets the port compliance requirements of the International Ship and Port Facility Security Code (ISPS Code). The port operates in accordance with an approved security plan. A technical and organizational facility for maintenance and repair of the port mechanization has been established in the port area. On the territory of the port there is BG Lesport 2006 Customs checkpoint, Border Police checkpoint and an office of the National Plant Protection Service, allowing full servicing of import-export and transit cargoes.

Activity

As a company managing multifunctional port equipment, Port Lesport S.A. provides the whole spectrum of port services in compliance with the Concession contract:

- » Reception, storage and dispatch of cargo;
- » Loading and discharging cargo from vessels, railcars and trucks;
- » Cargo lashing, unlashng and cargo weighing;
- » Supplementary services- cargo sorting, wagon fumigation, container stuffing and unstuffing, etc.

The port has established itself on the market as a reliable partner of grain, timber, soda, glass and scrap

exporters as well as ferrous metals and aluminum importers.

In compliance with the concession contract, since 08.02.2008 a Master plan for development of port terminal Lesport has been in force. For its elaboration the experience of world- famous Dutch consulting and engineering company is used – Royal Haskoning.

A forthcoming update of the Master plan is being planned in accordance with the Bulgarian legislation.

Planned investments are 129 million BGN.

Total Project

In 2015 "Port Lesport" S.A. has started its participation in a project of national importance to Bulgaria – the first oil and nature gas deepwater exploration in the exclusive economic zone of the Republic of Bulgaria in the Black Sea, according to a tender announced by Total E&P Bulgaria B.V. for the provision of integrated logistic services for 1-21 Han Asparuh Block. Shore base is located on the territory of port terminal Lesport and its official opening was in the beginning of 2016. Under contract with successful bidders Bon Marine in consortium with the Spanish company Geodis Wilson Spain SLU, "Port Lesport" S.A. provided port and storage services, ensuring the realization of the project.

On the territory of the shore base were stored pipes, materials, equipment and supplies needed to supply the drilling vessel and carrying out deep-sea exploration.

In the period 2016-2018 three drills were carried out

under the Total project.

The drilling ship was being served by platform supply vessels (PSV), calling at Port Lesport. The shore base includes offices, where is positioned Executive leadership team of the project.

"Port Lesport" S.A. provided additional resources in the face of labor and port equipment.

The decision of Total E&P Bulgaria is expected for the further strategy towards their next steps and investments in Bulgaria.

Shell Project

In 2018 Port Lesport S.A., as a subcontractor of Bon Marine Ltd., has won a second tender procedure for the implementation of a new drilling project for oil and gas exploration in the Khan Kubrat Block, located in the exclusive economic zone of the Republic of Bulgaria in the Black Sea with Contracting Authority of Shell International Exploration & Development Italy SPA - Branch Bulgaria.

By winning the Total and Shell projects for drilling, Port Lesport AD is proving to be the only Bulgarian seaport providing a logistical base for deep-sea oil and gas exploration projects in the Black Sea. This way, the company affirms itself as a reliable and experienced partner of the world's energy companies.

Investments, turnover and gross operating income

Current investments of "Port Lesport" S.A. are BGN 16 646 757 and the company has paid concession payments of BGN 23 362 116.



The company has invested funds in the rehabilitation of public state property and the purchase of new reloading equipment.

Since the start of the concession, nearly 7 000 000 tonnes of cargo have been handled at the Port of Lesport and over 2500 ships visits have been recorded.

Gross earnings of "Port Lesport" S.A. are the following:

- » for the financial year 2006 – 2,13 million BGN;
- » for the financial year 2007 – 3,47 million BGN;
- » for the financial year 2008 – 4,45 million BGN;
- » for the financial year 2009 – 5,68 million BGN;
- » for the financial year 2010 – 5,22 million BGN;
- » for the financial year 2011 – 5,44 million BGN;
- » for the financial year 2012 – 5,92 million BGN;
- » for the financial year 2013 – 7,75 million BGN;
- » for the financial year 2014 – 5,91 million BGN;
- » for the financial year 2015 – 4,03 million BGN;
- » for the financial year 2016 – 9,15 million BGN;
- » for the financial year 2017 – 5,87 million BGN;
- » for the financial year 2018 – 5,15 million BGN.



"Lesport Project Management" Ltd.

Lesport Project Management Ltd. is 100% owned by Port Lesport S.A. It is established to assist Port Lesport

S.A. in the design, logistics and port facility building of Lesport port terminal.



"Port Balchik" Plc

"Port Balchik" Plc is a limited company registered in July 2005. The company has a capital of 2 million leva.

From May 25, 2006 "Port Balchik" Plc is the concessionaire of the "Port Terminal Balchik" - territorial area of the port for public transport of national importance Varna. The concession contract was signed between the Republic of Bulgaria, represented by the Minister of Transport, Information Technology and Communications as grantor, and "Port Balchik" Plc concessionaire. The term of the concession is 25 years.

General information about port

Port terminal Balchik is situated in the region of the northern coast in the central part of the town of Balchik within regulation.

Balchik port terminal is part of a public transport port of national importance Varna. The port terminal is

built and operated since 1969 ranks as the third place among the largest ports on the Black Sea coast. Implemented under the scheme is single walled mall (so Balchik breakwater). The total area is 11,338 km. m. It has two berths with a total length of quay wall 164 meters. It is equipped with two 10-ton overhead cranes and all necessary mechanization quay for handling general, bulk and liquid cargo plant. In the port terminal can be processed simultaneously by two small vessels (ie 3000-4000) in permissible draft 8 m.

The port terminal has a 4,000 sq m outdoor storage areas. The territory has established a border checkpoint, customs office, post phytosanitary control and others. Cargoes to and from the port terminal is transported by road. The port terminal is designed for handling import and export of general, bulk, liquid vegetable cargo and mail.

In execution of the concession contract "Port Balchik" Plc build in Balchik port terminal "Complex for

storage, transportation and loading of bulk /grain/" with loading capacity of 2000 tons.

Silo complex consists of two silos with a loading capacity of 1,000 tons each, made of rings made of galvanized steel sheet, the size of the silos: diameter - 11.45 m; height of the cylinder with the roof - 15.84 m and single volume - 1385 cubic meters / total volume of 2770 cubic meters /. The silos are fitted with everything you need for temporary storage of grain in them as parameters of grain is controlled by the control system parameters, and the regulation itself is performed by venting the wheat from the ventilation system, which is installed on each silo. Overall clearing silos to empty the grain from them is carried out by sweep auger, with capacity of 80 t / h, installed in each.

Producer of the grain complex is a world leader in this type of equipment "Cimbria Unigrain" A / S - Denmark and the contractor of the works is "Stimex" Plc.

The work of the grain complex is carried out in several technological options:

- » loading a ship from silo - this type of grain silos in a system of grain transporters, elevators, conveyors and machine korabotovarna cargo ship. Loading productivity in this version of the work is 300 tons / hour;
- » loading of grain from car-Grain in silo - when this option grain poured into the car unloading, where a system of grain transporters, bucket elevators transported to fill the silos. Productivity in this version of the work is 150 tons / hour. The auto has the following dimensions: length 11 meters and width - 3 m with opportunities for the adoption of cars with side and rear dump;
- » loading a ship from car-Grain - this type of work grain poured into the auto, which through a system of grain transporters, elevators, conveyors and machine korabotovarna cargo ship. Productivity in this version of the work is 150 t / h;
- » loading of vehicles from grain-silo - this type of work from grain silos in a system of redlers and bucket elevators transport loading car-grain. Loading productivity is 150 tons / hour.

Silo complex is equipped with special equipment, so called korabotovarna machine, which is unique in the Republic of Bulgaria to implement loading of bulk / grain / ship. It is a self-propelled unit slidably movable along the quay wall to carry out the loading of the ship cargo plan approved. Through opportunities for lowering, lifting and rotating the nozzle of the tube loading of 3600, with the ability to drive the entire system of 300 left and right in localized position at a time of loading time filling all volumes in ship compartments.

The work of the complex is monitored by a system of sensors and implemented and monitored by avtomatizirirana computer system. The amount of grain loaded onto a ship and current output loading of the complex reported by electronic belt scale. The value of the constructed complex is 3 096 389.90 / three million ninety-six thousand three hundred eighty-nine leva and 90 cm /.

"Port Balchik" Plc holds:

- » operability certificate №11012 for handling general, bulk and liquid cargo plant and mail valid until 25/05/2031;
 - » Certificate of compliance with the requirements of European quality standard ISO 9001: 2008 for port activities and cargo handling, issued by SGS United Kingdom Ltd.;
 - » Certificate of conformity to the international port facility security code ships ISPS Code valid until 12.03. 2020 and approved security plan.
- The company "Port Balchik" Plc is a business of port services of loading, unloading, stacking, storage, repackaging of different types of loads, intra / terminal / cargo and mail in public ports, sea-technical services to which requires the use of port territory and / or port facilities - supplying ships with water, telephone and electricity mooring.

Development of the company

During the period of concession "Port Balchik" Plc strives to bring the port terminal in accordance with the highest standards at European ports and in accordance with best international practice by reconstruction, modernization and construction of new infrastructure on the territory of the port terminal.



With the signing of the concession contract is accepted and investment program for the implementation of "Port Balchik" Plc. The total investment for the entire duration of the concession amounted to 3,474,800 / three million four hundred and seventy-four thousand eight hundred / leva, for the first ten years implementation must amount to 2,851,700 / two million eight hundred and fifty-one thousand and seven hundred / leva. The total amount of investments made by recognized investment programs from the beginning of the concession period to 31 December 2018 amounted to 4 584 033 /four million eight hundred fore thousand and thirty-three leva/.

The cargo turnover from "Port Balchik" Jsc from the concession beginning is:

- » between May 25th and December 31st 2006 - 50 ships and 139,058 tons cargo;
- » between January 1st and December 31st 2007 - 67 ships and 201,667 tons cargo;
- » between January 1st and December 31st 2008 - 60 ships and 191,530 tons cargo;
- » between January 1st and December 31st 2009 - 69 ships and 228,848 tons cargo;
- » between January 1st and December 31st 2010 - 48 ships and 168,641 tons cargo;
- » between January 1st and December 31st 2011 - 44 ships and 143,335 tons cargo;
- » between January 1st and December 31st 2012 - 62 ships and 261,479 tons of cargo;
- » between January 1st and December 31st 2013 - 98 ships and 409,115 tons of cargo;
- » between January 1st and December 31st 2014 - 76 ships and 296,096 tons of cargo;
- » between January 1st and December 31st 2015 - 53 ships and 204,584 tons of cargo;
- » between January 1st and December 31st 2016 - 40 ships and 184,575 tons of cargo;
- » between January 1st and December 31st 2017 - 70 ships and 318,009 tons of cargo;
- » between January 1st and December 31st 2018 - 62 ships and 304,358 tons of cargo.

Gross operating income of "Port Balchik" AD are as follows:

- » for the financial year 2006 - 847 200 leva;
- » for the financial year 2007 - 1.209 000 leva;
- » for the financial year 2008 - 1,177,400 leva;
- » for the financial year 2009 - 1,355,200 leva;
- » for the financial year 2010 - 1,043,500 leva;
- » for the financial year 2011 - 814 074 leva;
- » for the financial year 2012 - 1,464,083 leva;
- » for the financial year 2013 - 2,429,777 leva;
- » for the financial year 2014 - 1,752,896 leva;
- » for the financial year 2015 - 1,129,971 leva;
- » for the financial year 2016 - 1,090,659 leva.
- » for the financial year 2016 - 1,090,659 leva;
- » for the financial year 2017 - 1,890,700 leva;
- » for the financial year 2018 - 1,776,719 leva;



Port "Pristis" Ltd.

Port "Pristis" LTD is registered in September 2010 as a limited liability company with registered offices and head office: Bulgaria, Rousse 7000, 2 Otetz Paisiy Sq., floor 8.

The capital of "Port Pristis" Ltd. amounts to 100 000 BGN, consisting of 10 000 shares, each of 10 BGN and divided among the shareholders as follows:

- » "Balkantours" Ltd. – 51%
- » "Bulgarian River Shipping" JSC – 19%
- » "Galaxy Power" Ltd. – 15%
- » "DD Logistica" Ltd. – 15%.

The business object of "Port Pristis" Ltd. is providing services with commercial character in a port.

In November 2010 "Port Pristis" Ltd. won a contest for port operator and concluded a contract with Rousse Municipality for providing port services in a port for public transport of regional importance "Pristis" - Rousse. On 04 January 2018 "Port Pristis" Ltd. signed with Municipal Council of Rousse a Concession contract for port "Pristis". The concession contract is for a period of 35 years and will enter into

force on April 2019.

Port "Pristis" falls within the scope of the central coastal zone of the city of Rousse and is covering an area of 32 618 m², situated on the right coast of the Danube river between km. 493.800 and km. 495.500 according to Danube mileage.

Port "Pristis" is registered in the Register of the ports of the Republic of Bulgaria, kept by the "Maritime Administration" Executive Agency in Section "Public transport ports of regional importance" under serial N° 14, p. 173-176.

The port is in a serviceable state, for which a Certificate for serviceability has been issued by the Ministry of Transport, Information Technologies and Communications under N° 23019 from 30.03.2018. Port "Pristis" is specialized in handling passengers, stay of ships and their supply, ship bunkering and disposes of 11 berths. On the territory of the port are provided maritime-technical services (mooring services, supplying ships with water, electricity and communication, ship bunkering etc.); services on handling passengers – embarkation and



Port "Pristis" – Ruse



Port "Pristis" – Ruse

disembarkation of passengers, loading, discharging and storage of luggage; additional activities (sports and leisure activities, agency-forwarding services, restaurant and commercial services etc.).

Since the entry into force of the contract for gaining admission for providing port services in Port for public transport of regional importance "Pristis" – Rousse till the end of 2018 the number of the handled ships in the port, exceeds 9 000. The number of passengers who have visited the port exceeds 246 900.

Ships and passengers that visited Port "Pristis" by years:

Year	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
1. Arrivals of ships, number:	1 292	1 100	1 074	1 092	1 258	1 296	1 181	1 114	9 407
1.1. Passengers ships:	169	189	230	283	201	236	243	246	1 797
1.2. Commercial ships:	1 123	911	844	809	1 057	1 060	938	868	7 610
2. Passengers, number:	20 654	25 282	32 139	39 443	27 556	30 816	34 541	36 482	246 913

CONTACT DETAILS OF "PORT PRISTIS" LTD.:

Bulgaria, 7000 Rousse
2 Otetz Paisiy Sq., floor 8
Tel./Fax: +359 82 825 101
E-mail: portpristis@brp.bg

Port "Invest" Ltd.

"Port Invest" Ltd. has been registered as a private limited liability company with its registered office at: 7000 Ruse, 2 "Otets Paisiy" Square. It has been entered in the Commercial Register in 2012 with a registration act № 20121102153848.

The capital of "Port Invest" Ltd. amounts to 1 600 000 leva, divided into 16 000 shares each of 100 leva. The sole shareholder of the company is "Bulgarian River Shipping" JSC – a public joint stock company. "Port Invest" Ltd. hasn't had any branches registered under the Commercial Act.

