

Interim Condensed Financial Statements

Chimimport AD

30 September 2017



Contents

	Page
Interim condensed statement of financial position	1
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity	4
Interim condensed statement of cash flows	6
Notes to the interim condensed financial statements	7


Interim condensed statement of financial position

	Notes	30.09.2017 BGN'000	31.12.2016 BGN'000	30.09.2016 BGN'000
Assets				
Non – current assets				
Property, plant and equipment	6	7 686	7 686	15 866
Intangible assets		2	5	8
Investment property	7	35 831	35 831	33 572
Investment in subsidiaries	8	782 371	787 201	750 387
Long – term financial assets		42	46 171	46 171
Long – term related party receivables	16	25 678	27 509	36 439
Long – term receivables	9	118 656	127 014	130 198
		970 266	1 031 417	1 012 641
Current assets				
Short – term related party receivables	16	119 599	126 683	268 284
Loans granted	9	101 615	101 757	124 896
Trade and other receivables		49 707	44 731	45 638
Short – term financial assets		117 161	117 161	121 098
Income tax receivables		-	60	30
Inventories		-	-	367
Cash and cash equivalents		74 187	76 359	81 594
		462 269	466 751	641 907
Total assets		1 432 535	1 498 168	1 654 548

Prepared by:


/A. Kerezov/

Executive Director:


//I. Kamenov/

Date: 27 October 2017




Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	30.09.2017 BGN'000	31.12.2016 BGN'000	30.09.2016 BGN'000
Equity				
Share capital	10	239 646	239 646	239 646
Share premium		260 615	260 615	260 615
Other reserves		59 890	59 890	59 888
Retained earnings		662 782	641 986	641 986
Net profit for the period		33 830	33 748	30 303
Total equity		1 256 763	1 235 885	1 232 438
Liabilities				
Non – current liabilities				
Long – term related party payables	16	12 375	13 333	141 270
Long – term dividend liabilities	11	-	-	8 311
Long – term bank and other loans	12	54 667	43 078	53 138
Pension and other employee obligations		24	24	21
Deferred tax liabilities		12 347	18 952	19 048
		79 413	75 387	221 788
Current liabilities				
Short – term related party payables	16	78 233	116 885	104 982
Short – term dividend liabilities	11	-	9 063	29 019
Short – term bank and other loans	12	13 776	32 713	34 827
Trade and other payables		2 171	28 145	31 403
Pension and other party payables		98	90	76
Tax liabilities		2 081	-	15
		96 359	186 896	200 322
Total liabilities		175 772	262 283	422 110
Total equity and liabilities		1 432 535	1 498 168	1 654 548

Prepared by:


/A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 27 October 2017




Interim condensed statement of comprehensive income

	Notes	For nine months up to 30.09.2017 BGN'000	For three months up to 30.09.2017 BGN'000	For nine months up to 30.09.2016 BGN'000	For three months up to 30.09.2016 BGN'000
Gains from transactions with financial instruments and noncurrent assets		16 917	-	22 063	100
Losses from transactions with financial instruments		-	-	(5 001)	(341)
Net profit from transactions with financial instruments		16 917	-	17 062	(241)
Interest income		10 275	3 139	16 494	5 735
Interest expense		(3 808)	1 004	(6 707)	(2 660)
Net profit from interest		6 467	4 143	9 787	3 075
Gains from foreign exchange differences		170	15	293	-
Losses from foreign exchange differences		(1 299)	(340)	(593)	(54)
Net loss from foreign exchange differences		(1 129)	(325)	(300)	(54)
Other financial income/(expenses)		(155)	(9)	(234)	(18)
Dividend incomes		8 491	-	7 000	-
Operating revenue		1 113	349	1 165	359
Operating expenses		(2 406)	(1 257)	(1 977)	(677)
Result from operating activities		(1 293)	(908)	(812)	(318)
Profit for the period before tax		29 298	2 901	32 503	2 444
Tax expense	13	4 532	(290)	(2 200)	7
Net profit for the period		33 830	2 611	30 303	2 451
Total comprehensive income		33 830	2 611	30 303	2 451
Earnings per share in BGN	14	0.14	0.01	0.13	0.01

Prepared by:


/A. Kerezov/

Executive Director:


/I. Kamenov/

Date: 27 October 2017




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 2017	239 646	260 615	66	59 824	675 734	1 235 885
Distribution of dividends	-	-	-	-	(12 952)	(12 952)
Transaction with owners	-	-	-	-	(12 952)	(12 952)
Net profit for the period, ending at 30 September 2017	-	-	-	-	33 830	33 830
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	33 830	33 830
Balance at 30 September 2017	239 646	260 615	66	59 824	696 612	1 256 763

