

# Interim Condensed Financial Statements

**Chimimport AD**

31 December 2016



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## Interim condensed statement of financial position

	Notes	31.12.2016 BGN'000	31.12.2015 BGN'000
<b>Assets</b>			
<b>Non – current assets</b>			
Property, plant and equipment	6	7 686	15 862
Investment property	7	33 572	33 572
Investment in subsidiaries	8	740 645	748 919
Long – term financial assets		46 171	42
Long – term related party receivables	16	30 560	90 946
Long – term receivables	9	128 614	104 269
Other intangible assets		5	-
		<b>987 253</b>	<b>993 610</b>
<b>Current assets</b>			
Short – term related party receivables	16	149 315	275 840
Loans granted	9	102 659	139 266
Trade and other receivables		32 365	44 809
Short – term financial assets		137 161	149 709
Tax receivables		203	-
Other receivables		21 421	-
Inventories		367	367
Cash and cash equivalents		76 359	75 058
		<b>519 850</b>	<b>685 049</b>
<b>Total assets</b>		<b>1 507 103</b>	<b>1 678 659</b>

Prepared by: \_\_\_\_\_

  
/A.Kerezov/

Executive Director: \_\_\_\_\_

  
/I. Kamenov/

Date: 30 January 2017



## Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	31.12.2016 BGN'000	31.12.2015 BGN'000
<b>Equity</b>			
Share capital	10	239 646	239 646
Share premium		260 615	260 615
Other reserves		59 888	59 862
Retained earnings		641 986	612 514
Net profit for the period		33 240	40 256
<b>Total equity</b>		<b>1 235 375</b>	<b>1 212 919</b>
<b>Liabilities</b>			
<b>Non – current liabilities</b>			
Long – term related party payables	16	13 333	172 171
Long – term dividend liabilities	11	-	8 081
Long – term bank and other loans	12	47 973	54 880
Pension and other employee obligations		21	21
Deferred tax liabilities		18 860	16 852
		<b>80 187</b>	<b>252 005</b>
<b>Current liabilities</b>			
Short – term related party payables	16	117 394	140 060
Short – term dividend liabilities	11	9 063	16 790
Short – term bank and other loans	12	27 818	30 743
Trade and other payables		37 175	25 866
Pension and other party payables		80	84
Tax liabilities		11	192
		<b>191 541</b>	<b>213 735</b>
<b>Total liabilities</b>		<b>271 728</b>	<b>465 740</b>
<b>Total equity and liabilities</b>		<b>1 507 103</b>	<b>1 678 659</b>

Prepared by: \_\_\_\_\_

/A. Kerezov/

Date: 30 January 2017


Executive Director: \_\_\_\_\_

/I. Kamenov/



## Interim condensed statement of comprehensive income

	Notes	31.12.2016	31.12.2015
		BGN'000	BGN'000
Gains from transactions with financial instruments and noncurrent assets		21 424	61 115
Losses from transactions with financial instruments		(13 841)	(27 006)
<b>Net profit from transactions with financial instruments</b>		<b>7 583</b>	<b>34 109</b>
Interest income		21 129	30 880
Interest expense		(8 350)	(22 509)
<b>Net profit from interest</b>		<b>12 779</b>	<b>8 371</b>
Gains from foreign exchange differences		894	4 229
Losses from foreign exchange differences		(594)	(4 295)
<b>Net loss from foreign exchange differences</b>		<b>300</b>	<b>(66)</b>
<b>Other financial income/(expenses)</b>		<b>(225)</b>	<b>-</b>
<b>Dividend incomes</b>		<b>16 459</b>	<b>1 151</b>
Operating revenue		1 973	1 806
Gain on sale of non-current assets		932	42
Operating expenses		(4 696)	(5 139)
<b>Profit for the period before tax</b>		<b>35 105</b>	<b>40 274</b>
Tax expense, net	13	(1 865)	(18)
<b>Net profit for the period</b>		<b>33 240</b>	<b>40 256</b>
<b>Other comprehensive income, net</b>		<b>-</b>	<b>26</b>
<b>Total comprehensive income</b>		<b>33 240</b>	<b>40 282</b>
<b>Earnings per share in BGN</b>	14	<b>0.14</b>	<b>0.27</b>
<b>Diluted earnings per share in BGN</b>	14	<b>-</b>	<b>0.18</b>

