

Interim Condensed Financial Statements

Chimimport AD

31 December 2015



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Interim condensed statement of financial position

	Notes	31.12.2015 BGN'000	31.12.2014 BGN'000
Assets			
Non – current assets			
Property, plant and equipment	4	15 862	15 873
Investment property	5	33 572	33 572
Investment in subsidiaries	6	695 745	719 856
Long – term financial assets		42	42
Long – term related party receivables	14	74 844	82 580
Long – term receivables		104 269	112 096
Other intangible assets		-	4
		924 334	964 023
Current assets			
Short – term related party receivables	14	321 735	185 571
Loans granted	7	140 861	116 056
Trade and other receivables		44 349	49 520
Short – term financial assets		150 895	159 279
Inventories		367	367
Cash and cash equivalents		75 058	84 147
		733 265	594 940
Total assets		1 657 599	1 558 963

Prepared by:


/A.Kerezov/

Date: 29 January 2016

Executive Director:


/I. Kamenov/



Interim condensed statement of financial position (continued)

Equity and liabilities	Notes	31.12.2015 BGN'000	31.12.2014 BGN'000
Equity			
Share capital	8	239 646	239 646
Share premium		260 615	260 615
Remeasurements of defined benefit liability		38	38
Other reserves		59 824	59 836
Retained earnings		612 514	570 942
Net profit for the period		39 046	41 572
Total equity		1 211 683	1 172 649
Liabilities			
Non – current liabilities			
Long – term related party payables	14	181 658	155 414
Long – term dividend liabilities	9	8 081	22 215
Long – term bank and other loans	10	64 618	11 092
Pension and other employee obligations		42	42
Deferred tax liabilities		16 851	17 073
		271 250	205 836
Current liabilities			
Short – term related party payables	14	114 676	112 989
Short – term dividend liabilities	9	16 790	16 791
Short – term bank and other loans	10	16 658	17 454
Trade and other payables		26 224	31 666
Financial lease liabilities		-	5
Pension and other party payables		84	83
Tax liabilities		234	1 490
		174 666	180 478
Total liabilities		445 916	386 314
Total equity and liabilities		1 657 599	1 558 963

Prepared by: _____

/A.Kerezov/

Date: 29 January 2016

Executive Director: _____

/I. Kamenov/



Interim condensed statement of comprehensive income

Notes	31.12.2015	31.12.2014
	BGN'000	
Gains from transactions with financial instruments and noncurrent assets	62 267	31 370
Losses from transactions with financial instruments	(25 998)	(237)
Net profit from transactions with financial instruments	36 269	31 133
Interest income	30 880	38 090
Interest expense	(24 204)	(27 153)
Net profit from interest	6 676	10 937
Gains from foreign exchange differences	3 963	2 263
Losses from foreign exchange differences	(3 949)	(2 244)
Net loss from foreign exchange differences	14	19
Other financial income/(expenses)	(301)	1 615
Operating revenue	2 193	5 831
Gain on sale of non-current assets	42	23
Operating expenses	(5 786)	(3 552)
Result from operating activities	(3 551)	2 302
Profit for the period before tax	39 107	46 006
Tax expense	11 (61)	(4 434)
Net profit for the period	39 046	41 572
Remeasurement of defined benefit liability, net	-	7
Total comprehensive income	39 046	41 579
Earnings per share in BGN	0.26	0.28
Diluted earnings per share in BGN	0.18	0.19

Prepared by: _____

/A.Kerezov/

Date: 29 January 2016

Executive Director: _____

/I. Kamenov/



Interim condensed statement of changes in equity

All amounts are presented in BGN '000

	Share capital	Share premium	Reserve from remeasurements including actuarial gains or losses	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	-	-	-	-	39 046	39 046
Total comprehensive income	-	-	-	-	39 046	39 046
Other changes in equity	-	-	-	(12)	-	(12)
Balance at 31 December 2015	239 646	260 615	38	59 824	651 560	1 211 683

