

Interim Condensed Financial Statements

Chimimport AD

30 September 2023



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Interim condensed statement of financial position

	Notes	30.09.2023 BGN'000	31.12.2022 BGN'000
Assets			
Non – current assets			
Property, plant and equipment	8	1 988	2 243
Investment property	9	35 831	35 831
Investment in subsidiaries	10	787 866	787 866
Long – term financial assets	11	42 660	41 677
Long – term related party receivables	18	152 128	149 760
Deferred taxes		1 367	1 367
		1 021 840	1 018 744
Current assets			
Short – term financial assets	12	237 200	236 942
Trade and other receivables		7 409	6 701
Short – term related party receivables	18	3 668	16 952
Prepayments and other assets		17	30
Cash and cash equivalents		68 539	68 651
		316 833	329 276
Total assets		1 338 673	1 348 020

Prepared by: _____

/A.Kerezov/

Executive Director: _____

/I. Kamenov/

Date: 30 October 2023




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Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	30.09.2023	31.12.2022
		BGN'000	BGN'000
Equity			
Share capital	12	239 646	239 646
Share premium		260 615	260 615
Remeasurement of defined benefit liability		76	76
Other reserves		53 575	53 575
Retained earnings		571 742	549 146
Net profit for the period		18 090	22 596
Total equity		1 143 744	1 125 654
Liabilities			
Non – current liabilities			
Long – term bank and other loans	14	16 198	16 546
Long – term related party payables	18	15 853	35 558
Pension and other employee obligations		43	43
Provisions		978	978
Non – current liabilities		33 072	53 125
Current liabilities			
Short – term bank and other loans	14	2 480	14 698
Trade and other payables		3 289	3 127
Short – term related party payables	18	155 831	151 293
Pension and other party payables		130	-
Tax liabilities		127	123
Current liabilities		161 857	169 241
Total liabilities		194 929	222 366
Total equity and liabilities		1 338 673	1 348 020

Prepared by: 
/A.Kerezov/

Executive Director: 
/I. Kamenov/

Date: 30 October 2023




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Interim condensed statement of comprehensive income

Notes	For six months 30.09.2023 BGN'000	For three months 30.09.2023 BGN'000	For six months 30.09.2022 BGN'000	For three months 30.09.2022 BGN'000
Gains from transactions with financial instruments	16 838	3 262	14 550	5 500
Losses from transactions with financial instruments	(1 763)	(10)	(1 678)	(489)
Net profit from transactions with financial instruments	15 075	3 252	12 872	5 011
Interest income	4 806	1 617	4 245	1 568
Interest expense	(2 078)	(753)	(2 584)	(873)
Net profit from interest	2 728	864	1 661	695
Gains from foreign exchange differences	13	6	26	10
Losses from foreign exchange differences	(13)	(3)	(4)	-
Net loss from foreign exchange differences	-	3	22	10
Other financial expenses	(55)	(8)	(44)	(5)
Dividend income	1 905	405	5 011	(75)
Operating revenue	1 460	477	1 943	483
Operating expenses	(2 893)	(1 121)	(2 180)	(619)
Profit for the period before tax	18 220	3 872	19 285	5 500
Tax expense	15 (130)	(23)	(1 275)	(774)
Net profit for the period	18 090	3 849	18 010	4 726
Other comprehensive loss: Items that will not be reclassified subsequently to profit or loss:				
Total comprehensive income	18 090	3 849	18 010	4 726
Earnings per share in BGN	16 0,08	0.02	0.08	0.03

Prepared by: 
/A.Kerezov/

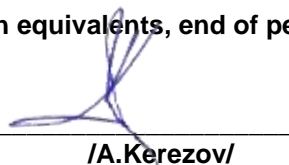
Executive Director: 
/I. Kamenov/

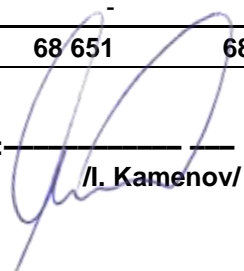
Date: 30 October 2023



Interim condensed statement of cash flows

	30.09.2023 BGN '000	30.09.2022 BGN '000
Operating activities		
Proceeds from short-term loans	22 532	20 393
Payments for short-term loans	(11 394)	(25 185)
Proceeds/(payments) from operations with short-term financial assets, net	(196)	(1 369)
Receipts from customers	1 288	1 484
Payments to suppliers	(1 871)	(1 306)
Interest received	3 608	6 223
Interest paid	(930)	(330)
Dividend received	105	-
Cash paid to employees and social security institutions	(601)	(541)
Taxes paid	(215)	(270)
Other proceeds, net	(210)	(1 727)
Net cash flow from operating activities	12 116	(2 628)
Investing activities		
Proceeds from sale of participation in subsidiaries and associates	-	1 191
Net cash flow from investing activities	-	1 191
Financing activities		
Payments for long-term and bank loans received	(12 228)	-
Interest paid	-	(236)
Net cash flow from financing activities	(12 228)	(236)
Net change in cash and cash equivalents	(112)	(1 673)
Cash and cash equivalents, beginning of period	68 651	70 075
Exchange gains on cash and cash equivalents	-	22
Cash and cash equivalents, end of period	68 651	68 424

