

Interim Financial Statements

Chimimport AD

31 March 2024



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Interim condensed statement of financial position

	Notes	31.03.2024 BGN'000	31.12.2023 BGN'000
Assets			
Non – current assets			
Property, plant and equipment	8	1 811	1 899
Investment property	9	30 122	30 122
Investment in subsidiaries	10	787 866	787 866
Long – term financial assets	11	38 364	38 278
Long – term related party receivables	18	160 727	152 104
Deferred taxes		-	-
		1 018 890	1 010 269
Current assets			
Short – term financial assets	12	254 602	240 865
Trade and other receivables		6 617	6 731
Short – term related party receivables	18	7 380	22 046
Prepayments and other assets		12	29
Cash and cash equivalents		68 560	68 580
		337 171	338 251
Total assets		1 356 061	1 348 520

Prepared by: 
/A.Kerezov/

Executive Director: 
/M.Ivanov/

Date: 29 April 2024




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Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	31.03.2024	31.12.2023
		BGN'000	BGN'000
Equity			
Share capital	12	239 646	239 646
Share premium		260 615	260 615
Remeasurement of defined benefit liability		87	87
Other reserves		53 637	53 637
Retained earnings		590 363	571 742
Net profit for the period		8 833	18 621
Total equity		1 153 181	1 144 348
Liabilities			
Non – current liabilities			
Long – term bank and other loans	14	7 326	2 957
Long – term related party payables	18	11 917	13 687
Pension and other employee obligations		37	37
Provisions		693	693
Deferred taxes		4 701	4 588
Non – current liabilities		24 674	21 962
Current liabilities			
Short – term bank and other loans	14	592	5 092
Trade and other payables		3 339	3 899
Short – term related party payables	18	174 111	172 970
Pension and other party payables		-	113
Tax liabilities		164	136
Current liabilities		178 206	182 210
Total liabilities		202 880	204 172
Total equity and liabilities		1 356 061	1 348 520

Prepared by: 
/A.Kerezov/



Executive Director: 
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Interim condensed statement of comprehensive income

	Notes	31.03.2024	31.03.2023
		BGN'000	BGN'000
Gains from transactions with financial instruments		6 982	8 576
Losses from transactions with financial instruments		(1 790)	(1 753)
Net profit from transactions with financial instruments		5 192	6 823
Interest income		1 632	1 590
Interest expense		(807)	(726)
Net profit from interest		825	864
Other financial expenses		(6)	(13)
Dividend income		3 200	1 500
Operating revenue		485	504
Operating expenses		(862)	(974)
Profit for the period before tax		8 834	8 704
Tax expense	15	(1)	-
Net profit for the period		8 833	8 704
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Total comprehensive income		8 833	8 704
Earnings per share in BGN	16	0.04	0.04

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Interim condensed statement of changes in equity

All amounts are presented in BGN '000

	Share capital	Share premium	Remeasurements of defined benefit liability	Other reserves	Retained earnings	Total equity
Balance at 1 January 2024	239 646	260 615	87	53 637	590 363	1 144 348
Net profit for the period, ending at 31 March 2024	-	-	-	-	8 833	8 833
Total comprehensive income	-	-	-	-	8 833	8 833
Balance at 31 March 2024	239 646	260 615	78	59 824	599 196	1 153 181
Net profit for the period	-	-	-	-	18 621	18 621
Other comprehensive loss	-	-	11	62	-	73
Total comprehensive income	-	-	11	62	18 621	18 694
Balance at 31 December 2023	239 646	260 615	87	53 637	590 363	1 144 348
Balance at 1 January 2023	239 646	260 615	76	53 575	571 742	1 125 654
Net income for the period, ending 31 March 2024	-	-	-	-	8 704	8 704
Total comprehensive income	-	-	-	-	8 704	8 704
Balance at 31 March 2024	239 646	260 615	78	59 824	580 446	1 134 358

Prepared by: _____

/A.Kerezov/

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Executive Director: _____

/M.Ivanov/

The accompanying notes on pages 7 to 20 form an integral part of the financial statements.