Prepared by: _____

/A.Kerezov/

Date: 29 January 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 2014	239 646	260 615	31	59 841	570 942	1 131 075
Net profit for the year	-	-	-	-	41 572	41 572
Other comprehensive income	-	-	7	-	-	7
	-	-	7	-	41 572	41 579
Other changes in equity	-	-	-	(5)	-	(5)
Balance at 31 December 2014	239 646	260 615	38	59 836	612 514	1 172 649

Prepared by: _____

/A.Kerezov/

Date: 29 January 2016



Executive Director: _____

/I. Kamenov/

Interim condensed statement of cash flows


	31.12.2015	31.12.2014
	BGN '000	BGN '000
Operating activities		
Proceeds from short-term loans	90 776	319 441
Payments for short-term loans	(144 153)	(294 070)
Payments from operations with short term financial assets, net	(3 714)	(21 180)
Receipts from customers	1 093	4 146
Payments to suppliers	(3 060)	(2 233)
Interest received	37 094	18 237
Interest paid	(17 222)	(12 846)
Cash paid to employees and social security institutions	(2 015)	(902)
Taxes paid	(1 903)	(3 062)
Other proceeds/(payments), net	1 812	(2 209)
Net cash flow from operating activities	(41 292)	5 322
Investing activities		
Purchase of property, plant and equipment	(31)	(71)
Proceeds from sale of property, plant and equipment	25	67
Acquisition of subsidiaries	(23)	(3 752)
Dividend received	-	1 145
Repayments of long-term loans granted	3 156	5 505
Long-term loans granted	(6 599)	(5 474)
Net cash flow from investing activities	(3 472)	(2 580)
Financing activities		
Dividends paid on preferred shares	(6 391)	(3 519)
Long-term loans received	58 675	-
Payments for long-term and bank loans received	(13 436)	(45)
Interest paid	(2 255)	(1 141)
Net cash flow from financing activities	36 593	(4 705)
Net change in cash and cash equivalents	(8 171)	(1 963)
Cash and cash equivalents, beginning of period	84 147	86 096
Exchange losses from cash and cash equivalents	(918)	14
Cash and cash equivalents, end of period	75 058	84 147

Prepared by: _____


/A. Kerezov/

Date: 29 January 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 31 December 2015 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 2014, 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 and significant changes during the period

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 2014 except for the adoption of the new standards, amendments and interpretations to existing standards, which are mandatory for the first time for the financial year beginning 1 January 2015.

IAS 19 “Employee Benefits” (amended) – Employee Contributions, effective from 1 July 2014, adopted by the EU for annual periods on or after 1 February 2015

The amendments to IAS 19 clarify the requirements of IAS 19 relating to contributions from employees or third parties and introduce a practical expedient such that contributions that are independent of the number of years of service may be treated as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements to IFRSs 2012 effective from 1 July 2014, adopted by the EU for annual periods on or after 1 February 2015

These amendments include changes from the 2010-12 cycle of the annual improvements project that affect 7 standards:

- IFRS 2, ‘Share-based payment’
- IFRS 3, ‘Business Combinations’
- IFRS 8, ‘Operating segments’
- IFRS 13, ‘Fair value measurement’
- IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’
- Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and
- IAS 39, Financial instruments – Recognition and measurement’.

Annual Improvements to IFRSs 2013 effective from 1 July 2014, adopted by the EU for annual periods on or after 1 January 2015

The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:



- IFRS 1, 'First time adoption'
- IFRS 3, 'Business combinations'
- IFRS 13, 'Fair value measurement' and
- IAS 40, 'Investment property'.

4. 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 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 31 December 2014 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 2014	8 178	26	220	203	1 342	6 370	16 339
Additions	-	-	1	-	99	-	100
Disposals	-	-	-	-	(44)	-	(44)
Balance at 31 December 2014	8 178	26	221	203	1 397	6 370	16 395
Depreciation							
Balance at 1 January 2014	-	(19)	(174)	(179)	(79)	-	(451)
Depreciation	-	(1)	(33)	(23)	(14)	-	(71)
Balance at 31 December 2014	-	(20)	(207)	(202)	(93)	-	(522)
Carrying amount as at 31 December 2014	8 178	6	14	1	1 304	6 370	15 873

5. Investment property

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

The fair value was determined by an independent certified valuation specialist based on current active market prices.