Prepared by: 
/A. Kerezov/
Date: 27 October 2017



Executive Director: 
/I. Kamenov/

Interim condensed statement of changes in equity (continued)

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 2016	239 646	260 615	64	59 824	652 770	1 212 919
Dividends	-	-	-	-	(10 784)	(10 784)
Transactions with owners	-	-	-	-	(10 784)	(10 784)
Net profit for the period, ending at 31 December 2016	-	-	-	-	33 748	33 748
Other comprehensive income	-	-	2	-	-	2
Total comprehensive income	-	-	2	-	33 748	33 750
Balance at 31 December 2016	239 646	260 615	66	59 824	675 734	1 235 885

Prepared by: _____

/A. Kerezov/

Date: 27 October 2017



Executive Director: _____

/I. Kamenov/

Interim condensed statement of changes in equity (continued)

All amounts are presented in BGN '000

	Share capital	Share premium	Remeasurements of defined benefit liability	Other reserves	Retained earnings	Total equity
Adjusted balance at 1 January 2016	239 646	260 615	64	59 824	652 770	1 212 919
Dividends	-	-	-	-	(10 784)	(10 784)
Transactions with owners	-	-	-	-	(10 784)	(10 784)
Net profit for period, ending at 30 September 2016	-	-	-	-	30 303	30 303
Total comprehensive income	-	-	-	-	30 303	30 303
Balance at 30 September 2016	239 646	260 615	64	59 824	672 289	1 232 438

Prepared by: _____

/A. Kerezov/

Date: 27 October 2017



Executive Director: _____

/I. Kamenov/


Interim condensed statement of cash flows

	30.09.2017	30.09.2016
	BGN '000	BGN '000
Operating activities		
Proceeds from short-term loans	33 854	55 218
Payments for short-term loans	(20 179)	(65 989)
Proceeds from operations with short-term financial assets, net	(1 597)	42 031
Receipts from customers	610	1 086
Payments to suppliers	(1 301)	(1 178)
Interest received	8 286	27 535
Interest paid	(1 080)	(8 900)
Cash paid to employees and social security institutions	(1 031)	(510)
Corporate tax paid	-	(176)
Taxes paid	(164)	(156)
Other (payments)/ proceeds, net	(6 563)	(5 025)
Net cash flow from operating activities	10 835	43 936
Investing activities		
Purchase of non – current assets	-	(14)
Acquisition of subsidiaries and associates	-	(2)
Dividends received	2 327	-
Repayments of long-term loans granted	4 997	4 034
Long-term loans granted	(23)	(36 807)
Net cash flow from investing activities	7 301	(32 789)
Financing activities		
Dividends paid	(5 557)	-
Long-term loans received	9 729	18 948
Payments for long-term and bank loans received	(21 363)	(21 655)
Interest paid	(3 100)	(1 820)
Net cash flow from financing activities	(20 291)	(4 527)
Net change in cash and cash equivalents	(2 155)	6 620
Cash and cash equivalents, beginning of period	76 359	75 058
Exchange losses from cash and cash equivalents	(17)	(84)
Cash and cash equivalents, end of period	74 187	81 594

Prepared by:


/A.Kerezov/

Executive Director:


/I. Kamenov/

Date: 27 October 2017



Notes to the financial statements

1. Nature of operations

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

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

The Company is engaged in the following business activities:

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

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

The members of the Supervisory Board are as follows:

Invest Capital AD
CCB Group EAD
Mariana Bazhdarova

The members of the Managing Board are as follows:

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

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

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

These interim condensed financial statements as of 30 September 2017 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 2015, 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 2016.

4. Accounting estimates

For the purpose of preparing these interim condensed financial statements, management has applied accounting estimates and assumptions in the assessment of its assets, liabilities, income and expenses. Actual results may differ from these estimates and management assumptions. Accounting estimates and assumptions applied in this interim condensed financial statements do not differ from the last annual financial statements of the Company as of 31 December 2016.

5. Significant events and transactions

The Company has sufficient capital and liquidity to conduct its business and serve its obligations. The policies and procedures of the Company with respect to capital management, credit risk and liquidity risk are presented in the most recent annual financial statements of the Company as of 31 December 2016’.