Interim condensed statement of cash flows

	31.03.2024 BGN '000	31.03.2023 BGN '000
Operating activities		
Proceeds from short-term loans	2 320	3 173
Payments for short-term loans	(4 727)	(3 866)
Proceeds/(payments) from operations with short-term financial assets, net	54	(196)
Receipts from customers	1 067	416
Payments to suppliers	(513)	(664)
Interest received	-	1 628
Interest paid	(1 100)	(324)
Cash paid to employees and social security institutions	(199)	(188)
Taxes paid	-	(71)
Other proceeds, net	646	(31)
Net cash flow from operating activities	(2 452)	(123)
Investing activities		
Dividend proceeds	2 432	-
Net cash flow from investing activities	2 432	-
Financing activities		
Net cash flow from financing activities	-	-
Net change in cash and cash equivalents	(20)	(123)
Cash and cash equivalents, beginning of period	68 580	68 651
Exchange gains on cash and cash equivalents	-	-
Effect from expected credit losses	-	(3)
Cash and cash equivalents, end of period	68 560	68 525

Prepared by: _____

/A.Kerezov/



Executive Director: _____

/M.Ivanov /

Date: 29 April 2024

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 with stock code CHIM for the Company's ordinary shares. The Company's LEI code is 549300GB265U3RQEQC54.

The Company is engaged in the following business activities:

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

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

The members of the Supervisory Board are as follows:

Invest Capital AD
CCB Group EAD
Mariana Bazhdarova

The members of the Managing Board are as follows:

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

As of January 16, 2024, the Company is represented by the executive director Miroljub Ivanov. Until January 16, 2024, the Company was represented by Ivo Kamenov Georgiev and Marin Velikov Mitev jointly and separately

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

This interim condensed financial statement for the period of three months to 31 March 2024 has been prepared in accordance with IAS 34 "Interim Financial Reporting". It does not contain all the information required to prepare full annual financial statements under IFRS and should be read together with the Company's annual financial statements as at 31 December 2023 prepared in accordance with International Financial Reporting Standards (IFRS), developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

The interim condensed financial statement is drawn up in Bulgarian leva, which is the functional currency of the Company. All amounts are presented in thousands of BGN (thousand BGN) (including comparative information for 2023), 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 2023.

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 2023, 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 2024

The Company has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's separate financial statements for the annual period beginning 1 January 2023

Amendments to IAS 1 „Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies“ effective from 1 January 2023, adopted by the EU

The entity is required to disclose its material accounting policy information instead of its significant accounting policies, the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. The amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if the entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Amendments to IAS 8 „Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates“ effective from 1 January 2023, adopted by the EU

The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

The amendments will help companies improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements; and distinguish changes in accounting estimates from changes in accounting policies.

The Group has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board and endorsed by EU, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning 1 January 2023, but do not have a significant impact on the Group's consolidated financial results or consolidated financial position:

- IFRS 17 "Insurance Contracts" effective from 1 January 2023, 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, 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, adopted by the EU

Amendments to IAS 12 "Income taxes: International Tax Reform – Pillar Two Model Rules", effective from 1 January 2023, adopted by the EU

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

At the date of authorisation of these consolidated 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 2023 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 to IAS 1 "Presentation of financial statements: Classification of liabilities as current or non-current", effective from 1 January 2024, adopted by the EU
- Amendments to IAS 1 "Presentation of financial statements: Non-current liabilities with covenants", effective from 1 January 2024, adopted by the EU
- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback", effective not earlier than 1 January 2024, adopted by the EU
- Amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments: Disclosures: supplier finance arrangements", effective from 1 January 2024, not yet adopted by the EU

Amendments to IAS 21 "The effects of changes in foreign exchange rates: Lack of exchangeability", effective from 01 January 2025, not yet adopted by the EU

7. Significant events and transactions

Climate Related Questions

Legislators, regulators and users of non-financial information are currently paying a lot of attention to climate change. The EU has adopted the European Green Deal to transition to a more sustainable economic and financial system, and in the coming years detailed climate change reporting requirements will become applicable as part of European sustainability reporting standards under the upcoming Corporate Reporting Directive.