The principal activities of "Port Invest" Ltd. include carrying out activity as a port operator, provision of port services, chartering and transport-forwarding activity; commercial navigation on river, sea and related inland waterways, including carriage of goods by waterway and combined transport; transportation of passengers and luggage; rental and leasing of ships, other vessels and other means of transport; towing and pushing of vessels and cargo; ship supply, carrying out of river, marine services and other ancillary commercial and technical activities and operations associated with the Merchant Navy; commercial representation, brokerage and ship agency; home and foreign trade; ship repair for own and other needs; investment and engineering, research and development; training and qualification of personnel; other types of business for which there is no statutory prohibition.

By Decision № 49 of 24.01.2013 of the Council of Ministers of the Republic of Bulgaria, **"Port Invest" Ltd. has been determined as a Concessionaire of the "Port Terminal Lom" (Port Lom)**, part of the port for public transport of national importance, Lom. Under the concluded concession contract, **"Port Invest" Ltd. has acquired rights of a sole port operator for the Port of Lom.**

Port Lom is situated on the right bank of the Danube river from river km. 742.000 km to river km. 742.500 in the central part of the town of Lom, district of Montana, northwestern Bulgaria. It stands 162 kilometers north of Sofia, 56 km. southeast of the city of Vidin, 49 km. north of the city of Montana and 42 km. west of the town of Kozloduy. Lom is an administrative and economic center of the municipality of Lom. The population of the town at the end of 2009 was 24 300 inhabitants, making it the second largest location in the district. Its development as a major river port center, second in importance for Bulgaria after Rousse is determined by the fact that it is the port situated nearest to the capital.

Port Lom has a total area of 371 129 sq. m. The main port infrastructure and facilities are built on an area of 302 379 sq. m. The port is connected to the national railway network and to the national road network. The city Montana liaises with the international route E 79.

Infrastructure, technological and technical security of the Port of Lom:

» **Piers and berths:** The port covers 5 piers and 13 berths, three of which (1, 2 and 3) are located on the open Danube river, and other 10 - in the indoor - firth pool.

» **Indoor and outdoor warehouses:** Monolithic warehouses and sheds with a total area of 11 547 sq. m. and outdoor warehouses with a total area of 117 921 sq. m.

» **Cranes and handling equipment:** The main facilities for cargo handling are 19 el. port gantry cranes with a capacity of 5 to 20 tons. The port has parking areas for cars, as well as an internal port

railway network. The port fleet comprises 1 pusher servicing the port aquatic area and the adjacent raids.

On the territory of the terminal there are built border checkpoint, customs office, phytosanitary control point etc. Cargoes to and from the port are transported by road, railway and waterway. The port terminal is designed for handling of import and export cargo. Both the outdoor and indoor warehouses located in the terminal, as well as the loading and unloading facilities and the engineering infrastructure for water supply, power supply and the specialized equipment for cargo handling and lighting ensure the provision of port services typical for a port of a universal type.



Port Lom

"Port Terminal Lom" is registered in the Register of the ports of the Republic of Bulgaria, kept by the "Maritime Administration" Executive Agency under serial N° 13, p. 1-4.

"Port Invest" Ltd. has been inscribed in the Register of port operators in Bulgaria under N° 13, p. 49-52. The company owns Certificate N° 70/09.05.2013 for registration as a port operator at the port terminal of Lom, part of the port of Lom – a port for public transport of national importance.

The port terminal is in a serviceable state, for which a Certificate for serviceability has been issued by the Ministry of Transport, Information Technologies and Communications under N° 14007 from 05.04.2018 for the handling of general and bulk cargo and ship supply.

In carrying out its activities, "Port Invest" Ltd. is guided by the best European practices, existing legislation and the Quality management and control system introduced by the company. Proof of this are the company held:

» **Certificate** N° P112/04.02.2015 on the entry of the company in the register of the State Agency for Metrology and Technical Surveillance of the entities

performing activities on maintenance, repair and modification of high-risk facilities, as an entity that performs maintenance, repair and overhaul of hoisting cranes; hoisting electric carts running on overhead tracks that are not mounted on hoisting cranes; electric hoists that are not mounted on hoist cranes; excavators designed to work with a hook, grab or an electromagnet; lifting accessories; hanging baskets for lifting persons; mobile workstations.

» **Certificates** for handling of bulk and general cargo, preparation of transport documents, repair and provision of port services, issued by "TUV NORD CERT" GmbH as follows: **BS OHSAS 18001:2007, ISO 9001:2015, ISO 14001:2015.**

In 2018 within the territory and operational water area of the terminal there were processed 474 229 t. of cargo, of which the largest share by type of cargo was that of the cereals, followed by metals and coals.

CONTACT DETAILS OF PORT LOM:

Bulgaria, 7000 Rousse
2 Otetz Paisiy Sq.
Tel./Fax: +359 82 825 101
E-mail: main@portinvest.bg
Web: www.portinvest.bg

Types of the cargo handled in 2018 at the Port Lom:

Types of cargo	Quantity (ton)	Share (%)
Cereals	220 709	47
Metals	129 808	27
Coal	58 909	12
Chemical fertilizers	52 462	11
Coke	8 712	2
Ores and Concentrates	3 629	1



Port Lom

“Trans Intercar” Ltd.

“Trans Intercar” is a company, which is a part of “Chimiport” providing automobiles on operative leasing. The company disposes with an automotive park with

more than 100 automobiles, which are part of its activity. Some of the main customer-companies are participants in “Chimiport”, as well as some external customers.



“M Car Group”

During the same year “Invest Capital” launched a new project – namely for the construction of two service stations in Sofia and Varna. Their purpose is to provide quality and all-round service for the customers of Insurance Stock Company “Armeec”, as well as for all the companies participating in the holding.

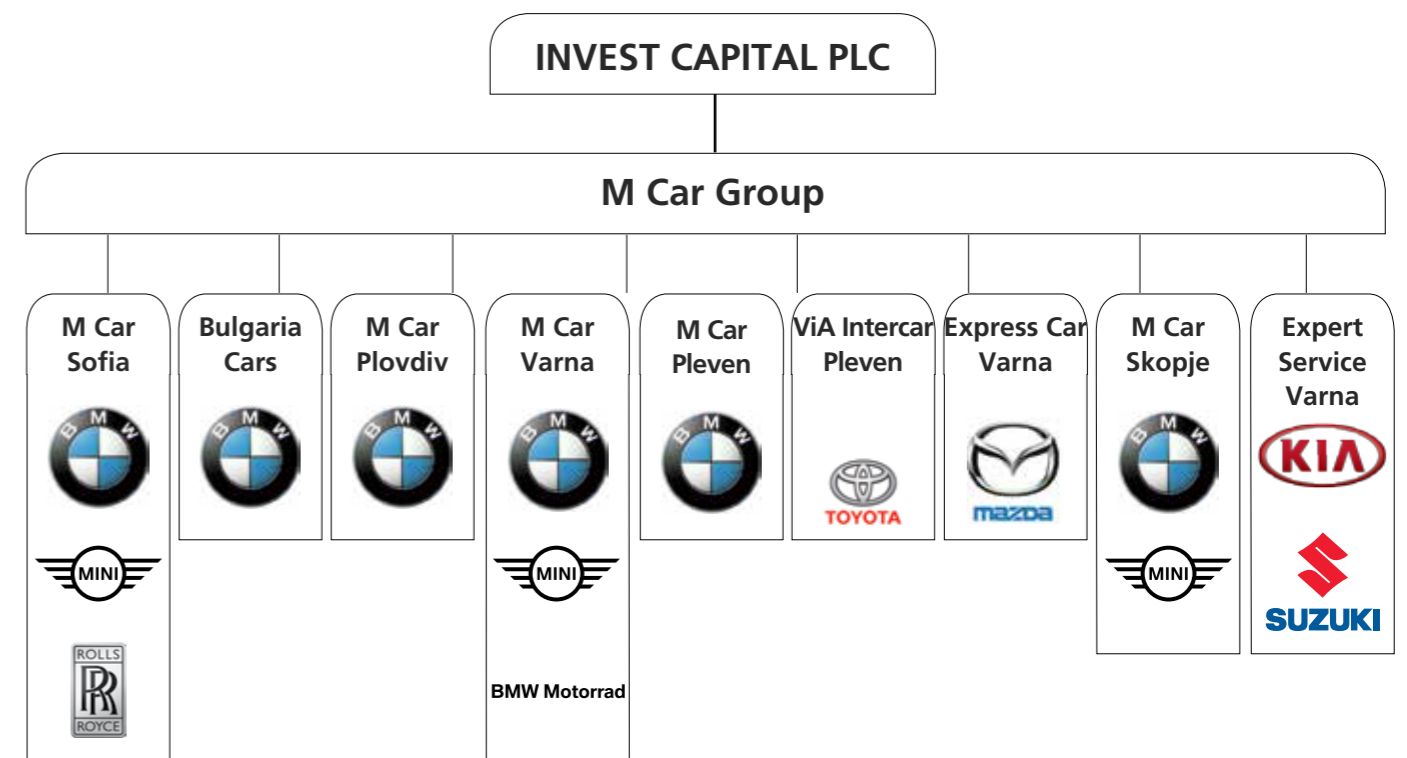
In the end of the year 2014, “Invest Capital” with the aid of a fiduciary company acquired the facilities of the importer of BMW and MINI in Skopje from April 2015, after complete reconstruction in compliance to the latest standards and the requirements of the German manufacturer, “M Car Skopje” became the official dealer of the brands BMW and MINI for Macedonia and Kosovo. In 2015 the new showroom in Varna opened for business over 1000 square meters presenting Kia and Suzuki automobiles. In 2016, following its marketing strategy of implication and population of the brand “M Car”, two of the dealerships of BMW “Varna Cars” and “ViA

Intetrcar” have been renamed correspondingly to “M Car Varna” and “M Car Pleven”. During the same year “M Car Varna” performed an overhaul and reconstruction of the BMW showroom while complying with the standards and the requirements of BMW AG and opened the second showroom of the BMW Motorrad for the territory of Bulgaria.

In 2017, the largest dealership of BMW and MINI in Bulgaria, Sofia opened the doors.

In 2018, the company was authorized for official Rolls-Royce service by Rolls-Royce Motor Cars Ltd.

The Complex strategy of “Invest Capital”, with the aid of its fiduciary company “M Car Group” is to expand, in the future, its activity in the automotive tier as it acquires new dealerships, expands its activity over the available and to increase the quality of the newly opened service centers.





"M Car" Ltd. - an authorized representative of BMW for Southeast Bulgaria

"M Car" is an authorized representative of BMW for Southeast Bulgaria. The company is registered in 2001 as from the very beginning of its activity is a dynamic tempo setter and therefore takes the leading position in the premium automobiles sales segment.

The high level of professionalism, the flexible and creative company policies are all set and developed in the attitude of "M Car" towards the customer which leads to high performances with respect to satisfaction and to the increase of the customers beyond the limits of Southeast Bulgaria.

"M Car" incorporates the sale of new and used BMW automobiles in its activity, as well as the offering of after sale servicing of BMW and MINI. The "M Car" team passes a number of professional trainings every year, which in turn leads to constant increase of the qualification and to the possibility of adequate

reaction to the needs of the market, as well as to the individual customers.

The automotive complex is spanning over 2 203 square meters, disposes of a modernly equipped service base, covering entirely the high standards of BMW, and a presentation showroom, located on 448 square meters. "M Car" has 47 qualified employees as the company structure is harmonized entirely with the management practices of the automotive factor BMW and the imposed highly effective principles of work.

During 2014 the showroom was renovated completely according to the latest standards and requirements of the German manufacturer. As a good testimony for its work, during the past few years, "M Car Plovdiv" has won numerous prizes for automobile sales, servicing, accessories and lifestyle products.





**„M Car Sofia“ Ltd. –
authorized dealer of BMW and MINI, as well as authorized service of
Rolls-Royce**

M Car Sofia is the flagship according to the sales and corporate policy and perfectly corresponds to the urban environment and regulatory territory requirements. The dealership also meets the requirements for sustainable and green building.

The company is located in residential complex “Hladilnika”, city of Sofia. It consists of two separate showrooms of BMW and MINI, service area, front office, parking lots and underground garage, body and paint workshop, a car wash and a storage for wheels.

There is an authorized service center of Rolls-Royce Motor Cars and a VIP reception for the brand.

The BMW showroom is designed on three levels – ground floor, second and third floor, integrated into the main facility.

The MINI showroom is constructed on one level with a

MINI hub for customers, according to latest MINI standards.

When entering the building, the customers are welcomed at the reception desks. Regarding their needs they are redirected to Sales advisors for new/premium selection cars or to the Service advisors.

There are Lifestyle, accessories and spare parts shop, Izetta bar and customer waiting area. The service area has spare parts storage, mechanic service area, active service area, storage for wheels, body and paint shop and a carwash.

There are 55 parking places outside the building, and one of these parking lots is for people with disabilities. There are 71 parking lots in the garage for new cars.

The total area of the building is 10 864 m² and its grand opening was in October, 2017.





“M Car Varna” Ltd. – authorized dealer of BMW, MINI and Motorrad

The activity of “M Car Varna” started during the second half of the year 2002 as the company signed a contract for dealership, automobile sale and spare parts sale, as well as warranty and post-warranty servicing of BMW for Northeast Bulgaria.

At the end of the year 2006 “M Car Varna” signed a new contract for dealership directly with BMW AG Germany. During the month of October of the same year, the company signed for the servicing of MINI. Currently the company delivers the full spectrum of service and repair options for both BMW and MINI automobiles.

In the early 2009 the center of demonstration and sale of used automobiles following the “BMW Premium Selection” program was built over 700 square meters.

“M Car Varna” was announced as the best BMW dealer in Bulgaria in both sales and after sales service for 2011.

In 2014, M Car Varna became the official representative of MINI for the region and opened the first standalone showroom of the brand in Bulgaria.

In the desire to satisfy the ever growing desires of its customers, M Car Varna started a general reconstruction of its automotive saloon in 2015 while adhering strictly to the latest requirements and standards of BMW. In 2016 the reconstruction was a fact as the exhibition space for BMW increased by almost 75 square meters, which provides space to show up to 8 more automobiles and the second floor over 140 square meters a showroom for motorcycles and accessories of the brand BMW Motorrad was built.





"M Car Pleven" Ltd. – authorized dealer of BMW in Northwest Bulgaria

"ViA InterCar" is a company started in 1997. Initially the company excelled in selling original spare parts for the brands BMW, ROVER and LAND ROVER, as well as offering repairs for the latter three. In 2004, "ViA InterCar" became an official representative of BMW for Northwest Bulgaria. The main activity of the

company became the sale of automobiles, original spare parts and accessories with the brand BMW, as well as the after sales service. In 2008, "ViA InterCar" opened a new showroom combined with a service station in the city of Pleven, which corresponded to all the requirements and standards of the BMW brand.

M Car, Pleven



"ViA InterCar 2007" Ltd. – authorized dealer of Toyota for the region of Pleven

The company started its operative activity after the opening of a new automotive complex in 2007. Between 1997 and 2007, "ViA InterCar" 2007 sold automobiles, spare parts and performed the full spectrum of servicing operations. In the end of 2004, the company signed with "Toyota Balkans" and became an official representative in sales and after sales servicing of Toyota automobiles.

new TOYOTA complex, an investment of over EUR 770 thousand was made. The new facility spans over 115 square meters and offers new TOYOTA automobiles, spare parts, consumables and accessories for the automobiles, servicing and repairs – automotive mechanics, bodyworks and painting, as well as sale of used TOYOTA automobiles. The service station is equipped with the latest state of the art for diagnostics and repairs.

