

Interim Condensed Financial Statements

Chimimport AD

30 September 2016




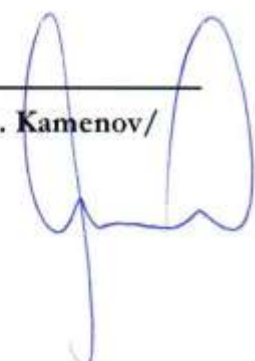
Contents

	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	7
Notes to the interim condensed financial statements	8

Interim condensed statement of financial position

	Notes	30.09.2016 BGN'000	31.12.2015 BGN'000	30.09.2015 BGN'000
Assets				
Non – current assets				
Property, plant and equipment	6	15 866	15 862	15 859
Investment property	7	33 572	33 572	33 572
Investment in subsidiaries	8	750 387	748 919	719 776
Long – term financial assets		46 171	42	54 287
Long – term related party receivables	16	36 439	90 946	82 051
Long – term receivables	9	130 198	104 269	109 063
Other intangible assets		8	-	-
		1 012 641	993 610	1 014 608
Current assets				
Short – term related party receivables	16	268 284	275 840	243 745
Loans granted	9	124 896	139 266	150 463
Trade and other receivables		45 638	44 809	51 880
Short – term financial assets		121 098	149 709	135 491
Tax receivables		30	-	-
Inventories		367	367	367
Cash and cash equivalents		81 594	75 058	83 688
		641 907	685 049	656 634
Total assets		1 654 548	1 678 659	1 671 242

Prepared by: 
/A.Kerezov/
Date: 28 October 2016

 Executive Director: 
/I. Kamenov/

Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	30.09.2016 BGN'000	31.12.2015 BGN'000	30.09.2015 BGN'000
Equity				
Share capital	10	239 646	239 646	239 646
Share premium		260 615	260 615	260 615
Other reserves		59 888	59 888	59 862
Retained earnings		641 986	612 514	612 514
Net profit for the period		30 303	40 256	35 887
Total equity		1 232 438	1 212 919	1 208 524
Liabilities				
Non – current liabilities				
Long – term related party payables	16	141 270	172 171	164 547
Long – term dividend liabilities	11	8 311	8 081	7 858
Long – term bank and other loans	12	53 138	54 880	69 752
Pension and other employee obligations		21	21	42
Deferred tax liabilities		19 048	16 852	14 528
		221 788	252 005	256 727
Current liabilities				
Short – term related party payables	16	104 982	140 060	144 502
Short – term dividend liabilities	11	29 019	16 790	16 327
Short – term bank and other loans	12	34 827	30 743	15 161
Trade and other payables		31 403	25 866	28 270
Pension and other party payables		76	84	97
Tax liabilities		15	192	1 634
		200 322	213 735	205 991
Total liabilities		422 110	465 740	462 718
Total equity and liabilities		1 654 548	1 678 659	1 671 242

Prepared by: _____


/A.Kerezov/


Date: 28 October 2016

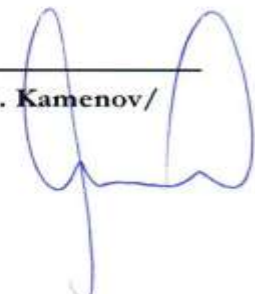
Executive Director: _____


/I. Kamenov/

Interim condensed statement of comprehensive income

	Notes	For nine months up to 30.09.2016 BGN'000	For three months up to 30.09.2016 BGN'000	For nine months up to 30.09.2015 BGN'000	For three months up to 30.09.2015 BGN'000
Gains from transactions with financial instruments and noncurrent assets		22 063	100	18 204	1 615
Losses from transactions with financial instruments		(5 001)	(341)	(1 997)	(1 174)
Net profit from transactions with financial instruments		17 062	(241)	16 207	441
Interest income		16 494	5 735	38 466	8 824
Interest expense		(6 707)	(2 660)	(17 375)	(4 812)
Net profit from interest		9 787	3 075	21 091	4 012
Gains from foreign exchange differences		293	-	2 971	480
Losses from foreign exchange differences		(593)	(54)	(2 921)	(478)
Net loss from foreign exchange differences		(300)	(54)	50	2
Other financial income/(expenses)		(234)	(18)	(265)	(61)
Dividend incomes		7 000	-	-	-
Operating revenue		1 165	359	2 407	356
Gain on sale of non-current assets		-	-	42	-
Operating expenses		(1 977)	(677)	(4 507)	(1 623)
Result from operating activities		(812)	(318)	(2 058)	(1 267)
Profit for the period before tax		32 503	2 444	35 025	3 127
Tax expense, net	13	(2 200)	7	862	(153)
Net profit for the period		30 303	2 451	35 887	2 974
Total comprehensive income		30 303	2 451	35 887	2 974
Earnings per share in BGN	14	0.13	0.01	0.24	0.02
Diluted earnings per share in BGN	14	-	-	0.16	0.01