Risks induced by climate changes may have future adverse effects on the Company's business activities. These risks include transition risks (e.g., regulatory changes and reputational risks) and physical risks. How the subsidiaries and associated companies of the Group operate their businesses may be affected by new regulatory constraints on the CO₂ emissions it generates. Some of the subsidiaries and associated companies are engaged in purchasing emission allowances according to Directive 2003/87/EC, ETS Directive - last amended by Directive (EU) 2018/410, thereby making a significant contribution to reducing the risks of carbon displacement emissions and are stimulating decarbonisation, through the inclusion of benchmarks for free allocation of emissions based on the performance of the best performing enterprises in a given sector. This aims to encourage efficient operators to improve their performance while rewarding those who achieve good results.

The company on an individual level is not directly affected by climate risks, mainly due to the fact that it operates as a holding company and the main activity is aimed at qualitative and quantitative increase in the volume of projects in all sectors in which the companies of its Group operate, development of modern, management strategies and their immediate implementation through its subsidiaries. Concrete reflections of climate change could materialize in the amount of dividend income received by subsidiaries and associated companies that operate in the highly affected sectors from the point of view of sustainable development and its three main pillars. At the moment, most companies in the group of the most vulnerable segments have established and detailed measures to overcome changes of a climatic nature, as well as ways to reach the NetZero level of carbon emissions.

The activity of Chimimport AD is in accordance with the minimum limits under Art. 18 of Regulation/EU/2020/852 of the EP and of the Council and respects the principle "of not causing significant damage".

The effects of climate change can be in the context of two perspectives - the impact that a business can have through its activity on the climate, and the impact that climate change can have on its economic activity.

The activity of Chimimport AD has no direct impact on the environment. Regarding the second perspective, the effect would be indirect through the impact on the activities of subsidiaries and associated enterprises and respectively the income from dividends and administrative management services of the Company.

In the event of climate change actions in the future directly affecting the business, Chimimport AD undertakes to analyse the impact on the climate and reduce its carbon emissions, if any, by 50% by 2030 and to be carbon neutral no later than 2050.

Consistent with the prior year, as at 31 December 2023, the Company has not identified significant risks induced by climate changes that could negatively and materially affect the Company's financial statements. Management continuously assesses the impact of climate-related matters.

Assumptions could change in the future in response to forthcoming environmental regulations, new commitments taken and changing consumer demand. These changes, if not anticipated, could have an impact on the Company's future cash flows, financial performance and financial position.

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8. Property, plant and equipment

The Company's property, plant and equipment includes land, buildings, machinery and equipment, means of transport, acquisition costs of DMA and others. The book value as of 31 March 2024 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	28	249	113	3 774	4 164
Acquired during the period	-	12	-	-	12
Balance at 31 December 2023	28	261	113	3 774	4 176
Depreciation					
Balance at 1 January 2023	(24)	(249)	(113)	(1 535)	(1 921)
Depreciation	-	(7)	-	(349)	(356)
Balance at 31 December 2023	(24)	(256)	(113)	(1 884)	(2 277)
Carrying amount as at 31 December 2023	4	5	-	1 890	1 899
Gross carrying amount					
Balance at 1 March 2024	28	261	113	3 774	4 176
Balance at 31 March 2024	28	261	113	3 774	4 176
Depreciation					
Balance at 1 March 2024	(24)	(256)	(113)	(1 884)	(2 277)
Depreciation	(1)	-	-	(87)	(88)
Balance at 31 March 2024	(25)	(256)	(113)	(1 971)	(2 365)
Carrying amount As at 31 March 2024	3	5	-	1 803	1 811

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 as at 1 January 2023	35 831
Loss from change in fair value	(5 709)
Carrying amount as at 31 December 2023	30 122
Carrying amount as at 31 March 2024	30 122

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10. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country	Main activities	31.03.2024 BGN '000	share %	31.12.2023 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