For the construction works and the equipment of the

ViA InterCar, Pleven





“Express Car” LTD – authorized dealer of Mazda for the Varna region

In 1999, “Express Car” signed a dealership contract with “Summit Motors Bulgaria” LTD and became the authorized dealer of Mazda for Northeast Bulgaria. In 2003 a new showroom in Varna downtown was open. After the good results, amongst which the prize for best dealer of Mazda for three consecutive years, the company opened another sales-service center in 208, which was in accordance with all requirements and standards of the Japanese manufacturer.

The new complex disposes of a showroom with area of 379 square meters and a service station of 364 square meters.



Express Car, Varna



Експрес Кар, Варна



“M Car Skopje” – official importer of BMW and MINI for the territory of the Republic of Macedonia and Kosovo

“M Car Skopje” – official importer of BMW and MINI for the territory of the Republic of Macedonia and Kosovo.

“M Car Skopje” was started in December 2014. Since 2015 this company is the official importer of the brands BMW and MINI for the Republic of Macedonia and Kosovo. The modern sales-service complex is located at one of the main road arteries of the city of Skopje where one can find most of the automotive dealerships and takes the total area of 5 500 square meters as it offers all the services, related to the sale and servicing of the German brands.

The BMW showroom is one of the largest in the country where over 1000 square meters one can

review the full range of BMW, as well as a large number of accessories. The MINI showroom takes 300 square meters and is constructed according to the latest requirements of the German manufacturer.

“M Car Skopje” disposes with the largest and most contemporary bodyworks and painting shop at the Macedonian market. Spanning over 1600 square meters, the company offers a full package of service and repair options for warranty and post warranty cases. Due to the excellent infrastructure of the flawless products, as well as thanks to the professional and well trained team, “M Car Skopje” aims to restore its leader position at the premium tier of the Macedonian market during the very next year.



M Car, Skopje



“Expert Service” – official distributor of the brands KIA and SUZUKI as well as trusted service station for Insurance Stock Company “Armeec” for the city of Varna

“Expert Service” Ltd. started out in 2015 as a certified service station for the automotive brands KIA and SUZUKI. A team of highly qualified experts offers the full range of automotive repairing services according to the standards, technologies and technical requirements of the manufacturers.

The company also offers servicing for post warranty repair of all brands: diagnostics, warranty and post warranty servicing, engine overhauls, gearbox repairs, chassis repairs, electrical circuits and equipment, replacement of spare parts, bodyworks, restoration, repairs and painting of damaged parts of the automobile coupe.

“Expert Service” is also a “trusted service station” for bodyworks at the Insurance Stock Company “Armeec”.

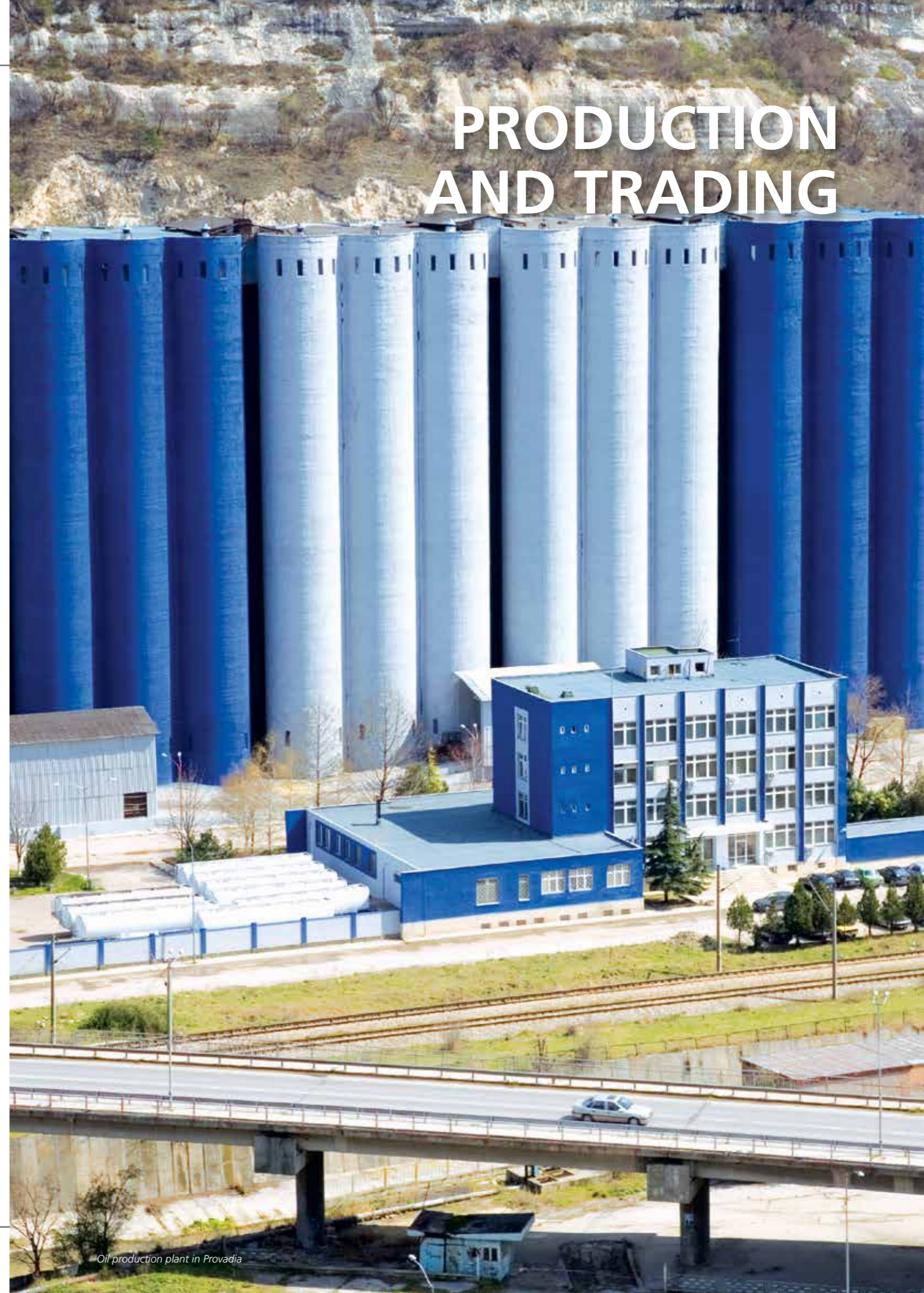
In 2015 “Expert Service” became the official representative of KIA and SUZUKI for the city of Varna. In the showroom each and every customer will get professional and competent collaboration in the choice of an automobile, motorcycle or off-road vehicles of the corresponding brand.

In its capacity of authorized service station, Express Service has the chance to deliver the full package of service activities and repairs for the KIA and SUZUKI automobiles.



Expert Service, Varna

PRODUCTION AND TRADING



Oil production plant in Provadia

“Zarneni Hrani Bulgaria” JSC

“Zarneni Hrani Bulgaria” JSC is at the top of the Bulgarian market as far as the purchase, storage and trading with oilseeds, as well as in the production and the sale of vegetable oils.

With the opening of the largest and most contemporary plant, up to the present day, for the production of biodiesel in Bulgaria, “Zarneni Hrani Bulgaria” JSC has successfully entered into this branch as well.

“Zarneni Hrani Bulgaria” JSC is a joint stock company, founded on the 26.11.2007 by the merger of the following eight companies: “Sun Rays Bulgaria” PLC, city of Sofia (a public limited company by the meaning of the Law of Public Offering of Securities), “Zarneni Hrani Trade” JSC, city of Sofia, “Back International” JSC, city of Sofia, “Zarneni Hrani – Valchi Dol” JSC, city of Sofia, “Zarneni Hrani Balchik” JSC, city of Sofia, “Zora” JSC, city of Ruse, “Prima Agrochim” LTD, town of Dobrich and “Chimiport Agrochemicals” LTD, city of Sofia. As a result of that merger, all assets and liabilities of the said companies were passed on to the newly created entity “Zarneni Hrani Bulgaria” JSC which is thereby their universal successor. With the aid of the vertically integrated business model of the company, which in turn covers all the stages from the manufacturer to the end user, including transport and harbor activities is achieved through the uniting of the agricultural business of “Chimiport”.

In 2012 a Contract of Transformation via merger of “Chimiport Group” JSC into “Zarneni Hrani Bulgaria” JSC was signed, due to which the company became the universal successor of the assets and liabilities of the so transformed entity.

As a result of the so made merger the Group has the following entities:

“Sun Rays” Provadia JSC – subject of activity: manufacturing and trading with biodiesel, trading with vegetable oils, purchase and storage of oil production raw materials, refinement, harvesting and storage of oil raw materials, refinement and harnessing of vegetable, nutritive and technical oils, brislings and pomace.

“Zarneni Hrani Grain” LTD – subject of activity: trading with grain and its derivatives within the country and abroad, trading with agricultural products, purchase of goods and other items with the purpose of sale in initial, processed or refined states – within the country and abroad.

Port “Balchik” JSC – subject of activity: rendition of harbor services of loading, unloading, stacking, storage, and repacking of different types of cargos, intra-harbor /terminal/ transportation of loads and mail in the public transportation harbors /in the case of concession/, performance of additional activities.

“Oil and Gas Exploration and Production” PLC – subject of activity: prospecting, exploration, production and marketing of crude oil and gas, prospecting, exploration and production of fields of thermal, mineralized and underground water for human consumption, household and industrial purposes, prospecting and exploration of geothermal energy fields, wild cat, exploration and production well drilling for oil and gas, as well as underground water and geothermal energy, all types of service activity related to the main activity.

“Asenova Krepost” JSC – subject of activity: production and marketing of polymer packaging and materials, distribution, trading, import and export, tourism, management, marketing, entrepreneurship, mediation and agency, services of acquisition, management and assessment and sale of participations in local and foreign enterprises; investments in securities of other emitters; signing of other commercial affairs, related directly to the former activities.

“Chimiport Pharma” JSC – subject of activity: import, export, distribution, production and wholesale/retail sale of medicaments, medications and medical equipment and equipment, consumables, medical-sanitary materials and herbal products.

“Bulchimtrade” LTD – subject of activity: trading within the country and abroad with pharmaceutical substances, veterinarian medicaments, chemicals, reagents, gases, lacquer and painting products, pigments and paints, artificial threads, oil, fuels,

petrochemical products; external trading, exchanges, barter, compensation and other types of affairs.

“Omega Finance” LTD – subject of activity: accounting services, wholesale, financial consultations and investments.

“Texim trading” JSC – subject of activity: trading with goods and services, import and export, services in the construction works, transportation and tourism sectors, financial and fiscal consulting.

“IT Systems Consult” LTD – subject of activity: web design, graphics design, development, commissioning and maintenance of software products, development, implementation and maintenance of computer networks, web hosting.

In 2014 the company sold 28% of its control package at the subsidiary company Port Balchik JSC, thus reducing it from 95% to 67% of all the shares.

On the 13th of January 2014 the newly founded company **“Techno Capital” JSC** was registered. Its share capital is comprised of 1 000 000 ordinary registered shares with par value of 1 BGN each as the group is the holder of 59.4% of all the shares. The main subject of activity for the so created company is to act as a system integrator of information systems, preparation and management of projects, contracting with vendors and contractors, management of human resources, contracting, selection and management of technical infrastructure for work of information systems of all sorts and designation; implementation and commissioning of information systems, selection and assembly of hardware, information systems administration; outsourcing and management of information services, as well as all sorts of activities not prohibited by the law.

In 2016 a new subsidiary company named **“Sitnyakovo Project Estate” LTD** was established. The company capital is in the amount of EUR 3 331.07



Facilities for the production of biodiesel

Facilities for the production of biodiesel



thousand and is formed by a kind contribution of real estate by the sole owner Oil and Gas Exploration and Production PLC.

Subject of activity of "Sitnyakovo Project Estate": management and rental of real estate; purchase of real estate; construction of buildings; sale of real estate – offices and flats. In 2018, with the purchase and sale of shares, 389 ordinary registered shares were acquired, representing 19.99% of the capital of Dobrich Fair JSC.

On March 15, 2018 with a purchase agreement - the sale of a temporary certificate all shares held by the Group have been sold by the capital of the subsidiary Chimimport pharma "JSC.

Initially the capital of "Zarneni Hrani Bulgaria" is in the amount of EUR 87 320.98 thousand, divided into

EUR 87 320.98 thousand simple shares with the right to cast a vote and par value of 1 BGN each. As a result from the transformation, the capital of the accepting company "Zarneni Hrani Bulgaria" JSC has increased to EUR 100 039.37 thousand with the emission of EUR 12 717.87 thousand simple shares with the right to cast one vote and par value of 1 BGN each.

"Zarneni Hrani Bulgaria" JSC is a public joint stock company by the meaning of article 110 of the Law of Public Offering of Securities by the virtue of resolution of the Commission of Financial Supervision from the 30th of November 2007.

The fundamental business areas of the company are:

» manufacturing of vegetable oils; production of biodiesel; refinement and harnessing of technical

oils; raw oil production and prospecting for natural gas; refinement of oil and condensate, manufacturing of oil products, polymers and synthetic threads; manufacturing of low voltage electric apparatuses; refinement and trading with plastics; manufacturing and trading with polyethylene products;

» trading with grains, vegetable oils, pharmaceutical substances, veterinarian medications, chemicals, reagents, gases, lacquer and paint products, pigments and paints, synthetic threads, oil, fuels, petrochemical products; trading with medicaments, medical equipment, consumables, medical-sanitary materials; distribution of fertilizers and products for crop protection;

» warehousing grains, renting of real estate and rendition of harbor services and others.

The manufacturing activity of refined oils is performed by the company in an Oil Production Plant, located in the town of Provadia where in the integrated installations, the company disposes of capacity to manage the full cycle of manufacturing – from the seed squashing to the bottling of the done production. The Oil Production Plant located in the town of Provadia has a fully integrated technological system for the production of vegetable oils and is registered as site № 03030001, as a plant for the production of oils with vegetable origin.

The plant has been certified as compliant with the standards for quality management systems as defined in ISO 9001:2008 and ISO 22000: 2006.

The refined oils are branded with the reserved name "Sun Rays", which name is registered with the State Registry of Brands, as maintained by the Bulgarian Patent Office.

The plant disposes of completely automated oil refinement line with 100 tons capacity for refined oils for feeding purposes and 300 tons neutralized oils for technical purposes each 24 hours. The equipment is delivered by the Italian company De Smet Ballestra oil.

In 2008 a new automated bottling line with capacity 6000 bottles per hours (1 liter each bottle) was delivered by the English company Intercaps.

In 2016 a new installation for production of raw oils was introduced. The powers in the oil production workshop are 600 tons/24 hours for refinement for sunflower seeds or 500 tons/24 hours for different seeds.

Part of the available infrastructure in the town of Provadia is being used by the company (through its subsidiary "Sun Rays Provadia" JSC) as a fundament for the construction of the most contemporary (up to

Denomination of the subsidiary	Denomination of the subsidiary
Sun Rays Provadia JSC	100
Zarneni Hrani Grain LTD	100
Port Balchik JSC	67
Oil and Gas Exploration and Production PLC	51.22
Asenova Krepost JSC	65.58
Bulchimtrade LTD	66
IT Systems Consult LTD	100
Chimtselteks LTD	100
Aris 2003 LTD	100
Rubber Trade LTD	60
Bulgarian Petrol Refinery LTD	51
PDNG – Service LTD	51
Sitnyakovo Project Estate LTD	51
Chimoil BG LTD	51

Denomination of the subsidiary	Denomination of the subsidiary
Golf Shabla JSC	33
Editing House Geology and Mineral Resources LTD	36
Dobrich Fair JSC	59.97
Kavarna Gas JSC	35
AK Plastic LTD	65.58
Asela JSC	33.70

this moment) installation for the production of biodiesel in the country. The plant, is built by the world leader from Italy De Smet Ballestra oil based on modern technologies and is with annual production capacity of 100 000 tons as it could be powered by different raw materials for the purpose of diversity of arbitration between the prices of the raw materials and the done production.