Prepared by: 
/I.A.Kerezov/

Executive Director: 
/I. Kamenov/

Date: 30 October 2023



Notes to the financial statements

1. Nature of operations

Chimimport AD was registered as a joint-stock company at Sofia city court on 24 January 1990. The address of the Company's registered office is 2 St. Karadja Str., Sofia, Bulgaria.

The Company is registered on the Bulgarian Stock Exchange – Sofia on 30 October 2006.

The Company is engaged in the following business activities:

- Acquisition, management and sale of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Bank services, finance, insurance and pension insurance;
- Securitization of real estate and receivables;
- Extraction of oil and natural gas;
- Construction of output capacity in the area of oil-processing industry, production of biodiesel and production of rubber items;
- Production and trading with oil and chemical products;
- Production of vegetable oil, purchasing, processing and trading with grain foods;
- Aviation transport and ground activities on servicing and repairing of aircrafts and aircraft engines;
- River and sea transport and port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehouse activity.

The Company has a two-tier management structure consisting of a Supervisory Board and a Managing Board.

The members of the Supervisory Board are as follows:

Invest Capital AD
CCB Group EAD
Mariana Bazhdarova

The members of the Managing Board are as follows:

Alexander Kerezov
Ivo Kamenov
Marin Mitev
Nikola Mishev
Miroliub Ivanov
Tzvetan Botev

The Company is represented by its executive directors Ivo Kamenov and Marin Mitev, together and separately.

2. Basis for the preparation of the interim condensed financial statements

These interim condensed financial statements as of 30 September 2023

have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information and disclosures required in annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

The interim condensed financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN'000) unless otherwise stated.

The Company also prepares interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and approved by EU. Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 "Consolidated Financial Statements".

The interim condensed financial statements are prepared under the going concern principle.

3. Accounting policies

These interim condensed financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2022.

4. Accounting estimates

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

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

In preparing the presented interim condensed financial statements, the significant judgments of management in applying the Company's accounting policies and the main sources of uncertainty of accounting estimates do not differ from those disclosed in the annual financial statements of the Company as of 31 December 2022, except changes in the estimate of income tax liability.

5. New standards, amendments and interpretations to existing standards that are effective for annual periods beginning on or after 1 January 2023

The Company has adopted the new accounting pronouncements which have become effective this year, and are as follows:

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

Amendments proposed are such that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Phase 2 of the project dealt with replacement issues, therefore, the amendments published address issues that might affect financial reporting when an existing interest rate benchmark is actually replaced.

Amendments to IFRS 16 Leases: Covid-19- Related Rent Concessions beyond 30 September 2021 effective from 1 April 2021 adopted by the EU

'Covid-19-Related Rent Concessions extends by one year, beyond 30 September 2021, the May 2020 amendment that provides lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. The Changes in Covid-19-Related Rent Concessions beyond 30 September 2021 (Amendment to IFRS 16) amend IFRS 16 to

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 September 2022 (rather than only payments originally due on or before 30 September 2021);
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
- require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment;

and specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

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

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2021 and have not been applied early by the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

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

- Amendments IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment IAS 37 Provisions, Contingent Liabilities and Contingent Assets effective from 1 January 2022 adopted by the EU
- Annual Improvements 2018-2020 effective from 1 January 2022 adopted by the EU
- IFRS 17 "Insurance Contracts" effective from 1 January 2023, adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective from 1 January 2023 not yet adopted by the EU
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies effective from 1 January 2023 not yet adopted by the EU
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates effective from 1 January 2023 not yet adopted by the EU
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective from 1 January 2023 not yet adopted by the EU
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information effective from 1 January 2023 not yet adopted by the EU
- IFRS 14 "Regulatory deferral accounts" effective from 1 January 2016, not adopted by the EU

7. Significant events and transactions

The economic environment in 2022 and with continuation in 2023 has been shaped by the recovery from the Covid-19 pandemic, the military conflict in Ukraine, the sharp rise in prices and the reversal of the interest rate cycle. Due to the recovery from the Covid-19 pandemic and the military conflict in Ukraine, oil and commodity prices have risen. The military conflict in Ukraine on a global scale caused new interruptions and restrictions on the supply of goods, food and raw materials, which caused further price increases.

