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2021 ANNUAL REPORT
on the activities of the Audit Committee of Stara Planina Hold Plc

This report has been prepared on the basis of Art. 108, para. 1 item 8 and with reference to the next item 9 of the Independent Financial Audit Act (IFAA).

With reference to the provision of Art. 107, para. 7 of this Act, the Rules on the activity of the audit committee were adopted at a meeting of the Board of Directors and approved by the general meeting of shareholders.

The activities of the audit committee in the previous year were aimed at increasing the efficiency of the financial reporting processes, the internal control and the risk management systems in the company.

The following specific tasks have been completed during the year:

A review of the independence of the statutory auditor Katya Zlatareva was performed in accordance with the regulatory requirements. The Audit Committee found that the audit company meets the criteria for independence from Stara Planina Hold Plc.

The statutory auditor reported to the Audit Committee on the main issues related to the implementation of the audit. Information on other services outside the audit provided by the auditor was accepted. The Audit Committee found that no other services were provided outside the audit contract.

The members of the audit committee held consultative meetings with the chief accountant of the holding. The Audit Committee found that the financial reporting processes in Stara Planina Hold Plc present the financial information in a reliable way and with the necessary comprehensiveness.

In 2021, the company has implemented an adequate accounting policy in accordance with the applicable International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS). The financial statements have been prepared in accordance with the applicable accounting standards and the information therein objectively reflects the operations and the financial standing of the company.

In compliance with the requirements of the Public Offering of Securities Act and other regulations governing the company's activities, accurate and comprehensive financial statements and financial notifications have been regularly prepared and disclosed to the media, the stock exchange and the supervisory authority.

The Audit Committee found that the management had identified the potential risks to which the company was exposed with regard to its activities. The impact of individual risks has been constantly monitored and actions have been taken to reduce them. The Board of Directors has adopted and applies internal rules for internal control and risk management.

The Audit Committee has monitored the independent audit of the annual financial statements and found that the procedure complied with the regulatory requirements.

In accordance with the requirements of the Accounting Act and the requirements of the Independent Financial Audit Act (IFAA), an independent financial audit was performed by the statutory auditor Katya Zlatareva, elected by the Annual General Meeting of Shareholders in 2021.

As a result of the monitoring of the independent financial audit process, the audit committee found that it was conducted lawfully in compliance with the Independent Financial Audit Act. The audit service provided by the registered auditor is qualified and objective, as a comprehensive audit of the company's activities has been performed and the report has been prepared in accordance with the regulatory requirements.

Pursuant to Art. 108, para. 1, item 6 of the Independent Financial Audit Act (IFAA), the Audit Committee issued a recommendation to the shareholders for election of an auditor for conducting an independent financial audit of the company for 2022.

This report was adopted on the basis of Art. 108, para. 1 item 8 and item 9 of the Independent Financial Audit Act (IFAA).

The annual report was adopted by the Audit Committee on March 23, 2022.

Chairman:

Boyko Hadjiatanasov



To the shareholders

of Stara Planina Hold Plc

RECOMMENDATION

On the grounds of art. 108, para. 1, item 6 of the Independent Financial Audit Act (IFAA) the Audit Committee recommend to the General Meeting of the Shareholders to elect the statutory auditor Katya Zlatareva, diploma № 0610 to conduct an independent financial audit of Stara Planina Hold Plc for 2022.

The Audit Committee received by Katya Zlatareva a documented assessment pursuant to the requirements of Art. 6 of Regulation (EU) № 537/2014 on the specific requirements regarding the statutory audit of public-interest entities.

This recommendation is intended to renew the audit engagement and has not been influenced by a third party. The audit committee has not been imposed a clause of the type specified under Art. 16, §6 of Regulation (EU) № 537/2014 on the specific requirements for the statutory audit of public-interest entities.

Chairman of the Audit Committee: 

Boyko Hadjiatanasov