This manufacturing process is ecological – the only waste is glycerin with degree of pureness 80%, which is highly applicable in many industries and all refinement processes are automated and almost human factor free. At the plant there are also storage units of 6 000 square meters for storage of biodiesel and 2 000 square meters for the storage of neutralized vegetable oil with total value of 15 million euro. The so produced biodiesel is being sold on neighboring external markets.

The plant also disposes of the following warehousing facilities:

- » reservoirs for storage of refined oil with total capacity of 2 300 tons;
- » reservoirs for storage of raw sunflower oil with total capacity 11 000 tons;
- » silo for sunflower seeds with capacity of 25 000 tons.

The quality of all the goods produced is controlled by own laboratory, accredited by BDS EN ISO/IEC 17025: 2006, with scope: for oil seeds, vegetable oils, byproducts from oil seeds and biodiesel.

In relation to its activity involving agricultural production, the Company owns and operates with 25 grain bases, which makes the largest network in

the country, representing 35% of the licensed and 17% of the general capacity of the country. The grain bases are located in the villages of Krushari, Kardam and Karapelit, the towns of Tervel, Nova Kamena, Dobrich, the villages of Dolno Tserovene, Gen. Kolevo, Dve Mogili, the towns of Balchik, Valchi Dol, Staldzha, Dobrich, Strazhitza, the city of Burgas and others and have the total capacity of 802 000 tons of grain.

The fundamental competitive advantages of "Zarneni Hrani Bulgaria" JSC are:

- » integrated operational model (purchase, storage, refinement and sale of harvests);
- » access to transport corridors and development of export activity, which is performed through its subsidiary company "Port Balchik" JSC out of which "Zarneni Hrani Bulgaria" owns 67% of the shares;
- » remarkable material base (the network of grain bases, the plant for biodiesel and so on);
- » belongs to the economic group of "Chimiport" which allows the exploitation of the synergies with the other companies: transport ("Trans Intercar", "Bulgarian River Shipping"), crediting ("Central Cooperative Bank" JSC) and insurances (Insurance JSC "Armeec"), trading with fertilizers and so on.

The main goals for the company in the short run are related to:

- » expanding of the existing credit program for cooperation with farmers, related to the provision of packages for the growing of oil producing crops (seeds, chemicals, fertilizers, fuels, insurances). The program is supported by "Central Cooperative Bank" JSC and "Armeec" Insurance JSC;
- » development of an optimal logistics model, including modernization of grain bases;

- » utilization of the corridor Ruse-Danube-Constanța in conjunction with "Bulgarian River Shipping" for transportation of the production and cargos related to the activity of the company;
- » in the mid-term "Zarneni Hrani Bulgaria" will continue to analyze the possibilities for the acquisition of other companies from the branch or from related branches, as well as the possibilities for the entry in the agricultural manufacturing as element from the strategy for the higher deliveries security.

The economic group "Oil and Gas Exploration and Production" includes the following companies: "Oil

and Gas Exploration and Production" PLC, "Bulgarian Petrol Refinery" LTD, "PDNG – Service" LTD, "Chimoil BG" LTD, "Golf Shabla" JSC and "Publishing House Geology and Mineral Resources" LTD and "Sitnyakovo Project Estate" LTD.

The economic group "Asenova Krepost" includes the following companies: "Asenova Krepost" JSC, "Asela" AD and AK Plastic LTD.

The economic group "Himtselteks" LTD includes the following companies: "Himtselteks" LTD and "Aris 2003" LTD.



“Oil and Gas Exploration and Production” Plc

“Oil and Gas Exploration and Production” Plc is the only Bulgarian company, performing the full scope of activities of survey, research, development and exploitation of oil and gas fields, as well as the processing of crude oil to final products for the market.

“Oil and Gas Exploration and Production” Plc was established in 1991. The company is the legal successor of the main geological, research and production companies and facilities that initiated the beginning of the Bulgarian oil industry with oil field Tyulenovo, discovered in 1951 in the area of the town of Shabla. The experts from “Oil and Gas Exploration and Production” Plc have many years of proven experience and achieved results both on the territory of Bulgaria and in performing petrol projects in Libya (Bulgarian petrol concessions NC-100 Gadames and NC-101 Morzuk), Syria, Iraq, etc.

The registered capital of “Oil and Gas Exploration and Production” is to the amount of EUR 6.25 million.

Since September 2002 the company is public and its shares have been accepted for trading on the Official Market of BSE - Sofia AD.

After a tender offer made to the remaining stock holders in 2014 Chimimport possesses directly and through related parties 66.69% from the capital.

Oil and Gas Exploration and Production, through its exploration and production units and subsidiaries performs a wide range of specialized activities and services in all stages of the searching, oil and gas exploration and production, the research and exploitation of underground and mineral waters and geothermal energy.

The main activity of “Oil and Gas Exploration and Production” includes:

- » prospecting, survey, extraction and sale of crude oil and natural gas;
- » prospecting, survey and operating of thermal, mineral and underground waters for drinking, domestic and industrial purposes;
- » prospecting and survey of geothermal energy fields;
- » drilling of exploration, appraisal and production

wells for oil and gas, underground waters and geothermal energy;

- » scientific researches and engineering activities within the country and abroad;
- » specific maintenance and foreign trade operations;
- » processing of oil and condensate;
- » geological and geophysical maintenance activities in the sphere of searching and exploration for natural resources in Bulgaria and abroad;
- » planning, production and maintenance activities in the sphere of geology and geophysics;
- » construction of oil and gas pipes and installing of facilities for work under pressure.

“Oil and Gas Exploration and Production” Plc is a concessionaire under 13 contracts for crude oil and/or gas extractions. The company extracts crude oil and natural gas from the following fields: Tiulenovo, Dolni Dabnick, Dolni Lukovit, Dolni Lukovit West, Staroseltsi, Gorni Dabnick, Bardarski geran, Selanovtsi, Balgarevo, Marinov geran, Butan South, Durankulak and Iskar-West. The activities related to prospecting, survey and assessment of new oil and gas fields are carried out under the order and conditions of Mineral Resources Act.

After its acquisition by “Chimimport” Plc in 2004 “Oil and Gas Exploration and Production” Plc launched the implementation of wide range investment program for renovations in the specific geophysical equipment, operational facilities repair, improved work conditions, implementation of modern information systems for resource planning and management. This program’s main goal is to improve the performance and financial results, to adapt the activities to the intensifying market and business environment both nationwide and abroad. In 2004 the company purchased the ultimate seismic equipment System Four manufactured by the American Input Output company.

“Oil and Gas Exploration and Production” Plc disposes of various kinds of drilling equipment, suitable for different drilling projects- deep oil and gas wells and hydro-geological and engineering-geological surveys.

Since the end of 2010 the company started work with a new high-technology drilling rig- Ideal 1500 DC Land Rig, designed for drilling of exploration and

production wells over 6000 m deep.

In the autumn of 2007 the company introduced integrated resource planning system DMERP designed by the Bulgarian company DataMax. Since late 2010 the company brought into operation newly purchased modern top class cyber-drilling equipment, which ensures high performance and technical safety in drilling deep exploration, appraisal and production oil wells.

Since the middle of 2012, “Oil and Gas Exploration and Production” Plc is successfully certified under ISO 9001:2008, by receiving a certificate from TUF Rheinland InterCert Kft., thus competing the last stage from project No.BG161PO003-2-1-08-0621-C0001 “Meeting internationally recognized standards.” The project was based on contracted agreement between “Oil and Gas Exploration and Production” Plc and the Bulgarian Small and Medium Enterprises Promotion Agency concerning granting of financial aid No.DCM- 02210/01.06.2011 under Operational Program “Development of the Competitiveness of the Bulgarian Economy 2007-2013”. In connection with changes in the ISO standard since the middle of 2017, Oil and Gas Exploration and Production Plc successfully completed a recertification procedure under the new rules of the ISO 9001: 2015.

Since the middle of 2014 “Oil and Gas Exploration and Production” JSC has been successfully certified according to the BS OHSAS 18001:2007 and has received the certificate from “TUF Rheinland InterCert Kft.”

In 2013, the “Well logging unit for openhole oil and gas wells” was successfully put into operation as a result of the implementation of Project BG161PO003-2-1-07-0102-C0001 “Well logging unit for openhole oil and gas wells” under contract between the company and General Directorate “European Funds for Competitiveness” of the Ministry of Economy and Energy, financed under the Operational Program “Development of the Competitiveness of the Bulgarian Economy 2007-2013”.

In 2013-2014 “Oil and Gas Exploration and Production” Plc successfully implemented Project BG051PO001-2.3.03-0670 “Improvement of working

conditions”, financed under the agreement between the company and National Employment Agency, in its capacity of Intermediate Body on Human Resources Development Operational Program, on scheme BG 051PO001-2.3.03 “SAFETY WORK” of the Human Resources Development Operational Program at the Ministry of Labor and Social Policy.

“Oil and Gas Exploration and Production” owns a major interest in the following companies: “Bulgarian Petroleum Refinery” Ltd (100% participation), “PDNG-Service” Ltd (100% participation), “Chimoil BG” Ltd (100% participation), “Sitnyakovo Project Estate” Ltd (100% participation); “Geology and Mineral Resources” Ltd Publisher (70% participation); “Golf Shabla” (65% participation). The company owns also 35% of the gas distribution company





“Kavarna Gas” Ltd.

“Bulgarian Petroleum Refinery” Ltd is an established producer of petroleum products, made from the processing of crude oil and condensate like solvents for the varnish and dying industry, diluents, industrial gas oil, fuel for burning in stationary fuel installations, ship fuels, boiler fuels etc.

“Bulgarian Petroleum Refinery” Ltd owns a chemical laboratory, which is an accredited research laboratory for analysis of petrol, diluents, fuels and petroleum products in accordance with the requirements of Bulgarian State Standards ISO 9001, ISO 17025. The company is a licensed warehouse keeper for the production and storage of energy products under the Excises and Tax Warehouses Law, whereas the tax warehouse is located in the village of Disevitsa, Pleven municipality.

Oil and Gas Exploration and Production is the sole owner of the company “PDNG-Service” Ltd,

established in 2006, which performs the external and internal trade activity in the area of supplying specialized equipment, spare parts and materials for the needs of surveying, oil and gas exploration and production

The main partners of “Oil and Gas Exploration and Production” are “Bulgartransgas” Ltd, Pleven Municipality, Kavarna Municipality, Dolni Dabnik Municipality, Knezha Municipality and Shabla Municipality. The company maintains and develops good business relations with leading companies and suppliers in the oil industry from EU, USA, the Russian Federation and Ukraine

The chief investment priority of Oil and Gas Exploration and Production is the realization of projects for prospecting, exploration research, development and putting into operation of new fields of crude oil and/or natural gas on the territory of the country and in the continental shelf and the exclusive economic area of Bulgaria in the Black Sea.

“Chimoil BG” Ltd.

“Chimoil BG” LTD is a subsidiary company of “Oil and Gas Exploration and Production” PLC.

The fundamental activity of the company is divided into several main areas as follows:

- » petrol stations management;
- » trading and distribution of energy products – light fuels, propane-butane, compressed natural gas to its own and to external petrol stations;
- » wholesale and distribution of energy products – light fuels, propane-butane, compressed natural gas, designated for both petrol bases and for the industrial sector;
- » development of a commercial chain – petrol stations branded CHIMOIL.

The company is present at the market of retail sale of energy products since 2011 as up to this moment it runs five sites – petrol stations branded CHIMOIL.

Three of these five sites are in the region of the town of Dobrich and the remaining two are located in the town of Pavlikeni and in the city of Sofia. In the month of April, year 2016, in one of the three petrol stations, located in the region of Dobrich, the retail sale of compressed natural gas (CNG) was

introduced.

Even in the present moment the company focuses its main efforts into the sale of the highest quality fuels amongst all the competitors on the Bulgarian market, as well as on the rendition of good supporting items and services.

While performing the so set accent, the team of the company aims to achieve high level of customer satisfaction from the use of the offered goods and services.

In the short run, the company plans are related to the maintenance of the trading and distribution of energy products, as well as the maintenance of the CHIMOIL brand with the aid of the already established petrol stations. Currently the design of a new petrol station for the city of Varna is in process.

The mid-term and long term plans of the company are related to the development of a trading chain of petrol stations branded CHIMOIL and the construction of petrol bases, located at the fundamental economical centers of the country.



Chimoil gas-station

“Assenova Krepost” JSC

“Assenova Krepost” JSC was established in 1964 with head office in Assenovgrad, Bulgaria, and scope of activity production and trade with polymer packages and materials. The company has more than 50 years of experience in the production of flexible, transport and consumer packagings, as well as different films for the agriculture and construction industries. With more than 20 years of traditions in the production of woven bags and flexible bigbags, the company has well established infrastructure, production capacities and experience.

Technologically “Assenova Krepost” JSC closes the entire production cycle from raw polymers to final products, successfully applying the following processes:

- » Extrusion of mono-layer and multi-layer films with different composition and properties – barrier, protective, UV stabilized etc.;
- » Extrusion coating and reinforcement; dry and wet lamination;
- » Multi-colour flexo printing;
- » Various kinds of conversion lines and final complete sets.

Polymeric material production includes the following basic directions:

- » consumer packaging;
- » transport packaging;
- » films and packaging for the agriculture.

Main products are:

- » woven containers – with main application for storage, transport of bulk goods: fertilizers, cement, polymers, etc.;
- » woven bags – for packaging of chemical products and construction materials, shrinkable films – for palletized goods in chemical, glass and food industries;
- » polyethylene films– wide range of products for agriculture and greenhouse productions;
- » polypropylene baler twine;
- » biaxially oriented polyethylene film packages for food industry;
- » combined packages and multilayer casings for sausages;
- » stretch film and polypropylene cast film.

Company “Assenova Krepost” JSC has an ISO certificate 9001-2008 and certificate for approval № SOF0208061 from Lloyd's Register, which is a guarantee for well organized quality control of the products. The company has an environmental management system certificate № EM – 00359 170 176 – BG from “TCS”. The company's production is well known on the local and international market. Some of the main customers in the country and abroad are:

- » Factories for mineral fertilizers in Bulgaria (“Agropolychim” - Devnya, “Neochim” - Dimitrovgrad);
- » Agricultural associations and cooperatives, companies in the food and flavor industries (tobacco industries, meat industries, sugar plants etc.);
- » on the foreign market – companies for production and trade with mineral fertilizers from Russia, France, Norway, England, Greece etc.; for production of packagings and films for the agriculture in Macedonia and Serbia.

The production of Assenova Krepost JSC holds approximately the following market share from the total production in the country:

- » woven bags and flexible containers /BigBags/ – over 44%;
- » film packages for agriculture – over 28%;
- » BOPP films – over 8%;
- » casings for sausages – over 30%;
- » baler twine for the agriculture – over 36%.

