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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
MONBAT AD
32A, Cherni Vrah Blvd., Sofia

Report on the Audit of the Separate financial statements

Qualified Opinion

We have audited the separate financial statements of „Monbat“ AD („the Company“), which comprise the separate statement of financial position as of 31 December 2021 and the separate statement of profit or loss and separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year ended and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as of December 31, 2021, its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted from the EU and the Bulgarian legislation.

Basis for Qualified Opinion

As disclosed in Note 39.2 "Credit risk" to the separate financial statements, the credit risk of certain trade receivables with gross carrying amount of BGN 11,136 thousand and accrued impairment of BGN 2,884 thousand as of 31 December 2021, has increased significantly in the current year. These trade receivables are not secured via collateral and are not insured. Minimal payments were received as of the date of this report. We have not been able to obtain sufficient appropriate audit evidence regarding the recoverability of these trade receivables with carrying amount of BGN 8,252 thousand as of 31 December 2021.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these 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 ethical 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 qualified opinion.

Emphasis of Matter

We draw attention to Note 41 "Events after the end of the reporting period" to the separate financial statements, which discloses the non-adjusting event related to the military invasion of the Russian Federation in the Republic of Ukraine on 24 February 2022 and the general uncertainty in world markets as a result of hostilities. The intentions of the Company's management are to take all necessary measures to limit any potential future negative effects of the sanctions against the Russian Federation, which have an indirect effect on all spheres of economic activity worldwide and in Bulgaria, but nevertheless the possibility of future negative impact remains on Company's revenues and supply and distribution chains as a result of the ongoing military conflict, the imposed restrictions and other factors. Our opinion is not modified in respect of this matter.

As disclosed in Note 6 "Investments in subsidiaries and associates" to the separate financial statements, Monbat AD has reported expenses for impairment of the investment in the subsidiary Monbat Immobilien GmbH for the amount of BGN 19,484 thousand in 2021, which has led to carrying amount of the investment of BGN 14,708 thousand as of 31 December 2021. Management believes that this investment is fully recoverable



through the fair value of the main asset - investment property in Austria. Monbat AD has received several offers in connection with the process of potential sale of the investment. The decision whether to sell the investment in the subsidiary and under what conditions is expected to be made in May 2022 and it is within the competence of the General Meeting of Shareholders. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit issues are those issues that, in our professional judgment, were of the greatest importance in the audit of the separate financial statements for the current period. These matters are considered as part of our audit of the separate financial statements as a whole and the formation of our opinion on it, and we do not provide a separate opinion on these issues. In addition to the issues described in the "Qualified Opinion Basis" section, we have identified the issue described below as a key audit issue to be communicated in our report.

Related parties of Monbat AD: disclosure and assessment of the recoverability of receivables from related parties	
The disclosures of the Company regarding the related parties, as well as the assessment of the recoverability of receivables from them are presented in Note 36.1 to the separate financial statements.	
Key audit matter	How this matter was addressed during the audit
<p>The Company's operations include significant transactions and settlements with related parties, as presented in Notes 35 and 36 to the separate financial statements.</p> <p>The identification of the relationships and the nature of the transactions are essential for the completeness and appropriateness of the presentation and disclosure of related parties. This process requires management to analyse the contractual arrangements, as well as specific facts and circumstances, on the basis of which to assess the financial impact of the transactions, estimates and necessary disclosures.</p> <p>As of 31 December 2021, the carrying amount of trade receivables and loans from related parties is BGN 88,746 thousand (or 25% of the total assets of the Company). Of these, BGN 27,937 thousand are loans and receivables from the group of the ultimate parent company Prista Oil Holding AD, which is outside the group of Monbat AD.</p> <p>IFRS 9 requires the Company to determine at each reporting date the impairment loss of its financial assets, based on a change, if any, in the credit risk of the financial instrument. As disclosed in Notes 35 and 36 to the separate financial statements, the Company has determined that no impairment loss on loans and trade receivables from related parties outside the Group of "Monbat" AD is required, based on the assessment of the recoverability as of 31 December 2021. This assessment is related to a complex analysis and numerous assessments by the Company's management regarding the expected time and amount of repayments by related parties, based on different scenarios, as well as considerations for the existence of additional non-operational sources of repayment (e.g. possible sales) of businesses or assets other than the main activity. Management's analysis and assessment focus on the recoverability assessment scenario that includes repayment over a period of time and is based on the projected cash flows of Prista Oil Group's lubricants business for the period 2022-</p>	<p>In this area, our audit procedures included, among others, an analysis of the Company's contractual agreements with related parties, as well as specific facts and circumstances, in order to identify the nature of the transactions and their effect on the financial condition and results of operations. The company. We also received confirmation letters of balances and related party transactions, as well as statements from management, which we analysed in the context of the available documentation for these transactions. In addition, we performed an analysis of documents and registers determined by us in order to identify relationships and transactions with related parties that have not been identified or disclosed by management before.</p> <p>We also focused on the assessment of the presentation and disclosure of transactions and balances with related parties in view of their consistency with our understanding of the business model of the Company, as well as the results of our audit procedures in other relevant areas.</p> <p>Regarding the management's assessment of the recoverability of loans and receivables from related parties outside the Monbat Group, we included our internal valuation specialists in the audit procedures, and focused in particular on:</p> <ul style="list-style-type: none">- Gaining an understanding of the different scenarios considered by management in their analysis of recoverability and assessing the applicability of the methods used, in particular, discounted cash flows in the scenario that includes repayment over a period of time;- Analysis of the projected cash flows for the period 2022 - 2026 of the lubricants business of Prista Oil Group by reviewing the reasonableness of key assumptions such as revenue, expenses, profitability before interest, taxes and depreciation against historical data and industry data. We also performed a test for the relevance of the recoverability of Prista Oil loans and receivables,



