

Grant Thornton OOD

A 26, Cherni Vrah Blvd, 1421 Sofia A 4, Paraskeva Nikolau Str., 9000 Varna T (+3592) 987 28 79, (+35952) 69 55 44 F (+3592) 980 48 24, (+35952) 69 55 33 E office@bg.gt.com W www.grantthornton.bg

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Chimimport AD Sofia 1000 2, Stefan Karadja Str.

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Chimimport AD ("the Company") containing the separate statement of financial position as at 31 December 2022, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flow for the year then ended, as well as the notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and Bulgarian legislation.

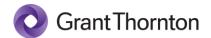
Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As disclosed in note 2 Basis for preparation of the separate financial statements, in 2022 a gradual recovery began of the activity levels of the companies from the aviation sector, owned by the subsidiary Bulgarian Airways Group EAD, which were among the most affected by the Covid-19 pandemic as operating in the aviation industry and providing services accompanying this sector. This process took place with the commencement of hostilities in Ukraine, which led to restrictions on activities related to bans on the entry of aircraft from Russia and the suspension of travel to and from Russia. In addition to geopolitical uncertainty, there has also been a deterioration in the overall macroeconomic environment, with prices of energy, raw materials, goods and services rising significantly. All these factors have an impact on the rate of recovery of aviation activity, accompanying services and related cash flows and accordingly affect the companies operating in the sector of aviation and its accompanying services.

The Company's management will continue to monitor the potential effects on all economic sectors and other countries in the region, and in particular those related to the activity of its investments, taking all



necessary measures to limit potential future negative effects on the financial position and the results of its operations in 2023. The change in the business environment as a result of the negative effects in the aviation sector and its accompanying services could lead to a potential negative change in the balance sheet values of the assets and liabilities, and the results of the Company's operations and its investments , which in the individual financial statement are estimated after making a number of judgments and assumptions by the management, taking into account the most reliable information available at the date of the estimates.

Our opinion has not been modified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of highest significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments in subsidiaries

Notes 4.22 and 8 to the separate financial statements

Key audit matter

As at 31 December 2022, investments in subsidiaries of Chimimport AD amount to BGN 787 866 thousand, representing 58% of total assets as at 31 December 2022.

The valuation of investments in subsidiaries requires the Company's management to apply a significant level of judgment in applying accounting estimates in the following areas:

- the assumptions included in the estimates regarding the analysis of investments in subsidiaries for indications of impairment of their carrying amount, with input data obtained from internal and external sources;
- factors involved, influenced by the wide range of potential economic consequences of the impact of the post reporting date events, which may have an impact on the activities of subsidiaries.

The current macroeconomic environment, which is the result of the combination of the effects of the past pandemic, inflation, rising interest rates, deteriorating business climate, geopolitical risks and uncertainty regarding future developments, poses significant complications in forecasting expected indicators and parameters used in determining the recoverable amount of investments, including investments in the aviation sector and related services.

We have identified the determination of the impairment of investments in subsidiaries of the Company as a key audit issue due to the following factors:

- the significance of the value of investments in subsidiaries:
- the high degree of uncertainty of the accounting estimates related to the applied assumptions regarding the valuation of investments in subsidiaries.

Notes 4.22 and 8 to the separate financial statements present the disclosures regarding the assessments and assumptions of the management of the Company regarding the investments in subsidiaries for 2022.

How this matter was addressed during the audit

During our audit, our audit procedures included, but were not limited to:

- understanding of the process applied by the management of the Company regarding the identification of indications for impairment of the value of investments in subsidiaries and the need to prepare impairment tests;
- assessments of the appropriateness of key assumptions about the existence of indications of impairment, including on the basis of current financial performance of subsidiaries;
- analysis of the financial statements, market environment and other relevant information about the subsidiaries, incl. budgets of subsidiaries;
- analysis of the assessments made by the management for the presence of indications for impairment;
- exploratory inquiries directed to the Company's experts regarding the processes related to the assessment, including the extent to which the negative impact on a number of sectors of the economy from the war in Ukraine and the observability of external data used by the Company has made it difficult to make management judgments, and in detail regarding the aviation sector and related services;
- assessing the completeness and adequacy of the disclosures in the separate financial statements, including disclosures of key assumptions and judgments about investments in subsidiaries.