Company development

During the last 5-6 years the company has made serious investments for the renovation of its assortment structure and technological equipment. In the field of woven fabrics the company has installed new equipment for woven bags, coating for woven products, new modern conversion lines for woven, valve type bags, designed for chemical and construction industries; significant part of the equipment for baler twine has also been renovated.

In the field of film production the company has established new capacities for the production of multilayer casings for sausages and expanded, and modernized significantly the production of conversion

lines and multicolor flexo print of polymer film packagings. The total value of investments in the company for the past 6-7 years exceeds EUR 4.19 million.

The company has carried out serious research and during the past year has made significant renovation of polymer films and woven products:

- » A new three-layer blow-film line was brought into operation, which improves the parameters of packagings for the food industry providing better barrier properties or products.
- » The company has installed a production line including installation for tapes, looms and

conversion line for woven products.

A research is being carried out for the delivery of new extruders for production of multilayer films for packagings, which have new technical applications, high capacity and lower power consumption; expansion of production capacities for multi colour art print and related supplementary activities.

This innovative activity ensures the company's priority objectives for increasing competitiveness, covering new market niches with modern polymer products, optimizing the production costs of the company and ensuring waste free production.



“Accounting House HGH Consult” Ltd.

The main subject of HGH Consult Accounting House is providing accounting services, labor and legal services, tax consulting and economic analysis. Chimimport Plc holds 59.34% of HGH Consult capital.

The company mission is to provide Chimimport Plc and its holding subsidiaries, as well as its external clients with professional and quality accounting services combined with prompt solutions, enabling the client to follow his enterprise in real time.

HGH Consult has qualified auditors, whose ambition is to see the company working in the highest management standards.

The company draws up the holding’s budgets, analyses and drafts, and executes overall control on the financial flows in all holding companies.

The company draws up the taxation plans and provides tax protection to Chimimport Plc and its subsidiaries.

“Prime Lega Consult” Ltd.

During the last decade Chimimport realized an investment program of a large scale to acquire shares and stakes in companies, part of which are branches of structural significance to the Bulgarian economy, requiring special legal knowledge.

In 2002, in the performance of this ambitious program, the management of Chimimport transformed the existing Legal Department into the legal company Chimimport Lega Consult with primary scope of business in the area of legal consultancy, management, finance, investment, privatization, intellectual property, contracts and commercial relationships.

At the end of 2008 Chimimport Lega Consult was renamed to Prime Lega Consult.

The combination between long years of experience in the classical legal branches and the accumulation of practical knowledge in the relatively new for the Bulgarian law stock-exchange and other financial operations, as well as the good language skills of the lawyers working in the company (English, French, Arabic and Russian) allows Prime Lega Consult to assist not only the typical business of Central Cooperative Bank Plc, Armeec Insurance JSC, Saglasie, CCB - Sila, Oil and Gas Exploration and Production, Bulgaria Air, Hemus Air and other subsidiaries of Chimimport, but also to provide legal services to local and foreign business entities outside the boundaries of Chimimport.

“Bulchimtrade” Ltd

Bulchimtrade Ltd was established on November 11th, 2008 with the primary objective of concentrating and optimizing the activities of the subsidiary to Chimimport Group companies Rubber Trade, Orgachim Trading 2008, Chimoil Trade, and Chimtrans.

Company’s partners are Chimimport Group, holding 60% of the capital, as well as 15 private individuals.

For the period of its existence the company realized primarily trade activities structured in four departments:

- » Rubber Trade – trading mainly with various tire brands and models such Apollo Acelere, Quantum, Apollo Hawkz, Eskimo, Winter Sport, Winter Grip, Snowmaster, Dunlop as well as other rubber products;
- » Orgachim Trade – trading with various types of self-adhesive envelopes, veterinary and chemical products, including Macrolon and Novodur plastics, chemicals e.g. zinc sulphate;
- » Chimtrans – transport and forwarding/logistics.

Bulchimtrade Ltd will continue with its prime trading activities, whereas company’s targeted objective are sales increase, penetration of new markets and overall development of company’s business.

REAL ESTATE



*Project for the main building of Chimimport
Term for completion of the project December 2018*

Real estate projects

The real estate is one of the priority segments for Chimimport Plc. Significant funding has been invested in the real estate in the last few years, establishing the foundation and future development of the sector.

Chimimport has used the economic crisis period to develop and launch the construction of existing and new projects related to the group's real estate properties.

Present

- » The commercial real estates of the Group are allocated in the companies from financial and real estate sectors;
- » Sports Complex Varna (Stage I): construction of a stadium with a capacity of 22 000 seats, designed in cooperation with GMP International (also developed the project for the stadium in Cologne, Germany), on a plot of approx. 80 000 sq. m.; with additional facilities (for professional and amateur sports, restaurants, shops, etc.), with a GFA of 6 000 sq. m.; Planned investment - EUR 80 million;
- » Development of a network of industrial and logistic centers with national coverage using the know-how, location and facilities of already operating centers. Currently Chimimport owns two industrial and logistic centers in Sofia (GFA 52 500 sq. m), in Bourgas (GFA 84 200 sq. m), in Plovdiv (GFA 21 800 sq. m) and in Rousse (161 000 sq. m, including port on Danube river).

Pipeline projects - in planning and pre-development phase:

- » Sports Complex Varna (Stage II): development of additional 120 000 sq. m of offices, retail area and residential area, 5-stars hotel;
- » Sports Centre Mladost (Varna): Chimimport has obtained a concession for 35 + 15 years for development of track and field with capacity of 5 000 viewers; shopping centre, hotel and offices;
- » Project Varna - South: construction of a shopping centre with total built-up area of 120 000 sq. m and completely new residential complex in Varna with GFA of approx. 1 000 000 sq. m;
- » Borovets complex: a plot of 19 000 sq. m, with a total GFA of 33 000 sq. m - planned sale after construction;
- » Golf Shabla (project of Par Fair): a plot of 1 265 000 sq. m; EUR 80 million planned investment;
- » Expansion of the network of industrial and logistic centers: development of five new industrial and logistic projects in Varna, Dobrich, Montana, Plevna and Vidin, as the relevant plots are already owned by the Group companies. As a result Chimimport Plc will own a network with a full national coverage, i.e. will be one of the major operators in the logistic market. The logistic segment is expected to stay attractive in the long term due to variety of factors - the exceptional geographical location of Bulgaria, as well as its political stability at national and European level.

“Sport Complex Varna”

“Sport Complex Varna” is the largest modern project of its size located at the Bulgarian seaside. It includes a football stadium, training and fitness halls, parks for recreation and fun, residential buildings and commercial areas.

The major facility at the complex is a super-modern football stadium in accordance to the FIFA standards, including gymnastics and fitness halls, underground parking, a business club, conference rooms, offices and restaurants. The project aim is to provide a wide range of social and leisure activities and services in one of the most densely populated areas of Varna. The stadium has a capacity of 22 000 seats and underground parking of approx. 800 cars. Project for Sports Complex Varna

“Sport Complex Varna” will improve the existing surroundings and infrastructure of Residential complex “Briz” and “Levski” and “Chaika” neighborhoods. The location of the impressive

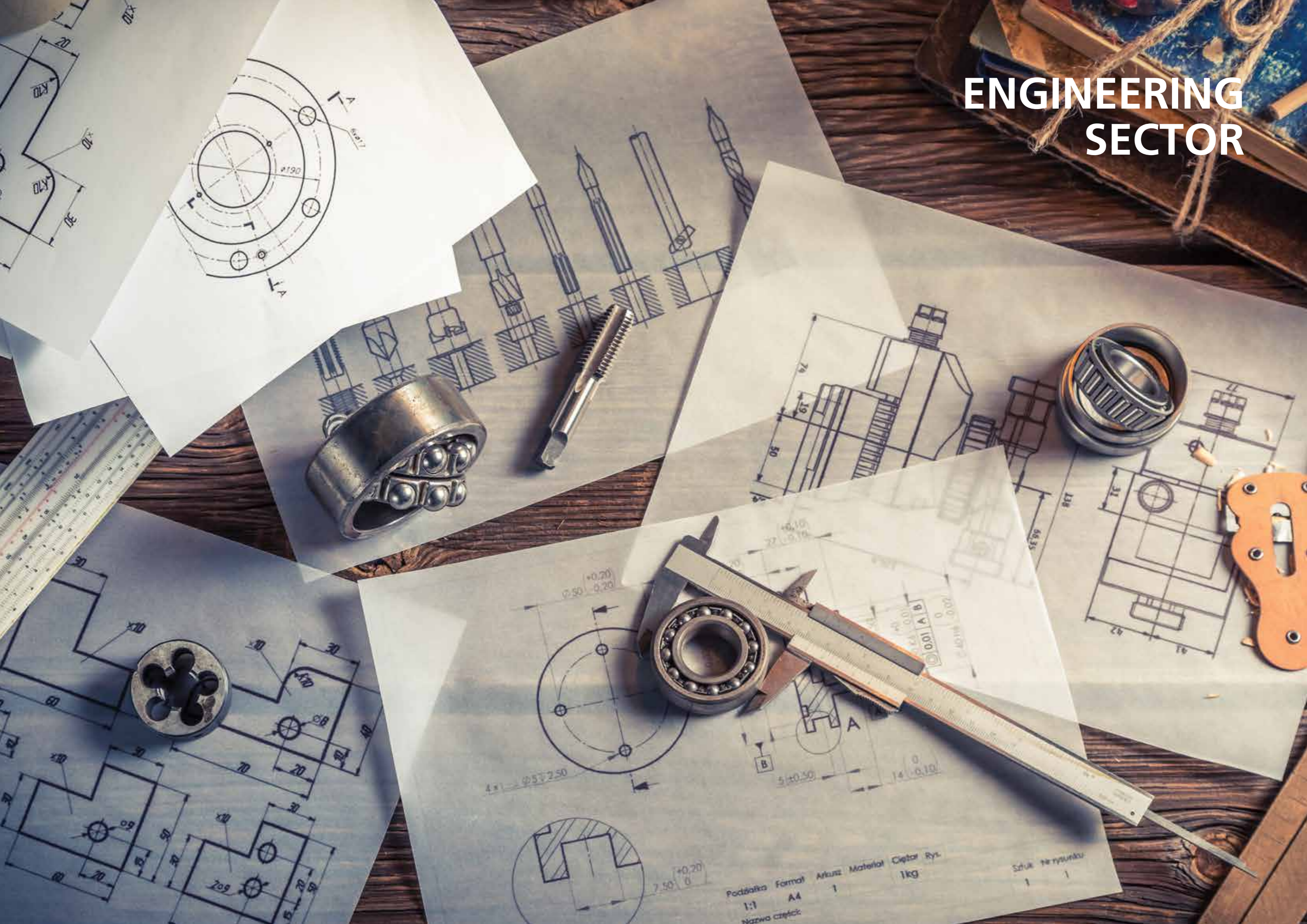
project will enable the easy access of more than 140 000 residents from the surrounding districts. The project provides excellent transport links. “Kaufland” supermarket will be part of the complex in 2017.

Shareholders of “Sport Complex Varna” are “Chimimport” JSC and Varna Municipality. “Chimimport” JSC owns 65% of the capital of the company; Municipality of Varna - 35%.

“Sport Complex Varna” JSC was established on the 26-th of May 2005 with a share capital of EUR 17 677.92 thousand, distributed in 34 575 name registered shares with voting rights, each with voting rights nominal value of BGN 1000. The contribution of cash of “Chimimport” JSC is EUR 11 490.77 thousand, and the one of Municipality Varna is EUR 6 187.14 thousand, secured with real estate. The total capital of the company is EUR 17 677.92 thousand.



ENGINEERING SECTOR



Podziałka Format Arkusz Materiał Ciężar Rys.
1:1 A4 1 1kg
Nazwa części:

Szkic Narysunku
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“Energoproekt” JSC

Energoproekt is a company founded in 1948, and in its almost seventy-years of active work has strengthened its positions as a principal institute for scientific activities, progress and design in the field of power engineering. All energy projects in Bulgaria, from the smallest hydro power plant or thermal plant, to the largest hydro power plants, thermal plants, Nuclear Power Plant /NPP/ “Kozloduy” and electricity transmission grid, were designed by ENERGOPROEKT JSC. Currently in order to meet the market needs the company develops its activities in the field of civil and transport engineering, inspection of the technical characteristics of the buildings and project management.

Energoproekt is a primary design and consulting company within the structure of Chimimport Invest. Energoproekt JSC is in close cooperation with leading engineering companies from Canada, France, Germany, Russia, USA, Spain, the Netherlands, Austria, etc.

Main services provided by Energoproekt Jsc:

- » Design in the field of Civil and Transportation Engineering - administration and residential buildings, airports, ports;
- » Construction management;
- » Prefeasibility and feasibility studies;
- » Inspection of buildings' technical characteristics;

- » Financial and economic assessments and business plans.

Main scope of business of Energoproekt:

- » Civil and transportation design;
- » Project management;
- » District planning.

TRANSPORTATION ENGINEERING:

Energoproekt offers engineering and consultancy services in the sphere of transport systems, including civil airports, military airports and related facilities (hangars, hangar facilities, airport terminals, runways, taxiways and airport apron) sea and river ports and related infrastructure.

The main projects implemented by Energoproekt in the field of transportation design are:

- » 3AF31015 “EXTEND AND MODIFY RUNWAY”, 3AF31016 “PROVIDE PARKING PLATFORM FOR TRANSPORT AIRCRAFT” AND 3AF31017 “PROVIDE HOT CARGO APRON” on Bezmer Airbase from capability package CP 5A0062 “PROVIDE OPERATIONAL FACILITIES IN SEVEN NEW NATIONS” funded under the NATO Security Investment Programme (NSIP);
- » Feasibility study and project preparation and management for reconstruction and expansion of Kazan International Airport - Terminal 1A and



Varna Airport



Work design extension and reconstruction of International airport Kazan



Work design - reconstruction of Armeec Tower, Sofia



Word Design of car showroom and customers service for BMW and MINI, Sofia



Work design - reconstruction of Bulgarian culture and financial center, Moscow

- Terminal 1B, Tatarstan, Russian Federation;
- » Detailed design for the rehabilitation of a runway at Varna Airport;
- » Project on Dividing Burgas Airport into "Schengen" and "non-Schengen" Zones;
- » Reconstruction of Hangar 1A for Repairing Aircrafts (C-check and D - check) and Project on new Hangar 2 of Sofia Airport for the needs of Lufthansa Technik Sofia;
- » Design under working stage for the project "New International Passenger Terminal at Varna Airport";
- » Design under working stage for the project "New International Passenger Terminal at Bourgas Airport";
- » Detailed design for displacing the sewerage collector at Varna Airport;
- » Project on new runway thresholds across the runway of Varna Airport and Bourgas Airport;
- » Extension of the northeast part of the airport at Bourgas Airport;
- » Development of comprehensive project for investment initiative for construction: Extension of taxiway A at Varna Airport;
- » Project on reconstruction and expansion of Lesport Port Terminal, city of Varna;
- » Master plan on development of Vidin - North Port Terminal;
- » Design of MAN heavy trucks service, city of Plovdiv;
- » Design of car showroom and customers service for BMW and MINI, including shop, offices and parking area, city of Sofia.

At the end of 2014, the public contract named "Design of Intermodal Terminal Varna" was awarded to Energoproekt participating in a consortium with one of the world leaders in developing sea ports and infrastructure facilities - Royal Haskoning DHV, Netherlands.