Prepared by:  \_\_\_\_\_  
/A.Kerezov/

Executive Director:  \_\_\_\_\_  
/I. Kamenov/



Date: 30 January 2017

## Interim condensed statement of changes in equity


All amounts are presented in BGN '000

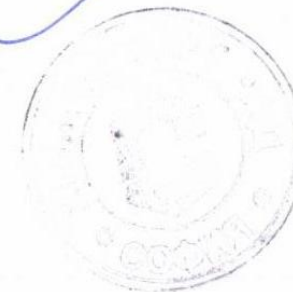
	Share capital	Share premium	Remeasurements of defined benefit liability	Other reserves	Retained earnings	Total equity
Balance at 1 January 2016	239 646	260 615	64	59 824	652 770	1 212 919
Distribution of dividends					(10 784)	(10 784)
Transaction with owners					(10 784)	(10 784)
Net profit for the period, ending at 31 December 2016	-	-	-	-	33 240	33 240
<b>Total comprehensive income</b>	-	-	-	-	<b>33 240</b>	<b>33 240</b>
<b>Balance at 31 December 2016</b>	<b>239 646</b>	<b>260 615</b>	<b>64</b>	<b>59 824</b>	<b>675 226</b>	<b>1 235 375</b>

Prepared by: \_\_\_\_\_

  
/A.Kerezov/

Executive Director: \_\_\_\_\_

  
/I. Kamenov/



Date: 30 January 2017

## 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 2015	239 646	260 615	38	59 836	612 514	1 172 649
Net profit for the period, ending at 31 December 2015	-	-	-	-	40 256	40 256
Other comprehensive income	-	-	26	-	-	26
<b>Total comprehensive income</b>	-	-	26	-	40 256	40 282
Other changes in equity	-	-	-	(12)	-	(12)
<b>Balance at 31 December 2015</b>	<b>239 646</b>	<b>260 615</b>	<b>64</b>	<b>59 824</b>	<b>652 770</b>	<b>1 212 919</b>

Prepared by: \_\_\_\_\_

  
/A. Kerezov/

Executive Director: \_\_\_\_\_

  
/I. Kamenov/



Date: 30 January 2017

## Interim condensed statement of cash flows

	31.12.2016	31.12.2015
	BGN '000	BGN '000
<b>Operating activities</b>		
Proceeds from short-term loans	70 070	90 776
Payments for short-term loans	(84 322)	(144 153)
Proceeds from operations with short term financial assets, net	52 283	(3 714)
Receipts from customers	3 376	1 093
Payments to suppliers	(2 486)	(3 060)
Interest received	33 360	37 094
Interest paid	(10 137)	(17 222)
Cash paid to employees and social security institutions	(1 416)	(2 015)
Corporate tax, paid	(176)	(1 525)
Taxes paid	(2 016)	(378)
Other (payments)/proceeds, net	(1 429)	1 817
<b>Net cash flow from operating activities</b>	<b>57 107</b>	<b>(41 287)</b>
<b>Investing activities</b>		
Purchase of non – current assets	(14)	(31)
Proceeds from operations with long-term assets	-	25
Acquisition of subsidiaries and associates	(2)	(23)
Proceeds from operations with related party financial instruments	2 543	-
Dividends received	5 388	-
Repayments of long-term loans granted	18 511	3 156
Long-term loans granted	(64 430)	(6 599)
<b>Net cash flow from investing activities</b>	<b>(38 004)</b>	<b>(3 472)</b>
<b>Financing activities</b>		
Payments for dividends on preferred shares	(4 732)	(6 391)
Long-term loans received	18 948	58 675
Payments for long-term and bank loans received	(30 121)	(13 436)
Interest paid	(1 820)	(2 255)
Discharge of finance lease liability	-	(5)
<b>Net cash flow from financing activities</b>	<b>(17 725)</b>	<b>36 588</b>
Net change in cash and cash equivalents	1 378	(8 171)
<b>Cash and cash equivalents, beginning of period</b>	<b>75 058</b>	<b>84 147</b>
Exchange losses from cash and cash equivalents	(77)	(918)
<b>Cash and cash equivalents, end of period</b>	<b>76 359</b>	<b>75 058</b>

Prepared by: \_\_\_\_\_

/A.Kerezov/

Date: 30 January 2017

Executive Director: \_\_\_\_\_

/I. Kamenov/





## Notes to the financial statements

### 1. Nature of operations

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

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

The Company is engaged in the following business activities:

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

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

**The members of the Supervisory Board are as follows:**

Invest Capital AD  
CCB Group EAD  
Mariana Bazhdarova

**The members of the Managing Board are as follows:**

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

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

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

These interim condensed financial statements as of 31 December 2016 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 2015.