	31.03.2024	31.12.2023
	BGN'000	BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	11 628	11 542
	11 628	11 542
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	7 178	7 178
	7 178	7 178
Financial assets at fair value through profit or loss		
Unquoted instruments	19 558	19 558
	19 558	19 558
	38 364	38 278

12. Current financial assets

	31.03.2024	31.12.2023
	BGN'000	BGN'000
Debt instruments at amortized cost		
Loans granted and deposits	18 467	4 725
	18 467	4 725
Financial assets at fair value through profit or loss		
Unquoted instruments	236 135	236 135
	236 135	236 135
Equity instruments at fair value through other comprehensive income		
Unquoted equity instruments	5	5
	5	5
	254 602	240 865

13. Share capital

The Company's registered share capital as of 31 March 2024 consists of 239,646,267 ordinary shares with a nominal value of BGN 1 per share. The ordinary shares of the Company are non-cash, registered and freely transferable and give the right to 1 (one) vote and a liquidation share.

	Number of Shares	Number of Shares
	as at 31.03.2024	as at 31.12.2023
	BGN'000	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

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

	As at 31.03.2024 Number of shares	As at 31.03.2024 %	As at 31.12.2023 Number of shares	As at 31.12.2023 %
Invest Capital AD	173 487 247	72,39 %	173 487 247	72,39%
Other legal entities	46 605 186	19,44 %	46 439 942	19,38%
Global trustees and private individuals	19 553 834	8,17 %	19 719 078	8,23%
	239 646 267	100.00 %	239 646 267	100,00%

14. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	<u>Current</u>		<u>Non - current</u>	
	31.03.2024 BGN'000	31.12.2023 BGN'000	31.03.2024 BGN'000	31.12.2023 BGN'000
Financial liabilities reported at amortized cost:				
Bank loans	375	4 874	4 353	-
Other borrowings	217	218	2 973	2 957
Total carrying amount	592	5 092	7 326	2 957

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 31 March 2024. The annual corporate tax rate used for 2023 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 31.03.2024	As at 31.03.2023
Profit attributable to the shareholders (BGN)	8 833 000	8 704 000
Weighted average number of outstanding shares	239 646 267	239 646 267
Basic earnings per share (BGN per share)	0.04	0.04

17. Related parties transactions

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

17.1. Transactions with owners

	31.03.2024	31.03.2023
	BGN'000	BGN'000
Purchases		
<i>purchase of services, goods and interest income</i>		
- owners	(145)	(78)

17.2. Transactions with subsidiaries and associates

	31.03.2024	31.03.2023
	BGN'000	BGN'000
Sales		
<i>sale of services, rental income and interest income</i>		
- subsidiaries	1 121	1 130
- other	22	22
Purchases		
<i>purchase of services, goods and interest income</i>		
- subsidiaries		
- others	(593)	(648)
	-	-

17.3. Transactions with key management personnel

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

	31.03.2024	31.03.2023
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(42)	(42)
Social security costs	(4)	(4)
Total short-term employee benefits	(44)	(44)

18. Related party balances

	31.03.2024	31.12.2023
	BGN'000	BGN'000
Non-current receivables from:		
- subsidiaries	163 521	154 898
- other related parties	43 180	43 180
Expected credit losses and impairment losses	(45 974)	(45 974)
Total	160 727	152 104

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	31.03.2024	31.12.2023
	BGN'000	BGN'000
Current receivables from:		
- owners		-
- subsidiaries	7 311	27 022
- other related parties	8 355	8 502
Expected credit losses and impairment losses	(8 286)	(13 478)
Total	7 380	22 046

	31.03.2024	31.12.2023
	BGN'000	BGN'000
Non-current payables to:		
- subsidiaries	11 917	13 687
Total	11 917	13 687

	31.03.2024	31.12.2023
	BGN'000	BGN'000
Current payables to:		
- owners	17 016	18 584
- subsidiaries	157 095	154 384
- other related parties	-	2
Total	174 111	172 970

19. Post-reporting date events

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

20. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 31 March 2024 (including comparatives) were approved for issue by the managing board on 29 April 2024.