Prepared by: 
/A. Kerezov/
Date: 28 October 2016

Executive Director: 
/I. Kamenov/

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 30 September 2016	-	-	-	-	30 303	27 852
Total comprehensive income	-	-	-	-	30 303	27 852
Balance at 30 September 2016	239 646	260 615	64	59 824	672 289	1 232 438
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
Total comprehensive income	-	-	26	-	40 256	40 282
Other changes in equity	-	-	-	(12)	-	(12)
Balance at 31 December 2015	239 646	260 615	64	59 824	652 770	1 212 919

Prepared by: _____

/A.Kerezov/

Date: 28 October 2016

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 2015	239 646	260 615	38	59 836	612 514	1 172 649
Net profit for period, ending at 30 September 2015	-	-	-	-	35 887	35 887
Total comprehensive income	-	-	-	-	35 887	35 887
Other changes				(12)	-	(12)
Balance at 30 September 2015	239 646	260 615	38	59 824	648 401	1 208 524

Prepared by: _____

/A. Kerezov/

Date: 28 October 2016

Executive Director: _____

/I. Kamenov/

Interim condensed statement of cash flows

	30.09.2016	30.09.2015
	BGN '000	BGN '000
Operating activities		
Proceeds from short-term loans	55 218	106 489
Payments for short-term loans	(65 989)	(154 488)
Proceeds from operations with short term financial assets, net	42 031	2 823
Receipts from customers	1 086	899
Payments to suppliers	(1 178)	(1 555)
Interest received	27 535	21 109
Interest paid	(8 900)	(15 754)
Cash paid to employees and social security institutions	(510)	(1 796)
Corporate tax, paid	(176)	(1 966)
Taxes paid	(156)	(333)
Other (payments)/proceeds, net	(5 025)	(2 051)
Net cash flow from operating activities	43 936	(46 623)
Investing activities		
Purchase of non – current assets	(14)	(31)
Proceeds from operations with long-term assets	-	25
Acquisition of subsidiaries and associates	(2)	-
Proceeds from operations with related party financial instruments	-	23
Repayments of long-term loans granted	4 034	3 155
Long-term loans granted	(36 807)	(5 046)
Net cash flow from investing activities	(32 789)	(1 874)
Financing activities		
Payments for dividends on preferred shares	-	(6 392)
Long-term loans received	18 948	65 756
Payments for long-term and bank loans received	(21 655)	(9 799)
Interest paid	(1 820)	(210)
Discharge of finance lease liability	-	(5)
Net cash flow from financing activities	(4 527)	49 350
Net change in cash and cash equivalents	6 620	853
Cash and cash equivalents, beginning of period	75 058	84 147
Exchange losses from cash and cash equivalents	(84)	(1 312)
Cash and cash equivalents, end of period	81 594	83 688

Prepared by: _____

/A.Kerezov/

Date: 28 October 2016

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 30 September 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
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

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
Gross carrying amount							
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)
Balance at 31 December 2015	8 178	26	222	113	1 407	6 370	16 316
Depreciation							
Balance at 1 January 2015	-	(20)	(207)	(202)	(93)	-	(522)
Disposals	-	-	-	90	-	-	90
Depreciation	-	(1)	(14)	(1)	(6)	-	(22)
Balance at 31 December 2015	-	(21)	(221)	(113)	(99)	-	(454)
Carrying amount							
as at 31 December 2015	8 178	5	1	-	1 308	6 370	15 862

The carrying amount as at 30 September 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
Gross carrying amount							
Balance at 1 January 2015	8 178	26	221	203	1 397	6 370	16 395
Additions	441	-	1	-	31	-	473
Disposals	(441)	-	-	(90)	(25)	-	(556)
Balance at 30 September 2015	8 178	26	222	113	1 403	6 370	16 312
Depreciation							
Balance at 1 January 2015	-	(20)	(207)	(202)	(93)	-	(522)
Disposals	-	-	-	90	-	-	90
Depreciation	-	(1)	(13)	(1)	(6)	-	(21)
Balance at 30 September 2015	-	(21)	(220)	(113)	(99)	-	(453)
Carrying amount as at 30 September 2015	8 178	5	2	-	1 304	6 370	15 859



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 2015	33 572
Carrying amount at 30 September 2015	<u>33 572</u>
Carrying amount at 31 December 2015	<u>33 572</u>
Carrying amount at 30 September 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	30.09.2016	share	31.12.2015	share	30.09.2015	share
			BGN '000	%	BGN '000	%	BGN '000	%
CCB Group EAD	Bulgaria	Financial services	210 270	100.00%	210 270	100.00%	210 270	100.00%
Zarneni Hrani Bulgaria AD	Bulgaria	Manufacturing and trade	165 363	63.65%	165 363	63.65%	165 363	63.68%
Bulgarian Airways Group EAD	Bulgaria	Aviation Services	209 611	100.00%	209 611	100.00%	158 699	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	33 707	9.90%	33 707	9.90%	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	19 263	8.98%	19 263	8.98%	9 492	4.30%
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%	2 166	83.20%	2 166	83.20%
Trans Intercar EOOD	Bulgaria	Transport	4 855	100.00%	2 095	100.00%	2 095	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%
Airport services-Bulgaria EAD	Bulgaria	Aviation Services	-	-	-	-	31 540	100.00%
Global Invest Holding B.V.	Netherlands	Financial services	-	-	1 294	100.00%	1 294	100.00%
			750 387		748 919		719 776	