In 2016, Energoproekt was commissioned to design and manage project for Expansion of existing aircraft maintenance facilities for Lufthansa Technik Sofia (West Wing Project) including a new hangar (hangar 1) for large-scale aircraft, multifunctional service and administration building, that contains office premises, workshops, canteen with kitchen and catering, checkpoint and parking lot, expansion of storehouse. Project management of "DHL Express GTW & HQ Sofia" was assigned in the same year.

CIVIL ENGINEERING:

Administration buildings, high-rise and low-rise buildings, industrial buildings. During the last few years the following contracts were implemented in this area:

- » Project on Reconstruction of Chimimport's Administrative Building, city of Sofia;
- » Project on Reconstruction of the Central Administrative Building of Bulgaria Air, city of Sofia;
- » Project on Reconstruction of the building - Armeec Tower, city of Sofia;
- » Project on Reconstruction of the Administrative Building "Bulgarian Cultural and Financial Center", city of Moscow;
- » Project on Reconstruction of the Building of Pliska Hotel, city of Sofia;
- » Project on Reconstruction of the Six-Storey Administrative Building in the town of Montana;
- » Project for reconstruction of a building located at Sitnyakovo Blvd., city of Sofia;
- » Design of Drinking Water Supply of Radiana Site;
- » Project for a residential and office building in Kazan, R. Tatarstan, Russian Federation;
- » Project for hotel and office complex, Kazan, R. Tatarstan, Russian Federation;
- » Design of buildings 1 and 2 of Hotel Hawaii, Dragalevtzi, city of Sofia;
- » Administrative building of TV Studio ("Bloomberg"), Airport Complex, city of Sofia;
- » Project for reorganization of existing premises at a bank branch of Texim Bank, city of Sofia;
- » Project for reorganization and change of the purpose of existing premises in bank offices of "Texim Bank", all over the country.
- » Projects for reconstruction of existing premises in bank branches of Central Cooperative Bank, city of Sofia.

The implemented projects in the area of geodesic and geological activities in the company are:

- » Detailed design for permanently strengthening of the foundation of a two-storey service building, built on the site of SP RAW - Novi Han;
- » Design of retaining wall for permanent strengthening of the embankment, built on the site of the SP RAW - Novi Han;
- » Performance of geodesic monitoring activities on

- displacements and deformations of structures in the area of SD RAW - Novi Han;
- » Design of displacement of underground utilities (electricity and water supply and sewage) in SD RAW - Novi Han;
 - » Geodesic survey in UPI XVII, qa. 2, region Airport complex, Sofia
 - » Geodesic survey of trees & plants in UPI XXIII, XXIV, XXIX, XXXI, XXXII, XXXIII, XXXIV qa.2, region Airport complex, bul. "Bruxelles" No 1, Sofia

In the area of hydro-technical facilities, Energoproekt developed a project on underwater and surface survey of the water intake tower of Pasarel HPP, commissioned as a result of a successful tender with a contracting authority - National Electrical Company EAD, Dams and Cascades.

The company's scope of activities also includes preparation of technical passports of residential and administration buildings. Implemented projects in this direction are as follows:

- » Conduct of surveys of multifamily residential buildings for establishing technical specifications with regard to requirements under Article 169, §1, subparagraph 1 - 5, § 2 and §3 of the Spatial Development Act and preparation of technical passports under Article 176a of the Spatial Territorial Development Act with reference to implementation of scheme BG161PO001/1.2-01/2011 "Support of Energy Efficiency Measures in Multifamily Residential

- Buildings under Operational Programme Regional Development 2007-2013 designated for the towns of Kardzhali, Pazardzhik, Plovdiv, Smolyan, Haskovo, Velingrad, Karlovo, Panagyurishte", the contracting authority of which is the Ministry of Regional Development and Public Works;
- » Survey on Preparation of Technical Passport of Geolog Hotel, Saint Constantine and Helena Resort, city of Varna;
 - » Inspection of the technical characteristics of grain storage facilities

DISTRICT PLANNING:

The direction includes architectures and engineers, performing activities related to preparation of development schemes and plans, as well as research and consultancy activities in the field of urban planning. For many projects design process is preceded of implementation of the relevant development procedures on land use change and land regulation - preparation of a construction plan, change of applicable plan of land regulation. Energoproekt's experts also make an assessment of investment chances of realization by identifying optimal indices, applicable to each individual case. The department also deals with solving of matters on urban planning and assignments with regard to land properties within or outside the boundaries of the urbanized areas, as well as opportunities for implementation of investment intentions on a certain area.



Reconstruction project of a building that will be transformed into a central office of the Chimimport Holding.

Total area: 17 270 m²

Start of the construction Repair activities: October 2017

Term for completion of the project December 2018

DHL Express Bulgaria Logistics Center with underground parking and office building

The logistics center is designed and built in accordance with the highest technological requirements and corporate standards approved for all sites of the Deutsche Post DHL Group. The project is built on a build-to-suit project and consists of a mezzanine terminal and three southbound fingers with direct access to buses, an underground parking for employees, an administrative building and adjacent areas covering an area of 12,800 sq. m.

The terminal has an area of 3 191 square meters, is a one-storey building with a height of 10.50 m and currently has no analogue in the country. The new facility houses a high-tech automated system that has a sorting capacity of 3000 shipments per hour. The shape of the building is a rectangle with dimensions in the main directions 38.55 - 75.30 m. The construction is prefabricated reinforced concrete -

columns, beams and floor panels. The roof is made of reinforced concrete load-bearing beams and layered installation of trapezoidal sheet, solid mineral wool and PVC membrane. Provision of natural light in the terminal has been achieved, with a luminous strip (3.3 - 62 m) in the roof structure and 8 independent smoke vents (1.5 - 2 m). On the north side of the building are located 6 loading zones for loading of trucks with 6 sectional doors and 7 loading zones for loading of buses with 7 sectional doors, with sealing sleeves and leveling ramps. In the northwestern part of the property where the site is located, the so-called "segregated zone" was built to the security zone of Sofia Airport, directly related to the technological process of "HDL Bulgaria" Ltd., providing direct access to the platform of the Sofia Airport for loading and unloading activities. Through this zone, DHL Express shipments arrive in the sorting area directly



from the aircraft. Similarly, shipments processed for dispatch from the terminal are loaded directly onto the aircraft.

To the south of the hall is the area for delivery and loading of goods from vans and light commercial vehicles. On the south side are located 3 Finger - PuD I (31.66 - 4.14 m), PuD II (31.66 - 4.14 m) and PuD III (22.65 - 4.14 m), with 54 roller shutter doors with sealing sleeves and overload bridges. Fingers have steel support structure. The facades of the hall and PuD I, PuD II and PuD III are lined with NCS S 0580-Y10R composite panels.

Under the terminal is built a parking lot with an area of 4342.71 square meters, with 118 parking spaces. For the first time, a facility built for DHL Express provides underground parking, which results in a specific technological solution for the concrete slab at elevation ± 0.00 to meet the load capacity requirements applicable to all facilities of the world leader in logistics services. The underground parking is built below the main volume of the hall and office building at elevation -3.60. The main access to the parking is via one two-lane and one-lane ramp on the

south side of the plot. By trimming the surface of the ramps, the conditions for comfort and safety movement are ensured. In the basement are designed the appropriate technical premises - sprinkler tank, pump room, boiler room, diesel generator, GRT, substation.

The administrative building is built on 3 floors, each with an area of 540 square meters, and within the terminal there is a mezzanine with an area of 530.88 square meters, providing direct access of the employees to the process of treating and sorting the shipments. The shape of the building is a rectangle with dimensions in the main directions 14.34 - 42.84 m. The construction is monolithic reinforced concrete - columns, beams and slabs. The roof is made of reinforced concrete slab, concrete slope, protective geotextile, roof waterproofing membrane, thermal insulation XPS 140 mm, filtering geotextile and heavy protection against washed river gravel (so called inverted flat roof). The main access to the administrative building is from the east - through the entrance lobby. The connection between the different floors is made by a staircase with an elevator. The elevation +3.60 of the administrative building is tied



to the elevation + 4.50 on the mezzanine. General accessibility of the environment from the level + 3.60m to + 4.50m, in accordance with the requirements of Ordinance №4 / 2009 is provided through a mobile ladder robot.

The administrative building on the three levels has separate office premises - bilaterally to the central corridor. Office spaces are designed to be extremely efficient, in line with an access control system, and offer flexibility to office units through a system of built-in glass panes, enabling separate meeting rooms to be created as needed. The panels are made by a leading company in innovative office solutions. The design of the office space is designed to provide natural light in all work areas. Immediately next to the office space, which is intended for a larger number of employees, there are so called. "Recreation areas", and within the office space are located "discussion areas" provided for employee meetings. The floorings

of the administrative rooms are made of carpet and materials providing sound insulation, in order to achieve the optimum efficient working environment for each employee, allowing for the creation of separate workspaces. In this context, the ceiling in the office premises was designed and constructed of 60x60 cm Armstrong acoustic panels, concealed installation, dismantling system, L-steel finishing profile. Bathrooms, including for disadvantaged people, are built on each floor. The facades of the office building are lined with NCS S 1080-R composite panels.

For control of the access to the property were built 2 checkpoints, with a built-up area of 15 m² each. The checkpoint 1, located in the northeast corner of the parcel, serves for the control of heavy goods vehicles, and the checkpoint 2 in the southwest corner serves for the control of light commercial vehicles. The necessary facilities are provided for the performers of

this activity and each of the sites is equipped with a bathroom and rest area.

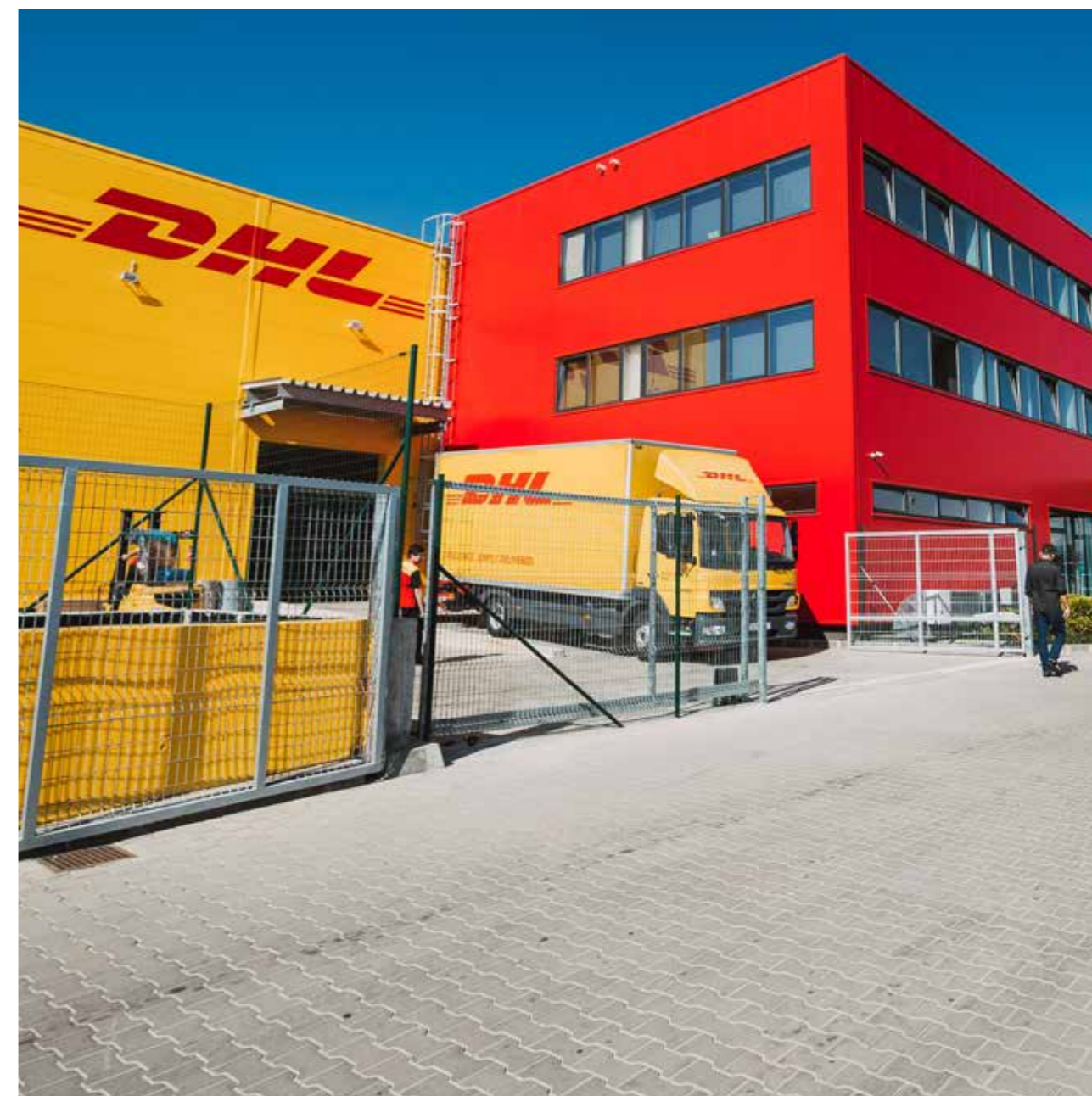
The building has a permanent mode of residence - 24 hours a day, 7 days a week, given the specifics of DHL Express activity.

The adjoining areas of the building meet both the requirements for safety on the territory of Sofia Airport Complex and the requirements for creating an accessible and safe meeting place. Access for people with disabilities is ensured by the entrance to the lobby via a ramp located next to 4 parking spots. The site also provides 25 above ground parking spaces for

customers and guests.

The logistics center is located in close proximity to the operational platform of Sofia Airport, with access to the "air zone", which gives a key advantage for the speed of deliveries, a circumstance of utmost importance for the activity of "DHL Express Bulgaria".

The newly constructed property is rented out by the investor and the owner of Bulgaria Air Maintenance long-term. The implementation of this project enables the logistics base built for DHL Express Bulgaria to become one of the largest distribution hubs for courier deliveries and cargo in the region.



Multifunctional 5-storey office and production building

The administrative building was built as part of a certified investment project: "West Wing Extension Project: Expansion of aircraft repair and maintenance base" Lufthansa Technik Sofia" Ltd. by a class A investor - " Bulgaria Air Maintenance ", which received the prestigious investor award year 2017, in the Business Expansion category.

The purpose of the newly constructed site is to provide at the same time office space for the increased number of employees as a result of the implementation of the certified project (new 165 jobs are created), and to create easy access to all previously constructed facilities in the aircraft repair base (hangars 1, 1A, 2, 2-extension and 3). In the project, this functionality was realized through the construction of a technological corridor with hot links connecting the existing facilities with the office building. This also determines its key importance in the overall complex for Lufthansa Technik-Sofia, located southwest of the main access to Terminal 2 and bordering on the north by the platform of Sofia Airport. The complex is in an area with restricted access and special access mode. The approach to the aircraft repair base is EU controlled access from a newly constructed checkpoint with parking located south to the 5-storey administration building.

The building consists of a basement, five ground floors and roof installations. The multi-functionality of a building is conditioned by the office premises, workshops, which carry out preparatory and repair activities for servicing airplanes, living quarters, dining room with kitchen. In a constructive and fire respect, it is divided into two zones with areas up to 1500 square meters through a firewall filled all over its height.



The building has the following vertical division:

Underground floor - Level -1 - domestic and technical premises;

Ground floor - Level 0 - workshops and refill kitchen;

Floor 1 (Level 1) - Dining room with kitchen;

Floor 2 (Level 2) - Offices;

Floor 3 (Level 3) - Offices;

Floor 4 (Level 4) - Offices;

Roof level (Level 5) - installation rooms (boiler room, heat & ventilation machines).