Inflation with subsequent monetary tightening and the energy crisis are the basis of the economic slowdown in the European Union in the last quarter. Price pressures intensified and widened in 2022 and 2023, with inflation hitting record highs in recent decades.

The conflict between Russia and Ukraine has had a significant impact on the global economy in various ways, mainly related to the prices of energy resources. Rising prices and inflation in the global economy are likely to have a wide-ranging impact on the Company related to its business model, supply chain, legal and contractual issues, employees, consumers and working capital.

The company has reviewed the exposure to increased credit risk in relation to counterparties operating in the affected territories, including and from the imposed sanctions. The Company's management analyses all facts and circumstances regarding the current activity and operations with these counterparties. During the period, an expected credit loss was recognized in accordance with the Company's accounting policy.

Rising prices and inflation in the global economy are likely to have a wide-ranging impact on the Company related to its business model, supply chain, legal and contractual issues, consumers and working capital. The Company expects an increase in operating expenses, which may lead to an indexation of the holding fees it collects from subsidiaries.

In these conditions, the Company's management made an analysis and assessment of the Company's ability to continue its activity as a going concern based on the available information for the foreseeable future. Management expects that the Company has sufficient financial resources

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to continue its operations for the foreseeable future and continues to apply the going concern principle in the preparation of the separate financial statements.

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8. Property, plant and equipment

Property, plant and equipment of the Company include land, buildings, plant and equipment, vehicles, assets in process of acquisition, etc. The carrying amount can be analyzed as follows:

	Buildings	Machines and equipment	Vehicles	Other	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount					
Balance at 1 January 2023	26	251	113	3 774	4 164
	-	12	-	-	12
Balance at 30 September 2023	26	263	113	3 774	4 176
Depreciation					
Balance at 1 January 2023	(24)	(249)	(113)	(1 535)	(1 921)
Depreciation	-	(4)	-	(263)	(267)
Balance at 30 September 2023	(24)	(253)	(113)	(1 798)	(2 188)
Carrying amount as at 30 September 2023	2	10	-	1 976	1 988

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The carrying amount as at 31 December 2022 can be analyzed as follows:

	Buildings	Machines and equipment	Vehicles	Other	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount					
Balance at 1 January 2022	26	249	113	3 774	4 162
Balance at 31 December 2022	26	251	113	3 774	4 164
Depreciation					
Balance at 1 January 2022	(24)	(249)	(113)	(1 185)	(1 571)
Depreciation	-	-	-	(350)	(350)
Balance at 31 December 2022	(24)	(249)	(113)	(1 535)	(1 921)
Carrying amount at 31 December 2022	2	2	-	2 239	2 243

9. Investment property

Investment property includes land and buildings, which are located at 1, Battenberg Str., Sofia, and which are owned for capital appreciation.

Changes to the carrying amounts presented in the statement of financial position can be summarized as follows:

	Investment property BGN '000
Carrying amount at 1 January 2021	35 831
Carrying amount at 31 December 2021	35 831
Carrying amount at 31 September 2022	35 831

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10. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country	Main activities	30.09.2023 BGN '000	share %	31.12.2022 BGN '000	share %
CCB Group EAD	Bulgaria	Financial services	248 148	100.00%	248 148	100.00%
Zarneni Hrani Bulgaria AD	Bulgaria	Manufacturing and trade	165 363	63.65%	165 363	63.65%
Bulgarian Airways Group EAD	Bulgaria	Aviation Services	209 611	100.00%	209 611	100.00%
Bulgarian Shipping Company EAD	Bulgaria	Sea and river transport	44 393	100.00%	44 393	100.00%
CCB AD	Bulgaria	Financial services	32 152	8.24%	32 152	8.24%
Sport Complex Varna AD	Bulgaria	Real estate	22 474	65.00%	22 474	65.00%
Oil and Gas Exploration and Production AD	Bulgaria	Manufacturing and trade	16 929	13.84%	16 929	13.84%
Port Lesport AD	Bulgaria	Sea and river transport	16 380	99.00%	16 380	99.00%
ZAD Armeec	Bulgaria	Financial services	20 419	9.74%	20 419	9.74%
Bulchimex GmbH	Germany	Manufacturing and trade	2 500	100.00%	2 500	100.00%
Energoproekt AD	Bulgaria	Engineering sector	2 168	98.69%	2 168	98.69%
Trans Intercar EAD	Bulgaria	Transport	4 855	100.00%	4 855	100.00%
Natsionalna stokova borsa AD	Bulgaria	Manufacturing and trade	1 879	67.00%	1 879	67.00%
TI AD	Bulgaria	Manufacturing and trade	480	87.67%	480	87.67%
HGH Consult OOD	Bulgaria	Services	111	59.34%	111	59.34%
Prime Lega Consult EOOD	Bulgaria	Services	4	100.00%	4	100.00%
			787 866		787 866	