Information Other than the Separate Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual separate activity report, including the corporate governance statement and the report on the implementation of the remuneration policy, prepared in accordance with Bulgarian Accountancy Act and other applicable legal requirements, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We have also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to



events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

 evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

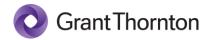
Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section "Information Other than the separate financial statements and Auditor's Report Thereon", regarding annual activity report, including the corporate governance statement, the report on the implementation of the remuneration policy and the non-financial declaration, we have performed the additional procedures contained in the Guidelines of the professional organization of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act and Article 100m, paragraph (10) in relation to Article 100m, paragraph (8), subparagraphs (3) and (4) of the Public Offering of Securities Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the separate activity report is consistent with the separate financial statements for the same reporting period;
- (b) the separate activity report is prepared in accordance with the applicable legal requirements, except the following:
 - the separate activity report does not include in full the required information regarding the loan agreements under which Chimimport AD or its subsidiaries are borrowers according to item 8 of Annex № 2 to Ordinance №2 / 9.11.2021 in connection with Art. 100 (m), para (7), item 2 of POSA.
 - the separate activity report does not fully include the required information on loan agreements granted by Chimimport AD or its subsidiaries and information on provided guarantees or commitments in accordance with item 9 of Annex № 2 to Ordinance №2 / 9.11.2021 in connection with Art. 100 (n), para (7), item 2 of POSA;
- (c) as a result of the acquired knowledge and understanding of the activities of the Company and the environment in which it operates, we have found no cases of material misrepresentation in the separate activity report:
- (d) the corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100m, paragraph (8) of the Public Offering of Securities Act;



(e) the report on the implementation of the remuneration policy for the financial year for which the separate financial statement has been prepared has been submitted and meets the requirements set out in Ordinance № 48 of 20.03.2013 on the requirements for remuneration in connection with Art. 116c, para. 1 of the Public Offering of Securities Act.

Statement Pursuant to Article 100m, Paragraph (10) of the Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Company and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Company in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the corporate governance statement, being a component of the annual separate activity report.

Additional reporting concerning the audit of financial statements in connection with Article 100m, paragraph (4), subparagraph (3) of the Public Offering of Securities Act

 Statement on Article 100m, paragraph 4, subparagraph (3), item "b" of the Public Offering of Securities Act

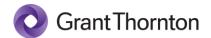
Related party transactions are disclosed in note 29 Transactions with related parties and note 30 Related party balances to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the accompanying separate financial statements for the year ended on 31 December 2022, in all material respects, in accordance with the requirements of IAS 24 "Related Party Disclosures ". The results of our audit procedures on the significant transactions and events of the Company, which are material to the separate financial statements, were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on the significant transactions.

 Statement on Article 100m, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act

Our responsibilities for audit of the financial statements as a whole, described in our report in section "Responsibilities of the Auditor for the Audit of Financial Statements ", include assessment whether the financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the financial statements for the year ended on 31 December 2022, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the separate financial statements, were taken into consideration for the purposes of issuing an auditor's opinion on the separate financial statements as a whole, not for issuing a separate opinion only on the significant transactions.

Reporting on compliance of the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100n, para 4 of the Public Offering of Securities Act with the requirements of ESEF Regulation

In addition to our responsibilities and reporting under ISA, described above in the section "Auditor's Responsibilities for the Audit of the Separate Financial Statements", we have followed the procedures in accordance with the Guidelines on Issuing of Audit Opinion regarding the Implementation of the European Single Electronic Format (ESEF) for the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)" of Bulgarian Institute of Chartered Accountants (ICPA) in Bulgaria". These procedures include verifying the electronic file format and whether the human readable part of it corresponds to the audited separate financial statements and expressing an opinion regarding the compliance of the electronic format of the separate financial statements of Chimimport AD for the year ending 31 December 2022, contained



in the electronic file "549300GB265U3RQEQC54-20221231-EN-SEP.xhtml", with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"). Based on these requirements, the electronic format of the separate financial statements included in the annual separate financial report on the activity under Art. 100m, para. 4 of Bulgarian Public Offering of Securities Act, must be submitted in XHTML format.

The management of the Company is responsible for the application of the requirements of ESEF Regulation when preparing the electronic format of the separate financial statements in XHTML.

Our opinion is only regarding the electronic format of the separate financial statements included in the electronic file "549300GB265U3RQEQC54-20221231-EN-SEP.xhtml"and does not include the other information contained in the annual separate financial report on the activity under art. 100m, para. 4 of Bulgarian Public Offering of Securities Act.

Opinion on the compliance of the electronic format of the financial statements with the requirements of the ESEF Regulation

Based on the performed procedures, our opinion is that the electronic format of the separate financial statements of the Company for the year ended 31 December 2022, contained in the attached electronic file "549300GB265U3RQEQC54-20221231-EN-SEP.xhtml", on which we are issuing an audit opinion, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Докладване във връзка с чл. 59 от Закона за независимия финансов одит съгласно чл. 10 от Регламент (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the separate financial statements of Chimimport AD for the year ended on 31 December 2022 by the general meeting of shareholders, held on 14.07.2022, for a period of one year.
- The audit of the financial statements of the Company for the year ended on 31 December 2021 has been for the twenty first consecutive year.
- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor's response and where relevant, key observations arising with respect to those risks in the section "Key audit matters" of this report.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Company in addition to the statutory audit.

Mariy Apostolov

Managing Partner
Registered auditor responsible for the audit
Grant Thornton OOD
Audit firm, reg. number 32

15 June 2023 26 Cherni vryh Blvd., Sofia, Bulgaria