6. 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:

	Land BGN '000	Buildings BGN '000	Machines and equipment BGN '000	Vehicles BGN '000	Other BGN '000	Assets in process of acquisition BGN '000	Total BGN '000
Gross carrying amount							
Balance at 1 January 2017	-	26	225	113	1 411	6 370	8 145
Additions	-	-	3	-	-	-	3
Disposals	-	-	-	-	-	-	-
Balance at 30 September 2017	-	26	228	113	1 411	6 370	8 148
Depreciation							
Balance at 1 January 2017	-	(22)	(223)	(113)	(101)	-	(459)
Depreciation	-	-	(3)	-	-	-	(2)
Balance at 30 September 2017	-	(22)	(226)	(113)	(101)	-	(461)
Carrying amount as at 30 September 2017	-	4	2	-	1 310	6 370	7 686

The carrying amount as at 31 December 2016 can be analyzed as follows:

	Land	Buildings	Machines and equipment	Vehicles	Other	Assets in process of acquisition	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount							
Balance at 1 January 2016	8 178	26	222	113	1 407	6 370	16 316
Additions	-	-	3	-	4	-	7
Disposals	(8 178)	-	-	-	-	-	(8 178)
Balance at 31 December 2016	-	26	225	113	1 411	6 370	8 145
Depreciation							
Balance at 1 January 2016	-	(21)	(221)	(113)	(99)	-	(454)
Depreciation	-	(1)	(2)	-	(2)	-	(5)
Balance at 31 December 2016	-	(22)	(223)	(113)	(101)	-	(459)
Carrying amount as at 31 December 2016	-	4	2	-	1 310	6 370	7 686

The carrying amount as at 30 September 2016 can be analyzed as follows:

	Land	Buildings	Machines and equipment	Vehicles	Other	Assets in process of acquisition	Total
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Gross carrying amount							
Balance at 1 January 2016	8 178	26	222	113	1 407	6 370	16 316
Additions	-	-	3	-	4	-	7
Disposals	-	-	-	-	-	-	-
Balance at 30 September 2016	8 178	26	225	113	1 411	6 370	16 323
Depreciation							
Balance at 1 January 2016	-	(21)	(221)	(113)	(99)	-	(454)
Depreciation	-	(1)	(1)	-	(1)	-	(3)
Balance at 30 September 2016	-	(22)	(222)	(113)	(100)	-	(457)
Carrying amount as at 30 September 2016	8 178	4	3	-	1 311	6 370	15 866



7. 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 2016	33 572
Carrying amount at 30 June 2016	33 572
Net gain from fair value adjustments	2 259
Carrying amount at 31 December 2016	35 831
Carrying amount at 30 September 2017	35 831

8. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation	Main activities	30.09.2017	share	31.12.2016	share	30.09.2016	share
			BGN '000	%	BGN '000	%	BGN '000	%
CCB Group EAD	Bulgaria	Financial services	251 996	100.00%	256 826	100.00%	210 270	100.00%
Zarneni Hrani Bulgaria AD	Bulgaria	Manufacturing and trade	165 363	63.65%	165 363	63.65%	165 363	63.65%
Bulgarian Airways Group EAD	Bulgaria	Aviation Services	209 611	100.00%	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%	44 393	100.00%
CCB AD	Bulgaria	Financial services	22 492	6.65%	22 492	6.60%	33 707	9.90%
Sport Complex Varna AD	Bulgaria	Real estate	22 474	65.00%	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%	16 929	13.84%
Port Lesport AD	Bulgaria	Sea and river transport	16 380	99.00%	16 380	99.00%	16 380	99.00%
ZAD Armeec	Bulgaria	Financial services	20 736	9.89%	20 736	9.89%	19 263	8.98%
Bulchimex GmbH	Germany	Manufacturing and trade	2 500	100.00%	2 500	100.00%	2 500	100.00%
Energoproekt AD	Bulgaria	Engineering sector	2 168	83.25%	2 168	83.25%	2 168	83.20%
Trans Intercar EAD	Bulgaria	Transport	4 855	100.00%	4 855	100.00%	4 855	100.00%
Natsionalna stokova borsa AD	Bulgaria	Manufacturing and trade	1 879	67.00%	1 879	67.00%	1 879	67.00%
Technoimpex AD	Bulgaria	Manufacturing and trade	480	87.67%	480	87.67%	480	87.67%
HGH Consult OOD	Bulgaria	Services	111	59.34%	111	59.34%	111	59.34%
Prime Lega Consult OOD	Bulgaria	Services	4	70.00%	4	70.00%	4	70.00%
			782 371		787 201		750 387	