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11. Non-current financial assets

	30.09.2023 BGN'000	31.12.2022 BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	15 971	14 988
	15 971	14 988
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	7 131	7 131
	7 131	7 131
Financial assets at fair value through profit or loss		
Unquoted instruments	19 558	19 558
	19 558	19 558
	42 660	41 677

12. Current financial assets

	30.09.2023 BGN'000	31.12.2022 BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	17 977	17 719
	17 977	17 719
Financial assets at fair value through profit or loss		
Unquoted instruments	219 214	219 214
	219 214	219 214
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	9	9
	9	9
	237 200	236 942

13. Share capital

The share capital of the Company as at 30 September 2022 consists of 239 646 267 ordinary shares with a par value of BGN 1. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

	Number of Shares as at 30.09.2023 BGN'000	Number of Shares as at 31.12.2022 BGN'000
Shares issued and fully paid: - beginning of the year	239 646 267	239 646 267
Shares issued and fully paid at the end of the period	239 646 267	239 646 267

The list of principle shareholders, holding more than 10% of the total shares (ordinary shares and preferred shares) of the Company's capital is presented as follows:

	As at 30.09.2023 Number of shares	As at 30.09.2023 %	As at 31.12.2022 Number of shares	As at 31.12.2022 %
Invest Capital AD	173 487 247	72.39 %	173 487 247	72.39%
Other legal entities	46 770 725	19.52 %	48 032 331	20.04%
Other private individuals	18 654 159	8.09 %	18 126 689	7.56%
	239 646 267	100.00 %	239 646 267	100.00 %

14. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current		Non - current	
	30.09.2023 BGN'000	31.12.2022 BGN'000	30.09.2023 BGN'000	31.12.2022 BGN'000
Bank loans	486	486	9 839	10 268
Other borrowings	1 994	14 212	6 359	6 278
Total carrying amount	2 480	14 698	16 198	16 546

15. Income tax expenses

Recognized tax expense is based on management's best estimate of the expected annual corporate tax rate applied to the financial result for the current interim period to 30 September 2023. The annual corporate tax rate used for 2022 is 10%.

16. Earnings per share

The basic earnings per share have been calculated using the net results attributable to shareholders of the Company as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders is:

	As at 30.09.2023	As at 30.09.2022
Profit attributable to the shareholders (BGN)	18 090 000	18 010 000
Weighted average number of outstanding shares	239 646 267	239 646 267
Basic earnings per share (BGN per share)	0.08	0.08

17. Related parties transactions

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled through bank transfer.

17.1. Transactions with owners

	30.09.2023 BGN'000	30.09.2022 BGN'000
Purchases		
<i>purchase of services, goods and interest income</i>		
- owners	(340)	(524)

17.2. Transactions with subsidiaries and associates

	30.09.2023 BGN'000	30.09.2022 BGN'000
Sales		
<i>sale of services, rental income and interest income</i>		
- subsidiaries	2 700	3 693
- associated	37	19
- other	81	75
Purchases		
<i>purchase of services, goods and interest income</i>		
- subsidiaries		
- others	(1 828)	(2 106)
	-	-

17.3. Transactions with key management personnel

Key management personnel of the Company include members of the Managing board and Supervisory board. Key management personnel remuneration consists of salaries and bonuses as follows:

	30.09.2023 BGN'000	30.09.2022 BGN'000
Short-term employee benefits:		

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Salaries, including bonuses	(126)	(126)
Social security costs	(12)	(12)
Total short-term employee benefits	(138)	(138)

18. Related party balances

	30.09.2023	31.12.2022
	BGN'000	BGN'000
Non-current receivables from:		
- subsidiaries	150 500	148 132
- other related parties	43 181	43 181
Expected credit losses and impairment losses	(41 553)	(41 553)
Total	152 128	149 760

	30.09.2023	31.12.2022
	BGN'000	BGN'000
Current receivables from:		
- owners	-	6 750
- subsidiaries	24 249	32 771
- other related parties	7 347	26 534
Expected credit losses and impairment losses	(27 928)	(49 103)
Total	3 668	16 952

	30.09.2023	31.12.2022
	BGN'000	BGN'000
Non-current payables to:		
- subsidiaries	15 853	35 558
Total	15 853	35 558

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	30.09.2023	31.12.2022
	BGN'000	BGN'000
Current payables to:		
- owners	4 648	21 863
- subsidiaries	151 182	129 311
- other related parties	1	119
Total	155 831	151 293

19. Post-reporting date events

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

20. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 30 September 2023 (including comparatives) were approved for issue by the managing board on 30 October 2023.