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 2014	31 555
Carrying amount at 31 December 2014	31 555
Net gain from fair value adjustments	2 017
Carrying amount at 31 December 2014	33 572
Carrying amount at 31 December 2015	33 572



6. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation	Main activities	31.12.2015 BGN '000	share %	31.12.2014 BGN '000	share %
CCB Group EAD	Bulgaria	Financial services	210 270	100,00%	210 270	100,00%
Zarneni Hrani Bulgaria AD	Bulgaria	Manufacturing and trade	165 363	63,68%	165 443	63,68%
Bulgarian Airways Group EAD	Bulgaria	Aviation Services	158 699	100,00%	158 699	100,00%
Bulgarian Shipping Company EAD	Bulgaria	Sea and river transport	44 393	100,00%	44 393	100,00%
CCB AD	Bulgaria	Financial services	33 707	9,90%	33 707	9,90%
Airport services-Bulgaria EAD	Bulgaria	Aviation Services	-	100,00%	31 540	100,00%
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	17 001	6,58%	9 492	1,95%
Bulchimex GmbH	Germany	Manufacturing and trade	2 500	100,00%	2 500	100,00%
Energoproekt AD	Bulgaria	Engineering sector	2 166	83,20%	2 166	83,20%
Trans Intercar EOOD	Bulgaria	Transportation	2 095	100,00%	2 095	100,00%
Nationalna stokova borsa AD	Bulgaria	Manufacturing and trade	1 879	67,00%	1 879	67,00%
Global Invest B.V.	The Netherlands	Financial services	1 294	100,00%	1 294	100,00%
Technoimpeks AD	Bulgaria	Manufacturing and trade	480	87,67%	480	87,67%
HGH Consult Co. OOD	Bulgaria	Services	111	59,34%	111	59,34%
Prime Lega Consult OOD	Bulgaria	Services	4	70,00%	4	70,00%
			695 745		719 856	



7. Loans granted

	31.12.2015 BGN '000	31.12.2014 BGN '000
Loans granted – long term	104 269	112 096
Loans granted – short term	140 861	116 056
	245 130	228 152

8. Share capital

The share capital of the Company as at 31 December 2015 consists of 150 875 596 ordinary shares with a par value of BGN 1 and 88 770 671 preferred 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. The preferred shares do not entitle voting rights. They give the owner the right to a cumulative guaranteed dividend and to a guaranteed liquidation quota of the Company's estate.

	Number of Shares as at 31.12.2015 BGN'000	Number of Shares as at 31.12.2014 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
Shares of Chimimport AD, acquired by its subsidiaries		
CCB Group EAD	(5 160 005)	(5 160 005)
ZAD Armeec	(745 400)	(745 400)
POAD CCB Sila	(609 676)	(483 070)
CCB AD	(121 100)	(115 000)

On 12 June 2009 the Company issued mandatory convertible preferred shares with 9% guaranteed fixed annual dividend and guaranteed liquidation quota. 89 646 283 preferred shares are issued and paid with issue value amounting to BGN 2.22 each, representing 99.61% of the offered shares. The accumulated during the public offering capital amounts to BGN 199 014 748.26. The obligatory conversion of the shares occurs at the end of the seventh year after the registration of the capital increase in the Trade register.

The accumulated on 12 June 2009 funds above the nominal value of the share capital amounting to BGN 109 369 thousand are allocated as follows:

- BGN 27 622 thousand – share premium
- BGN 8 348 thousand – short-term dividend liabilities
- BGN 70 008 thousand – long-term dividend liabilities
- BGN 3 391 thousand – share issue expenses



The dividend liabilities and share premium, as a result of the conversion of 858 825 preference shares into ordinary shares, are allocated as follows:

- BGN 28 271 thousand – share premium
- BGN 16 790 thousand – short-term dividend liabilities
- BGN 8 081 thousand – long-term dividend liabilities

The major shareholder Invest Capital AD has fulfilled the undertaken obligation and inscribed preferred shares corresponding to rights. More than 51% of the new shares are inscribed by local investors including 32% by institutions.