Vertical connections are made through two main staircases reaching all levels and located centrally in the

two halves of the building. In the western part of the building, where the main entrance for employees is located, 3 pieces passenger lifts were installed. They also provide an accessible environment for people with disabilities throughout the building, including the roof. For the kitchen path there is a separate staircase as well as 2 pieces freight elevators. The kitchen is isolated as a separate object with its own entrance and loading & unloading area with a scissor platform built into the road surface.

The building is divided into two dynamically independent bodies, made by means of an anti-earthquake joint that also crosses the foundations. The structure of the main building is mixed, consisting of precast concrete elements and solid washers, walls and stairwells. The floor structure consists of prefabricated floor beams and panels, at elevation ± 0.00 , where the repair rooms are located, the panels are of section 2T, due to the larger operational loads. From the second

floor to the roof at all levels are constructed with hollow - floor panels. The floor beams at all levels as well as the roof beams are of section L and 2L, which have been pre-fabricated at the factory. The exceptions are the beams in the area of freight and passenger lifts, which are monolithically constructed. The vertical elements are pre-fabricated in factory conditions. The columns have a cross section of 60x60 cm along the middle axis and a cross section of 50x50 cm along the end two axes, which are only involved in taking up the vertical loads. To absorb horizontal seismic forces, monolithic washers were installed from the base of the building to the level of the roof structure. They are 30 cm thick, with only one exception - "free-standing" washers in the basement level, which are 40 cm thick. In the basement volume an underground concrete tank with monolithic walls and a roof of monolithic slab at elevation ± 0.00 is built.

It should be noted that despite the structural complexity of the building, its construction was completed within the 9 month deadline, specified in the project, which is crucial, having in mind the fact that the construction took place in an existing working complex.

The north and east facades of the building are made of steel structures with different functional purpose - single-storey frame structures with horizontal roof and vertical bracing, absorbing static and seismic loads. In two parts of the building, the steel structures are three-story frame systems with tin-concrete floor slabs that provide a "warm" connection of the office floors to existing hangars, north of the newly constructed building.

At the ground floor level, the so-called "Access corridor" was built along the northern facade of the building, with a width of 5.15 meters and connected to the Workshops called "Interiors" and "Panels" and their preparatory premises, with two section doors with dimensions 3x3 m, for loading the workshops with materials. The corridor is equipped with several rolling doors, 3.60 m wide, corresponding to the same doors in the existing hangars 1A and 2, thus making it possible to transport parts from and to the workshops. These communications links are covered - for hangar 1A from the newly designed shed, and for hangar 2, the shed function is played by two new upper-level warm connections that provide quick access for workers between hangar 2 and the service building. The warm connections provide passage between the two buildings at the dining room level (elevation + 4.70) and the first office level (elevation + 9.30). In the eastern half of the

basement (elevation -4.00) there are changing rooms, tailored to the number of staff and intended for individual use, provided with all necessary amenities - a washroom, toilets and showers. Workshops are also located at this level and separate ventilation systems are provided for the hazardous areas. Where flammables are flammable, ventilation systems shall be provided with explosion-proof fans. Dust extraction facilities include local dirty air extractors with dust filters.

In the eastern half of the first floor of the building is a dining room, designed and built to serve 450 people on one shift, in accordance with the production and administrative rhythm of the activity of Lufthansa Technik-Sofia, equipped with the most modern dining equipment, with provided two independent service lanes, three express boxes with contactless card payment. In the western half of the floor is a kitchen that meets the highest class of equipment, in accordance with the requirements of Lufthansa Sky Chefs - a partner, part of the joint venture group of the investor and owner of the base. The kitchen areas are located on two levels - ground floor and floor 1. Vertical communication between the levels is carried out through a separate staircase and two cargo lifts.

Floors 2,3 and 4 of the multifunctional building are office, with a capacity of up to 200 employees per floor. In the main part they are divided into two open-plan zones - allowing flexibility of premises, conference rooms, "quiet rooms" for personal conversations, offices, server room, living rooms. The natural light of the office premises is provided by the fully glazed southern facade of the building. Air conditioning and fresh air supply are provided by four-tube cassette fan convectors and a general-purpose ventilation supply-suction installation. The intake of fresh air and the discharge of exhaust air occur on the roof. The air supply to the office premises is done with ceiling grilles.

The roof of the building is filled with PVC membrane. The roof edges are molded with PVC coated hats. Safety railings, secured to the board, are provided. On the western part of the roof is built a "rest area", H shaped like a terrace with wooden decking. On the roof level are installed systems for cold production, air-conditioning chambers and fans, covered by special acoustic materials, in order to achieve maximum noise insulation, boiler room designed to moisten the dry outside air supplied to the offices in winter and the energy center. Reinforced audit trails have been implemented to service the roof facilities.

In the multifunctional administrative and production building a building management system is installed - BMS which monitors and controls all installations of the building infrastructure - pumping stations, H&V and air-conditioning, electrical, fire detection, fire security.

The building is designed and provided for continuous operation 24/7, with the construction of reserve power provided by a diesel generator. For the needs of the whole complex an Energy Center, consisting of a diesel unit and a double concrete complete transformer post (BCTP), has been built and operates. The energy center is isolated into a separate facility, located next to the

newly built administrative building.

With the construction of the multifunctional building, the optimization of the work and administrative processes, inherent in the activity of the aircraft repair base, has been achieved by providing sufficient office space, a separate kitchen and a dining room, providing the highest satisfaction of the employees and guests on the base.

With its commissioning, the necessary synergy was achieved between all the constructed sites on the territory of Lufthansa Technik-Sofia and enabled a sustainable future development.



HANGAR 1: for aircraft maintenance and repair

Within the framework of the certified investment project: "West Wing Extension Project: Expansion of aircraft repair and maintenance base "Lufthansa Technik Sofia" Ltd., jointly implemented by "Bulgaria Air Maintenance" and "Lufthansa Technik Sofia", awarded with investor of the year for 2017, precisely because of the construction of such an unique facility, Hangar 1 was built as the largest facility in Eastern Europe for the servicing and repair of aircrafts. With the construction of the hangar for the first time outside the main base of Lufthansa in Germany, the possibility of linear and basic servicing of the largest aircraft in passenger aviation - Airbus 380 was created. The site is exceptional of its importance, allowing the creation of new working positions and training for highly specialized personnel, including from other airbases across Europe.

Hangar 1 embodies the innovations in the aerospace industry, expressed in design, construction, execution and technical equipment. Its construction changes the appearance of Sofia Airport, adding to its vision of a modern aviation center. The building completes the complex of Lufthansa Technik Sofia and turns it into a key hub in Europe for linear and basic aircraft service - incl. and Wide body aircraft of the Airbus A330 / 340 and A380 family.

Hangar 1 is built in a restricted area with a special access control.

The hangar building is a one-story, one-space, basement-free, steel frame structure with 91.7 meters span. The volume of the hangar contains monolithic interior buildings for servants, technical premises and offices for administrative staff.



The internal structure, located along the western facade of the hangar, is a four-storey building with offices, staff rooms and technical rooms. The internal structure, located on the eastern facade of the hangar, is a two-storey building, securing instrumental and service area to the hangar.

Cornice elevation of the main volume of Hangar 1 building is + 27.60 m. The maximum elevation for the serving staircase - tower to the roof of the building is + 30.00 m, and the maximum elevation at the highest point of the hangar building facilities is k. + 32.50 = 566.60. Hangar 1 is connected with a technological corridor from east to workshops, located on the ground floor of the newly built multifunctional office building. Through the same technological connection, the access to the other hangars 1A, 2 and 3 of the complex and the workshops to them are provided as well.

The main hangar area is for aircraft repair and provides simultaneous work on three narrow fuselage planes, located between axes 4 and 5, on axis 9 and between axes 13 and 14, or repair of one wide fuselage aircraft along axis 9. Work is provided, in the volume of the area, for two main cranes between axes 3 and 10-11 covering the western and middle lines, and between axes 10-11 and 15 covering the eastern repair line, as well as two rail lines for platforms servicing the tail part of each of the narrow-body

airplanes located along axes C and J. The main crane is three-prong, with loading capacity of 12 tons and light opening - dr. hook = 17.00 m, the second crane has the same capacity and bright opening - dr. hook = 14.00 m. Specialized installations under the flooring and shafts have been constructed with corresponding technological joints for work on the three positions, as well as on the fourth position of the wide-body aircraft.

A segment-mounted, electrically operated hangar door is installed along the entire facade of Hangar 1, with the possibility of full and partial opening and insertion of one or three planes separately. The door segments are of aluminum lift structure and shafts for stepping and fixing in the hangar floor. For the first time in Bulgaria, a similar facility was delivered, constructed, considering the size of the hangar door, as well as the specific requirements for its stable climatic conditions. The terrain in front of the hangar door is on the same level as the flooring in the hall, with a drainage steel grid in the rear axle.

The hangar has large glazed facades on the south and west facades to provide natural light in the repair areas. Natural illumination is complemented by evenly distributed strips of upper diffuse illumination in the roof plane. The strips of the upper lighting have modules with openable parts to provide the necessary smoke exhaust and natural ventilation. Open hangers are available in the hangar



facades for natural ventilation of the hangar volume.

The light area of the main hangar volume is 5 676 sq. m.

The flooring in the main hall of the hangar is designed with a minimum slope - 0.5% from south to north to provide natural water runoff and the connection with the existing terrain on both hangar facades and provides both reliability and safe operation.

The monolithic building in the volume of the hangar, called 'offices west' on the ground floor, is located on the western facade and contains office spaces for the crew - with direct access from the hangar and a separate connection through the corridor to the other premises of the interior building. Toilets and rest rooms are built on the same level, as well as a connection via a communication ladder and an elevator to the upper three levels of the same building. Within the building there are office rooms for administrative staff, a meeting room, a bathroom and a kitchen cabinet to the common room on each level. On the last level there are reserve office areas, a server room for the whole administrative part, as well as installation premises for GRT and SSC. The internal administration monolithic building - west is equipped with an elevator, convenient for people with disabilities. The staircase,

located south of the offices in a separate volume, servicing all office levels, as well as the free area on the last slab of the interior building - as an ancillary to the hangar, surrounded by a guard railing. The same staircase is used for access to the hangar roof, to service and revise the facilities there, as well as to provide fireproof access to the roof of the building. The light height of all office and utility rooms is 2.80m, and on the ground floor premises is 3.50m. In the sanitary facilities the light height is 2.60m. The area of the internal monolithic building - "west office" is 247.13 square meters, and the total area of all offices is 988.52 m².

All partition walls have windows in order to provide visual connection of the administrative staff with the work processes in the hangar.

Along hangar's eastern facade, a monolithic two-level structure was constructed – called "the service building east", with a workshop on the ground floor, with a link to the hangar volume through a counter for giving and receiving used instruments, as well as access through a double door from south to the junction area with the eastbound transport corridor. At the upper level of + 4.80 m, there is a serving area to the hangar, with a link through a double leaf sliding door to the west wall

accessible by ground-level lifting equipment. The connection between the different levels is made through an internal staircase with a direct evacuation exit outwards, reaching the last open to the volume of the hangar platform at level + 9.60 m, surrounded by a guard railing. Two technical rooms are located on the same level as well. The bright height in the premises of the instrument and service area to the hangar is 3.60 m. The area of the internal monolithic building - east is 232.75 m², and the total area of all offices is 506.39 m².

The construction of Hangar 1 is made of steel, single-frame frames, with the impressive span of 91.7 meters. The building's foundations are made of reinforced concrete. The roof of the building is double-edged, with a minimum slope of 3%. The coating is made by the layer-by-layer method, of corrugated steel sheets T153, solid mineral wool 16 cm with volume weight min.160 kg / m³ and PVC waterproofing membrane. Drainage is internal, vacuum, in shafts along axes 1 and 17, with emergency openings in the boards on the east, west and south facades of the building. Upper strip lighting was built in 4 strips above the hangar repair areas, with anti-flood valves installed.

The flooring in Hangar 1 is epoxy-coated polished concrete - durable and resistant to active substances in technical and service areas, ground floor corridors, monolithic

interior buildings and stairways. In the sanitary, wet rooms and rest rooms the flooring is made of anti-sliding terracotta tiles - 20 / 20 cm. The office premises are covered with carpet flooring to provide the necessary sound insulation and comfortable working environment, the rooms for server, boards, cabinets and control valves - epoxy paint on sanded lightweight concrete, leveling the rooms.

Hangar 1 heating is designed in the most economical and environmentally friendly way possible - by installing heat rays on lines drawn under the roof of the hangar, powered by gas burners located on the roof. The administrative rooms are air-conditioned, with ventilation of all rooms.

The building provides accessibility for people with disabilities, both at the entrances of the repair base and adjacent areas. The elevator is adapted for use by people with disabilities and provides access from the ground floor to all levels of the office building. There is also a toilet for people with disabilities in the administrative part on the ground floor.

The Hangar 1 construction, with a total area of 7393 sq. m. and built-up area of 6189 sq. m., is a significant contribution to the progress of the aviation industry in the Republic of Bulgaria and confirms the position of the aviation base as innovative, dynamic and high-tech.