## **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 2015.

## **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 2015’.

## 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	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
<b>Gross carrying amount</b>							
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)
<b>Balance at 31 December 2016</b>	<b>8 178</b>	<b>26</b>	<b>225</b>	<b>113</b>	<b>1 411</b>	<b>6 370</b>	<b>8 145</b>
<b>Depreciation</b>							
Balance at 1 January 2016	-	(21)	(221)	(113)	(99)	-	(454)
Depreciation	-	(1)	(2)	-	(2)	-	(5)
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>(22)</b>	<b>(223)</b>	<b>(113)</b>	<b>(101)</b>	<b>-</b>	<b>(459)</b>
<b>Carrying amount</b>							
<b>as at 31 December 2016</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>1 310</b>	<b>6 370</b>	<b>7 686</b>

The carrying amount as at 31 December 2015 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
<b>Gross carrying amount</b>							
Balance at 1 January 2015	8 178	26	221	203	1 397	6 370	16 395
Additions	441	-	1	-	35	-	477
Disposals	(441)	-	-	(90)	(25)	-	(556)
<b>Balance at 31 December 2015</b>	<b>8 178</b>	<b>26</b>	<b>222</b>	<b>113</b>	<b>1 407</b>	<b>6 370</b>	<b>16 316</b>
<b>Depreciation</b>							
Balance at 1 January 2015	-	(20)	(207)	(202)	(93)	-	(522)
Disposals	-	-	-	90	-	-	90
Depreciation	-	(1)	(14)	(1)	(6)	-	(22)
<b>Balance at 31 December 2015</b>	<b>-</b>	<b>(21)</b>	<b>(221)</b>	<b>(113)</b>	<b>(99)</b>	<b>-</b>	<b>(454)</b>
<b>Carrying amount</b>							
<b>as at 31 December 2015</b>	<b>8 178</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>1 308</b>	<b>6 370</b>	<b>15 862</b>

## 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:

	<b>Investment property</b> <b>BGN '000</b>
Carrying amount at 1 January 2015	33 572
Carrying amount at 31 December 2015	<u>33 572</u>
Carrying amount at 31 December 2016	<u><u>33 572</u></u>

## 8. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation	Main activities	31.12.2016	share	31.12.2015	share
			BGN '000	%	BGN '000	%
CCB Group EAD	Bulgaria	Financial services	210 270	100.00%	210 270	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	22 492	6.65%	33 707	9.90%
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	20 736	10.04%	19 263	8.98%
Bulchimex GmbH	Germany	Manufacturing and trade	2 500	100.00%	2 500	100.00%
Energoproekt AD	Bulgaria	Engineering sector	2 168	83.25%	2 166	83.20%
Trans Intercar EAD	Bulgaria	Transport	4 855	100.00%	2 095	100.00%
Natsionalna stokova borsa AD	Bulgaria	Manufacturing and trade	1 879	67.00%	1 879	67.00%
Technoimpex 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 OOD	Bulgaria	Services	4	70.00%	4	70.00%
Airport services-Bulgaria EAD	Bulgaria	Aviation Services	-	-	-	-
Global Invest Holding B.V.	Netherlands	Financial services	-	-	1 294	100.00%
			<b>740 645</b>		<b>748 919</b>	



## 9. Loans granted

	31.12.2016 BGN '000	31.12.2015 BGN '000
Loans granted – long term	128 614	104 269
Loans granted – short term	102 659	139 266
	<b>231 273</b>	<b>243 535</b>

## 10. Share capital

The share capital of the Company as at 31 December 2016 consists of 239 646 267 ordinary shares with a par value of BGN 1. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

	Number of Shares as at 31.12.2016 BGN'000	Number of Shares as at 31.12.2015 BGN'000
Shares issued and fully paid:		
- beginning of the year	239 646 267	239 646 267
<b>Shares issued and fully paid at the end of the period</b>	<b>239 646 267</b>	<b>239 646 267</b>
<b>Shares of Chimimport AD, acquired by its subsidiaries</b>		
CCB Group EAD	(1 863 605)	(5 160 005)
ZAD Armeec	(3 211 507)	(745 400)
POAD CCB Sila	(7 464 307)	(609 676)
CCB AD	(192 620)	(121 100)

All privilege shares, issued on 12 June 2009, were converted into ordinary shares on 15 June 2016, as per the Memorandum

	As at 30.09.2016 Number of shares	As at 30.09.2016 %	As at 31.12.2015 Number of shares	As at 31.12.2015 %
Invest Capital AD	175 002 247	73.03%	111 439 365	73.86 %
Other legal entities and private individuals	64 644 020	26.97%	39 436 231	26.14 %
	<b>239 646 267</b>	<b>100.00%</b>	<b>150 875 596</b>	<b>100.00%</b>