The list of the principal shareholders, holding ordinary shares, is as follows:

	As at 31.12.2015	As at 31.12.2015	As at 31.12.2014	As at 31.12.2014
	Number of shares	%	Number of shares	%
Invest Capital AD	111 439 365	73.86 %	111 539 365	73.93 %
Other legal entities and private individuals	39 436 231	26.14 %	39 336 231	26.07 %
	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 31.12.2015	As at 31.12.2015	As at 31.12.2014	As at 31.12.2014
	Number of shares /common stock and preferred shares/	%	Number of shares /common stock and preferred shares/	%
Invest Capital AD	176 830 847	73.79 %	170 574 237	71.18 %
Other legal entities and private individuals	62 815 420	26.21 %	69 072 030	23.82 %
	239 646 267	100.00 %	239 646 267	100.00%

9. Dividend liabilities

As at 31 December 2015 dividend liabilities for the preferred shares are as follows:

	Current		Non - current	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	BGN '000	BGN '000	BGN '000	BGN '000
Dividend liabilities	16 790	16 791	8 081	22 215
	16 790	16 791	8 081	22 215

10. Financial liabilities

Borrowings include financial liabilities at amortized cost as follows:

	Current		Non - current	
	31.12.2015 BGN '000	31.12.2014 BGN '000	31.12.2015 BGN '000	31.12.2014 BGN '000
Bank loans	3 000	3 000	53 540	-
Other borrowings	13 658	14 454	11 078	11 092
Total carrying amount	16 658	17 454	64 618	11 092

11. 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 2015 of 10 % applied to the financial result for the period ended as at 31 December 2015 (the estimated annual tax rate for the period ended 31 December 2014 was 10 %).

12. 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 31.12.2015	As at 31.12.2014
Profit attributable to the shareholders (BGN)	39 046 000	41 572 000
Weighted average number of outstanding shares	150 875 596	150 875 596
Basic earnings per share (BGN per share)	0.26	0.28

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

	As at 31.12.2015	As at 31.12.2014
Net profit in BGN, adjusted with dividend expenses	42 287 800	46 178 602



Weighted average number of shares	239 646 267	239 646 267
Diluted earnings per share (BGN per share)	0.18	0.19

13. 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.

13.1. Transactions with owners

Sales	31.12.2015	31.12.2014
	BGN'000	BGN'000
<i>Sale of services, interest income and other income</i>	3 901	7 542

13.2. Transactions with subsidiaries and associates

Sales	31.12.2015	31.12.2014
	BGN'000	BGN'000
<i>sale of services, rental income and interest income</i>		
- subsidiaries	12 272	12 782
Purchases		
<i>- purchase of services, goods and interest income</i>		
- subsidiaries	(14 493)	(20 022)

13.3. 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	31 December
	2015	2014
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(1 544)	(339)
Social security costs	(19)	(18)
Company car allowance	(2)	(1)
Total short-term employee benefits	(1 565)	(358)

14. Related party balances

	31.12.2015	31.12.2014
	BGN'000	BGN'000
Non-current receivables from:		
- subsidiaries	74 844	82 580
Total	74 844	82 580



	31.12.2015	31.12.2014
	BGN'000	BGN'000
Current receivables from:		
- owners	175 857	97 520
- subsidiaries	132 833	76 362
- associated parties	5	5
- other related parties	13 045	12 684
Total	321 740	186 571
	31.12.2015	31.12.2014
	BGN'000	BGN'000
Non-current payables to:		
- subsidiaries	181 658	155 414
Total	181 658	155 414
	31.12.2015	31.12.2014
	BGN'000	BGN'000
Current payables to:		
- subsidiaries	114 274	110 697
- other related parties	402	2 292
Total	114 676	112 989

15. Post-reporting date events

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

16. Authorization of the interim condensed financial statements

The interim condensed financial statements as of 31 December 2015 (including comparatives) were approved for issue by the managing board on 29 January 2016.