9. Loans granted

	30.09.2016 BGN '000	31.12.2015 BGN '000	30.09.2015 BGN '000
Loans granted – long term	130 198	104 269	109 063
Loans granted – short term	124 896	139 266	150 463
	255 094	243 535	259 526

10. Share capital

The share capital of the Company as at 30 September 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 30.09.2016 BGN'000	Number of Shares as at 31.12.2015 BGN'000	Number of Shares as at 30.09.2015 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	(5 160 005)	(5 160 005)	(5 160 005)
ZAD Armeec	(3 211 507)	(745 400)	(745 400)
POAD CCB Sila	(6 477 307)	(609 676)	(553 676)
CCB AD	(188 100)	(121 100)	(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 %	As at 30.09.2015 Number of shares	As at 30.09.2015 %
Invest Capital AD	175 002 247	73.03%	111 439 365	73.86 %	111 439 365	73,86%
Other legal entities and private individuals	64 644 020	26.97%	39 436 231	26.14 %	39 436 231	26,14%
	239 646 267	100.00%	150 875 596	100.00%	150 875 596	100,00%

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	As at 30.09.2015	As at 30.09.2015
	Number of shares /common stock and preferred shares/	%	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 %	178 653 047	74,55%
Other legal entities and private individuals	64 644 020	26.97%	62 815 420	26.21 %	60 993 220	25,45%
	239 646 267	100.00%	239 646 267	100.00 %	239 646 267	100%

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	30.09.2015	30.09.2016	31.12.2015	30.09.2015
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Preferred dividend liabilities	17 266	16 790	16 327	8 311	8 081	7 858
Common dividend liabilities	10 784	-	-	-	-	-
	29 019	16 790	16 327	8 311	8 081	7 858

12. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current			Non - current		
	30.09.2016	31.12.2015	30.09.2015	30.09.2016	31.12.2015	30.09.2015
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Bank loans	10 334	10 334	3 000	44 007	46 206	58 675
Other borrowings	24 493	20 409	12 161	9 131	8 674	11 077
Total carrying amount	34 827	30 743	15 161	53 138	54 880	69 752

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 30 September 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 30 September 2016, is:

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



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:

	As at 30.09.2015	
	Basic earnings per share	Diluted earnings per share
Net profit in BGN, adjusted with dividend expenses	35 887 000	38 510 500
Weighted average number of shares	150 875 596	239 646 267
Diluted earnings per share (BGN per share)	0.24	0.16

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

Sales	30.09.2016	30.09.2015
	BGN'000	BGN'000
<i>Sale of services, interest income and other income</i>	1 368	2 560
<i>Purchase of services, interest income and other</i>	(160)	

15.2. Transactions with subsidiaries and associates

Sales	30.09.2016	30.09.2015
	BGN'000	BGN'000
<i>sale of services, rental income and interest income</i>		
- subsidiaries	6 178	9 823
- other related parties	1 631	-
Purchases		
<i>- purchase of services, goods and interest income</i>		
- subsidiaries	(2 437)	(12 952)
- 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:

30 September 2016	30 September 2015
BGN'000	BGN'000



Short-term employee benefits:		
Salaries, including bonuses	(126)	(1 502)
Social security costs	(15)	(15)
Company car allowance	-	(2)
Total short-term employee benefits	<u>(141)</u>	<u>(1 519)</u>

16. Related party balances

	30.09.2016	30.09.2015
	BGN'000	BGN'000
Non-current receivables from:		
- subsidiaries	36 439	82 051
Total	<u>36 439</u>	<u>82 051</u>

	30.09.2016	30.09.2015
	BGN'000	BGN'000
Current receivables from:		
- owners	154 690	83 648
- subsidiaries	100 210	138 823
- associated parties	5	5
- other related parties	13 379	12 269
Total	<u>268 284</u>	<u>234 745</u>

	30.09.2016	30.09.2015
	BGN'000	BGN'000
Non-current payables to:		
- subsidiaries	141 270	164 547
Total	<u>141 270</u>	<u>164 547</u>

	30.09.2016	30.09.2015
	BGN'000	BGN'000
Current payables to:		
- subsidiaries	104 487	144 135
- other related parties	495	367
Total	<u>104 982</u>	<u>144 502</u>

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 30 September 2016 (including comparatives) were approved for issue by the managing board on 28 October 2016.