Consolidated statement of financial position as at 31 December 2018

	Note	31.12.2018 BGN '000	31.12.2017 BGN '000
Assets			
Property, plant and equipment	9	420 897	423 178
Investment property	11	422 174	405 502
Goodwill	12	28 425	32 307
Other intangible assets	13	157 731	171 741
Deferred tax assets	14	8 035	6 720
Investments accounted for using the equity method	7	35 126	34 420
Loans and advances to bank clients	15	2 417 517	2 319 809
Financial assets at fair value through profit or loss	16	1 685 078	1 430 323
Debt instruments at fair value through other comprehensive income	17	422 916	-
Equity instruments at fair value through other comprehensive income	18	70 983	-
Available-for-sale financial assets	19	-	664 195
Held-to-maturity financial assets	20	-	36 469
Other financial assets at amortized cost	21	1 105 426	780 823
Insurance and reinsurance receivables	23	51 071	43 645
Reinsurance assets	32	87 218	81 280
Tax receivables	22	1 854	1 756
Other receivables	24	93 471	161 069
Inventories	25	45 923	47 175
Cash and cash equivalents	26	2 045 224	2 204 904
Total assets		9 099 069	8 845 316

Consolidated statement of financial position as at 31 December (continued)

	Note	31.12.2018 BGN '000	31.12.2017 BGN '000
Equity, reserves and liabilities			
Equity			
Share capital	27.1	227 191	227 236
Premium reserve	27.2	247 070	247 129
Other reserves	27.3	145 477	124 926
Retained earnings		660 715	736 953
Profit for the period		70 309	69 598
Equity attributable to the shareholders of Chimimport AD		1 350 762	1 405 842
Non-controlling interests		293 931	282 955
Total equity		1 644 693	1 688 797
Liabilities			
Liabilities to depositors	28	5 259 602	5 052 941
Other financial liabilities	29	502 819	512 615
Payables to insured individual	30	1 295 894	1 195 555
Pension and other employee obligations	31.2	18 478	18 211
Deferred tax liabilities	14	23 841	28 210
Insurance technical reserves	32	269 782	262 969
Liabilities to insurance and reinsurance contracts	33	28 490	25 356
Finance lease liabilities	10.1	5 349	3 939
Tax liabilities	34	4 530	6 489
Other liabilities	35	45 591	50 234
Total liabilities		7 454 376	7 156 519
Total equity and liabilities		9 099 069	8 845 316

Prepared by: IA. Kerezovi Executive director: И. Kamenov
Date: 30 April 2019
Audited according to the auditor's report dated 01.07.2019
Mariy Apostolov
Managing Partner
Grant Thornton OOD, Audit firm
Zornitza Djambazka
Registered auditor responsible for the audit




Prepared by: IA. Kerezovi Executive director: И. Kamenov
Date: 30 April 2019
Audited according to the auditor's report dated 01.07.2019
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Managing Partner
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Zornitza Djambazka
Registered auditor responsible for the audit




Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December

	2018 BGN '000	2018 BGN '000	2017 BGN '000
Revenue from non-financial activities	36	461 437	433 039
Change in fair value of investment property	11	2 803	2 108
Gain/(loss) on sale of non-current assets	37	1 106	(6 133)
Revenue from non-financial activities		465 346	429 014
Insurance income	38	377 484	352 019
Insurance expense	39	(349 685)	(318 475)
Net insurance result		27 799	33 544
Interest income	40	189 607	199 468
Interest expense	41	(34 234)	(39 189)
Net interest income		155 373	160 279
Result from transactions with financial instruments, net	42	20 916	100 721
Operating and administrative expenses	43	(636 787)	(633 233)
Gains from investments under equity method	7	5 300	5 741
Other financial income, net	44	65 515	36 451
Allocation of income to secured persons		(10 544)	(45 021)
Profit before tax		92 918	87 496
Income tax (expense)/income	45	(8 566)	771
Net profit for the period		84 352	88 267
Other comprehensive (loss)/income:			
Revaluation of financial assets, net of taxes		(4 407)	6 245
Remeasurement of defined benefit liability, net of taxes		(48)	-
Other comprehensive (loss)/income		(4 455)	6 245
Total comprehensive income for the year		79 897	94 512
Net profit for the year attributable to:			
The shareholders of Chimimport AD		70 309	69 598
Non-controlling interests		14 043	18 669
Total comprehensive income attributable to:			
The shareholders of Chimimport AD		66 598	73 845
Non-controlling interests		13 299	20 667
Basic earnings per share in BGN	46	0.31	0.31

Consolidated statement of changes in equity for the year ended 31 December

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Non-controlling interests	Total equity	
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2018	227 236	247 129	124 926	806 551	1 405 842	282 955	1 688 797
Adjustments from the adoption of IFRS 9 and other adjustments, note 5	-	-	(7 047)	(79 447)	(86 494)	(16 686)	(103 180)
Balance at 1 January 2018 (restated)	227 236	247 129	117 879	727 104	1 319 348	266 269	1 585 617
Increase in share capital and reserves resulting from change in own shares held by subsidiaries	(45)	(59)	-	-	(104)	-	(104)
Business combinations	-	-	(4 442)	(16 325)	(20 767)	16 793	(3 974)
Dividends	-	-	-	(14 313)	(14 313)	(2 430)	(16 743)
Transactions with owners	(45)	(59)	(4 442)	(30 638)	(35 184)	14 363	(20 821)
Profit for the year	-	-	-	70 309	70 309	14 043	84 352
Other comprehensive loss	-	-	(3 711)	-	(3 711)	(744)	(4 455)
Total comprehensive income for the year	-	-	(3 711)	70 309	66 598	13 299	79 897
Transfer of retained earnings to other reserves	-	-	36 641	(36 641)	-	-	-
Change in specialized reserves	-	-	(890)	890	-	-	-
Balance at 31 December 2018	227 191	247 070	145 477	731 024	1 350 762	293 931	1 644 693

Prepared by: IA. Kerezovi Executive director: Il. Kamenov
 Date: 30 April 2019
 Audited according to the auditor's report dated 01.07.2019
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 Date: 30 April 2019
 Audited according to the auditor's report dated 01.07.2019
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 Zornitza Djambazka
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Consolidated statement of changes in equity for the year ended 31 December (continued)

All amounts are presented in BGN '000	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2017	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160
Effect of changes in accounting policy, Note 5	-	-	4 852	3 260	8 112	4 836	12 948
Balance at 1 January 2017 (restated)	226 914	246 838	90 026	786 324	1 350 102	266 006	1 616 108
Increase in share capital and reserves resulting from change in own shares held by subsidiaries	322	291	-	-	613	-	613
Business combinations	-	-	3 639	(10 749)	(7 110)	134	(6 976)
Dividends	-	-	-	(11 608)	(11 608)	(3 852)	(15 460)
Transactions with owners	322	291	3 639	(22 357)	(18 105)	(3 718)	(21 823)
Net profit for the year	-	-	-	69 598	69 598	18 669	88 267
Other comprehensive loss	-	-	4 247	-	4 247	1 998	6 245
Total comprehensive income for the year	-	-	4 247	69 598	73 845	20 667	94 512
Transfer of retained earnings to other reserves	-	-	25 384	(25 384)	-	-	-
Change in specialized reserves	-	-	1 630	(1 630)	-	-	-
Balance at 31 December 2017	227 236	247 129	124 926	806 551	1 405 842	282 955	1 688 797

Prepared by:

I.A. Kerezov

Executive director:

I. Kamenov

Date: 30 April 2019

Audited according to the auditor's report dated 30.07.2019

Mariy Apostolov

Managing Partner

Grant Thornton OOD, Audit firm



Zornitza Djambazka

Registered auditor responsible for the audit

Consolidated statement of cash flows for the year ended 31 December

Note	2018	2017
	BGN '000	BGN '000
Proceeds from short-term loans	65 802	56 758
Payments for short-term loans	(69 167)	(78 951)
Proceeds from sale of short-term financial assets	229 965	229 568
Purchase of short-term financial assets	(218 699)	(239 424)
Cash receipt from customers	422 129	414 620
Cash paid to suppliers	(359 589)	(369 454)
Proceeds from insured persons	146 716	136 737
Payments to insured persons	(37 921)	(23 689)
Payments to employees and social security institutions	(120 502)	(118 139)
Cash receipts from banking operations	47 913 910	43 827 219
Cash paid for banking operations	(47 730 991)	(43 389 214)
Cash receipts from insurance operations	187 004	201 596
Cash paid for insurance operations	(160 582)	(161 068)
Income taxes paid	(5 272)	(2 137)
Other cash outflows	(22 992)	(5 258)
Net cash flow from operating activities	239 811	479 164
Investing activities		
Sale of associates and subsidiaries, net of cash	2 170	-
Dividends from financial assets received	7 370	2 739
Sale of property, plant and equipment	1 626	3 957
Purchase of property, plant and equipment	(20 292)	(8 484)
Purchase of intangible assets	(2 453)	(1 719)
Sale of investment property	7 710	10 983
Purchase of investment property	(19 021)	(72 035)
Sale of non-current financial assets	787 288	875 880
Purchase of non-current financial assets	(1 209 706)	(921 175)
Interest payments received	48 007	52 324
Proceeds from loans granted	38 119	13 189
Payments for loans granted	(50 293)	(8 375)
Other cash outflows	(4 061)	(29 191)
Net cash flow from investing activities	(413 536)	(81 907)
Financing activities		
Dividends paid	(3 269)	(4 860)
Sale of own shares	(104)	613
Proceeds from loans received	42 029	78 766
Payments for loans received	(10 762)	(16 287)
Interest paid	(4 299)	(7 451)
Payments for finance leases	(1 733)	(1 416)
Other cash outflow	(8 545)	(6 038)
Net cash flow from financing activities	13 317	43 327
Net change in cash and cash equivalents	(160 408)	440 584
Cash and cash equivalents, beginning of period	2 204 904	1 767 126
Exchange gain/(loss) on cash and cash equivalents	728	(2 806)
Cash and cash equivalents, end of period	26	2 045 224

Prepared by:

I.A. Kerezov

Executive director:

I. Kamenov

Date: 30 April 2019

Audited according to the auditor's report dated 30.07.2019

Mariy Apostolov

Managing Partner

Grant Thornton OOD, Audit firm



Zornitza Djambazka

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Chimimport AD
2, Stefan Karadja Str.,
1000 Sofia, Bulgaria

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Chimimport AD and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to bank customers, including initial application of IFRS 9 Financial Instruments effective from 01.01.2018

Note 3.1 New standards, amendments and interpretations to existing standards that are effective for annual periods beginning on or after 1 January 2018

IFRS 9 "Financial Instruments" is effective for accounting periods beginning on or after 1 January 2018. The new standard introduces significant changes in the classification and measurement of financial assets, new models of expected credit loss for impairment of financial assets. The initial effect of applying IFRS 9 should be disclosed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and other applicable standards.

The need to apply significant judgments, estimates and assumptions by management in assessing the Group's financial assets, has led to the identification of this issue as a key audit matter.

Key audit matter	How this matter was addressed during the audit
<p>The key assumptions and uncertainties inherent in IFRS 9 are mainly related to the following areas:</p> <ul style="list-style-type: none"> - Classification and initial assessment: During the initial classification and evaluation of financial instruments, management has made its judgment on the business models for managing the financial assets of the Group and the characteristics of the contractual cash flows of the financial assets. The management concludes that the cash flows from financial assets classified as loans and advances to bank customers are held only within a business model whose purpose is to collect the contractual cash flows that represent only principal and interest payments on the outstanding principal at certain dates. The accompanying accounting estimates are of significant importance as the loans and advances to bank customers provided by the Group represent a significant part of the Group's assets. This group of financial assets is subsequently measured at amortized cost. - The expected credit loss model: The new requirements of IFRS 9 have led to an increase in the complexity and degree of judgment required in the development of a model for the calculation of expected credit losses that is appropriate to the size and operations of the Group, its holding structure, economic significance and risk characteristics. The new model requires that the calculation of expected credit losses be based on forward-looking historical information on macroeconomic indicators on the basis of which different scenarios are being developed. <p>Loans and advances to bank customers as at 31 December 2018 amount to BGN 2 417 517 thousand and represent 27% of the total assets of the Group. The preparation of a model for expected credit losses requires a set of significant judgments, assumptions and uncertainties on the part of the management of the Group. Therefore, we have identified the transition to IFRS 9 and disclosure requirements as a key audit matter.</p> <p>Note 3.1 to the separate financial statements provides detailed information on the estimates and assumptions used by the management of the Group</p>	<p>During our audit, our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Review of the Group's criteria for classification and subsequent measurement of each category of financial assets and the compliance of these criteria with the requirements of IFRS 9; - Review and assessment of the policies and procedures ensuring the new methodology for expected credit loss provisioning of financial assets including loans and advances to bank customers; - Review on a sample basis of the classification of loans as well as impairment loss calculation on both individually and collectively. Performing tests of details as part of our substantive procedures covered the classification and valuation of loans and advances to bank customers. We analysed debtors' financial performance investigating for any deviations from contractual terms. For the sampling, we took into account the impact of economic conditions, valuation of assets provided as collaterals, and other factors that may influence the collection of loans and advances to bank customers. - We applied professional judgement in order to analyse and assess key assumptions used in modelling the expected credit losses for loans and advances to bank customers. We reviewed the impairment loss calculations of the Group's management both collectively and individually whereas to compare the results with our expectations and approximations. - Assessment of the adequacy of the disclosures in the financial statements related to impairment of loans and advances to bank customers including the initial effect from IFRS 9, classification and impairment losses as well as the Group's exposure to credit risk.

in estimating the expected credit losses from impairment of loans and advances to bank customers for 2018 and presents the effect, from the application of IFRS 9 Financial Instruments, on the opening balances as at 1 January 2018.	
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Impairment of goodwill	
Note 12 to the consolidated financial statements	
Key audit matter	How this matter was addressed during the audit
<p>As of 31 December 2018, the Group's goodwill amounts to BGN 28 425 thousand.</p> <p>We focused on management's estimates used for impairment testing because of the significant assumptions required to predict the expected future cash flows and the applicable discount factors when calculating the recoverable amount of cash-generating units.</p>	<p>During our audit, our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - assessment of the relevance of key assumptions, including discount factors, expected growth, and other key performance indicators, with our internal valuation experts, by comparing with average market performance of companies with similar activity and the Group's current financial performance; - analysis of the management calculations related to sensitivity; - assessment of the adequacy of the disclosures of consolidated financial statements, including the disclosures for main assumptions, judgements and sensitivity.

Fair value assessment of investment property	
Note 11 to the consolidated financial statements	
Key audit matter	How this matter was addressed during the audit
<p>As of 31 December 2018, the Group's investment property amounts to BGN 422 174 thousand.</p> <p>We focused on management's judgment on the fair value measurement of investment properties because of their size and the significant assumptions used to determine their fair value. Property estimates contain significant assumptions, such as expected rental income, discount factors, employment rates, market transaction information, market assumptions, and others.</p>	<p>During our audit, our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - analysis of the objectivity, independence and professional experience of the external valuation specialists used by the Group; - verifying the accuracy of incoming data related to the investment properties used in the valuations; - assessment and analysis of the relevance of key management assumptions about expected rental income, discount factors, employment rates, market transaction information, market assumptions, and others; - assessing the adequacy of the disclosures in the consolidated financial statements, including disclosures of the underlying assumptions and judgments about the fair value of investment property.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual consolidated management report, including the consolidated corporate governance statement, the consolidated non-financial declaration and the consolidated report on payments to governments, prepared in accordance with Bulgarian Accountancy Act, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section "Information Other than the Consolidated Financial Statements and Auditor's Report Thereon", regarding annual consolidated management report, including the consolidated corporate governance statement, the consolidated non-financial declaration and the consolidated report on payments to governments, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act and Article 100m, paragraph (10) in relation to Article 100m, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

- the information in the consolidated management report is consistent with the consolidated financial statements for the same reporting period;
- the consolidated management report is prepared in accordance with the applicable legal requirements;
- as a result of the acquired knowledge and understanding of the activities of the Group and the environment in which it operates, we have found no cases of material misrepresentation in the consolidated management report;
- the consolidated corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100m, paragraph (8) of Bulgarian Public Offering of Securities Act;
- the consolidated non-financial declaration is prepared and made available in accordance with the requirements of Bulgarian Accountancy Act;
- the consolidated report on payments to governments is and made available in accordance with the requirements of Bulgarian Accountancy Act.

Statement Pursuant to Article 100m, Paragraph (10) of Bulgarian Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Group and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Group in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the consolidated corporate governance statement, being a component of the annual consolidated management report.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the financial statements of Chimimport AD for the year ended on 31 December 2018 by the general meeting of shareholders, held on 29.06.2018, for a period of one year.
- The audit of the consolidated financial statements of the Group for the year ended on 31 December 2018 has been made for seventeenth consecutive year.
- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor's response and where relevant, key observations arising with respect to those risks in the section „Key audit matters“ of this report.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.

- We confirm that we remained independent of the Group in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to Chimimport AD and its subsidiaries in addition to the statutory audit, which have not been disclosed in the management report or financial statements.

Mariy Apostolov
Managing partner

Grant Thornton Ltd.
Audit firm

Bulgaria, Sofia

Zornitza Djambazka
Registered auditor responsible for the audit





The goals of Chimimport for the next years remain unchanged – increasing the growth rates for the company; strengthening the positions of the companies from the investment portfolio as leaders in their market sectors - not only on the Bulgarian market, but also the international market; increasing the efficiency of manufacturing factories by means of a continuous introduction of new technologies and products; improving the reputation and assets of the company.