9. Loans granted

	30.09.2017 BGN '000	31.12.2016 BGN '000	30.09.2016 BGN '000
Loans granted – long term	118 656	127 014	130 198
Loans granted – short term	101 615	101 757	124 896
	220 271	228 771	255 094

10. Share capital

The share capital of the Company as at 30 September 2017 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 30.06.2017 BGN'000	Number of Shares as at 31.12.2016 BGN'000	Number of Shares as at 30.06.2016 BGN'000
Shares issued and fully paid:			
- beginning of the year	239 646 267	239 646 267	239 646 267
Shares issued and fully paid at the end of the period	239 646 267	239 646 267	239 646 267
Shares of Chimimport AD, acquired by its subsidiaries			
CCB Group EAD	(1 296 605)	(1 863 605)	(5 160 005)
ZAD Armeec	(3 236 507)	(3 211 507)	(3 211 507)
POAD CCB Sila	(7 872 107)	(7 464 307)	(6 477 307)
CCB AD	-	(192 620)	(188 100)
Trans Intercar EAD	(8 800)	-	-

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 30.09.2017 Number of shares /ordinary and preferred shares/	As at 30.09.2017 %	As at 31.12.2016 Number of shares /ordinary and preferred shares/	As at 31.12.2016 %	As at 30.09.2016 Number of shares /ordinary and preferred shares/	As at 30.09.2016 %
Invest Capital AD	174 847 247	72.96 %	175 002 247	73.03 %	175 002 247	73.03%
Other legal entities and private individuals	64 799 020	27.04 %	64 644 020	26.97 %	64 644 020	26.97%
	239 646 267	100.00 %	239 646 267	100.00 %	239 646 267	100.00 %

11. Dividend liabilities

As at 30 September 2017 dividend liabilities for the preferred shares are as follows:

	Current			Non - current		
	30.09.2017	31.12.2016	30.09.2016	30.09.2017	31.12.2016	30.09.2016
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Dividend liabilities	-	9 063	29 019	-	-	8 311
	-	9 063	29 019	-	-	8 311

12. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current			Non - current		
	30.09.2017	31.12.2016	30.09.2016	30.09.2017	31.12.2016	30.09.2016
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Bank loans	10 334	10 334	10 334	36 673	38 872	44 007
Other borrowings	3 442	22 379	24 493	17 994	4 206	9 131
Total carrying amount	13 776	32 713	34 827	54 667	43 078	53 138

13. Income tax expenses

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected for the full financial year 2017 of 10 % applied to the financial result for the period ended as at 30 September 2017 (the estimated annual tax rate for the full financial year 2016 was 10 %).

14. 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 30.09.2017	As at 30.09.2016
Profit attributable to the shareholders (BGN)	33 830 000	30 302 700
Weighted average number of outstanding shares	239 646 267	239 646 267
Basic earnings per share (BGN per share)	0.14	0.13



15. 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.

15.1. Transactions with owners

	30.09.2017	30.09.2016
	BGN'000	BGN'000
Sales		
<i>Sale of services, interest income and other income</i>	327	1 368
Purchases		
<i>purchase of services, goods and interest income</i>	(43)	(160)

15.2. Transactions with subsidiaries and associates

	30.09.2017	30.09.2016
	BGN'000	BGN'000
Sales		
<i>sale of services, rental income and interest income</i>		
- subsidiaries	4 023	6 178
- other	408	1 631
Purchases		
<i>purchase of services, goods and interest income</i>		
- subsidiaries	(2 434)	(2 437)
- other	-	(5)

15.3. 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 September 2017	30 September 2016
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(726)	(126)
Social security costs	(15)	(15)
Company car allowance	-	-
Total short-term employee benefits	<u>(741)</u>	<u>(141)</u>



16. Related party balances

	30.09.2017 BGN'000	30.09.2016 BGN'000
Non-current receivables from:		
- subsidiaries	25 678	36 439
Total	25 678	36 439

	30.09.2017 BGN'000	30.09.2016 BGN'000
Current receivables from:		
- owners	20 083	154 690
- subsidiaries	86 156	100 210
- associated parties	5	5
- other related parties	13 355	13 379
Total	119 599	268 284

	30.09.2017 BGN'000	30.09.2016 BGN'000
Non-current payables to:		
- subsidiaries	12 375	141 270
Total	12 375	141 270

	30.06.2017 BGN'000	30.06.2016 BGN'000
Current payables to:		
- owners	2 608	-
- subsidiaries	75 130	104 487
- other related parties	495	495
Total	78 233	104 982

17. Post-reporting date events

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

18. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 30 September 2017 (including comparatives) were approved for issue by the managing board on 27 October 2017.