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 30.09.2016	As at 30.09.2016	As at 31.12.2015	As at 31.12.2015
	Number of shares /common stock and preferred shares/	%	Number of shares /common stock and preferred shares/	%
Invest Capital AD	175 002 247	73.03%	176 830 847	73.79 %
Other legal entities and private individuals	64 644 020	26.97%	62 815 420	26.21 %
	<b>239 646 267</b>	<b>100.00%</b>	<b>239 646 267</b>	<b>100.00 %</b>

### 11. Dividend liabilities

As at 30 September 2016 dividend liabilities for the preferred shares are as follows:

	Current		Non - current	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
	BGN '000	BGN '000	BGN '000	BGN '000
Preferred dividend liabilities	9 063	16 790	-	8 081
Common dividend liabilities	-	-	-	-
	<b>9 063</b>	<b>16 790</b>	<b>-</b>	<b>8 081</b>

### 12. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current		Non - current	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
	BGN '000	BGN '000	BGN '000	BGN '000
Bank loans	10 334	10 334	38 872	46 206
Other borrowings	17 484	20 409	9 101	8 674
<b>Total carrying amount</b>	<b>27 818</b>	<b>30 743</b>	<b>47 973</b>	<b>54 880</b>

### 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 2016 of 10 % applied to the financial result for the period ended as at 31 December 2016 (the estimated annual tax rate for the full financial year 2015 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, as at 31 December 2016, is:

	<b>As at 31.12.2016</b>
Profit attributable to the shareholders (BGN)	33 240 000
Weighted average number of outstanding shares	239 646 267
<b>Basic earnings per share (BGN per share)</b>	<b><u>0.14</u></b>

The weighted average number of shares outstanding ordinary and ordinary and preferred, used for the calculation of basic and diluted earnings per share as well as the net profit decreased by the dividend liabilities attributable to shareholders are as follows:

	<b>As at 31.12.2015</b>	
	<b>Basic earnings per share</b>	<b>Diluted earnings per share</b>
Net profit in BGN, adjusted with dividend expenses	40 256 000	43 497 800
Weighted average number of shares	150 875 596	239 646 267
<b>Diluted earnings per share (BGN per share)</b>	<b><u>0.27</u></b>	<b><u>0.18</u></b>

## 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

<b>Sales</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<i>Sale of services, interest income and other income</i>	1 709	3 901
<i>Purchase of services, interest income and other</i>	(300)	-

### 15.2. Transactions with subsidiaries and associates

<b>Sales</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<i>sale of services, rental income and interest income</i>		
- subsidiaries	8 968	12 272
- other related parties	2 056	-
<b>Purchases</b>		
<i>- purchase of services, goods and interest income</i>		
- subsidiaries	(3 771)	(14 698)
- other related parties	(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:

	31 December 2016 BGN'000	31 December 2015 BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(956)	(1 544)
Social security costs	(19)	(19)
Company car allowance	-	(2)
<b>Total short-term employee benefits</b>	<b>(975)</b>	<b>(1 565)</b>

### 16. Related party balances

	31.12.2016 BGN'000	31.12.2015 BGN'000
<b>Non-current receivables from:</b>		
- subsidiaries	30 560	90 946
<b>Total</b>	<b>30 560</b>	<b>90 946</b>

	31.12.2016 BGN'000	31.12.2015 BGN'000
<b>Current receivables from:</b>		
- owners and management	27 241	175 858
- subsidiaries	108 010	86 937
- other related parties	14 064	13 045
<b>Total</b>	<b>149 315</b>	<b>275 840</b>

	31.12.2016 BGN'000	31.12.2015 BGN'000
<b>Non-current payables to:</b>		
- subsidiaries	13 333	172 171
<b>Total</b>	<b>13 333</b>	<b>172 171</b>

	31.12.2016 BGN'000	31.12.2015 BGN'000
<b>Current payables to:</b>		
- subsidiaries	116 899	139 164
- other related parties	495	896
<b>Total</b>	<b>117 394</b>	<b>140 060</b>



### **17. Post-reporting date events**

As of October 27, 2016 dividends on preferred and common shares to the shareholders of Chimimport AD voted at the general shareholders meeting were paid out.

### **18. Authorization of the interim condensed financial statements**

The interim condensed financial statements as of 31 December 2016 (including comparatives) were approved for issue by the managing board on 30 January 2017.