2026, as well as assessment of the dividend distribution capacity of Monbat Group, based on its projected cash flows for the same five-year period. Due to the importance of disclosures and balances of loans and trade receivables from related parties, as well as the annual assessment of their recoverability, including complex analysis and multiple assumptions by Company's management, we have identified this area as a key audit matter.	using an estimate of the value of Prista Oil Group's equity using market analogue and net asset methods, as well as an analysis of the sensitivity of Prista Oil's ability to repay amounts due to assumptions about adverse effects on its operating activities. We also considered the availability of additional non-operational sources of repayment (e.g. possible sales of businesses or assets outside the main business), which are included as other considerations in the analysis of recoverability by management. - Assessment of the dividend capacity of the Monbat Group, based on projected cash flows for the period 2022-2026, by analysing the reasonableness of key assumptions such as income, expenses, earnings before interest, taxes and depreciation against historical data and data from the industry. We also took into account the history of distributed dividends and the dividend distribution policy of the Monbat Group. In addition, we assessed the adequacy of the disclosures of the Company in the attached separate financial statements regarding related parties, including the assessment of the recoverability of loans and receivables from them.
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Information Other than the Separate Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information consists of the annual individual activity report, incl. the corporate governance statement and the report on compliance with the remuneration policy prepared by management in accordance with the Accounting Act, but does not include the separate financial statements and our audit report thereon.

Our opinion on the separate financial statements does not cover other information and we do not express any form of assurance about it unless expressly stated in our report and to the extent that it is stated. In connection with our audit of the separate financial statements, our responsibility is to read the other information and thereby determine whether that other information is materially inconsistent with the separate financial statements or our knowledge of the audit, or otherwise it appears to contain material misstatement. In the event that, based on the work we have done, we conclude that there is a material misstatement in this other information, we are required to report this fact.

As described in the "Basis for Qualified Opinion" section of this report, we have not been able to obtain sufficient appropriate audit evidence on the issues identified in this section. Accordingly, we are unable to conclude whether the other information does not contain material misstatement 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 these separate financial statements in accordance with International Accounting Standards (IAS), adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council (IFRS) adopted by the EU and Bulgarian law, and for such an internal control system as management deems necessary to ensure the preparation of financial statements that do not contain material misstatements, 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 of the Company.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain a reasonable degree of assurance as to whether the separate financial statements as a whole do not contain material misstatements, whether due to fraud or error, and to issue an audit report that includes our audit opinion. A reasonable level of assurance is a high level of assurance, but there is no guarantee that an audit performed in accordance with ISA and the Independent Financial Audit Act will always reveal material misstatement, where such exists. Incorrect readings may arise as a result of fraud or error and are considered material if it could reasonably be expected that they, alone or as a whole, could influence the economic decisions of consumers made on the basis of this financial statement report.

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

- identify and assess the risks of material misstatement in the separate financial statements, whether due to fraud or error, develop and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not disclosing material misstatement resulting from fraud is higher than the risk of material misstatement resulting from error, as fraud may include collusion, falsification, intentional omissions, introductory statements the auditor's misrepresentation, as well as neglect or circumvention 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 accounting base based on the going concern assumption and, based on the audit evidence obtained, whether there is material uncertainty about events or conditions that could give rise to significant doubts about the Company's ability to continue to operate as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the disclosures related to this uncertainty 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 audit report. However, future events or conditions may cause the Company to cease to operate 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 management report, we have performed the additional procedures contained in the Guidelines of the professional organisation 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 Bulgarian Public Offering of Securities Act, as well as Article 100m, paragraph 14 in relation to Article 116c, paragraph (1) of Bulgarian 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 management report is consistent with the separate financial statements for the same reporting period, on which we have issued qualified opinion in the section "Report on the Audit of the Separate Financial Statements" above;
- (b) the management report is prepared in accordance with the applicable legal requirements;
- (c) As a result of the acquired knowledge and understanding of the Company's activities and the environment in which it operates, we have not identified cases of material misstatement in the individual activity report, except for the possible effect described in "Information Other than the Financial Statements and Auditor's Report Thereon" in "Report on the audit of the separate financial statements";
- (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 Bulgarian Public Offering of Securities Act;
- (e) the report on compliance with the remuneration policy has been prepared in accordance with the requirements of the ordinance pursuant to Article 116c, paragraph 1 of Bulgarian Public Offering of Securities Act and the information in it is consistent with the separate financial statements for the same reporting period.

Statement Pursuant to Article 100m, Paragraph (10) of Bulgarian 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 management report.

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

– *Statement on Article 100m, paragraph 4, subparagraph (3), item "b" of Public Offering of Securities Act*
Related party transactions are disclosed in note 35 to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of separate 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 2021, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures“. The results of our audit procedures on related party transactions 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 related party transactions.

– *Statement on Article 100m, paragraph (4), subparagraph 3, item "c" of Public Offering of Securities Act*
Our responsibilities for audit of the separate financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Separate 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 separate financial statements for the year ended on 31 December 2021, 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 Bulgarian 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 Monbat AD for the year ending 31 December 2021, contained in the electronic file "213800ZH4VUOQOUVYX93-20211231-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. 100n, 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 "213800ZH4VUOQOUVYX93-20211231-EN-SEP.xhtml" and does not include the other information contained in the annual separate financial report on the activity under art. 100n, para. 4 of Bulgarian Public Offering of Securities Act.

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 2021, contained in the attached electronic file "213800ZH4VUOQOUVYX93-20211231-EN-SEP.xhtml", on which we are issuing a qualified audit opinion, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (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 "Monbat" AD for the year ended on 31 December 2021 by the general meeting of shareholders, held on 25 October 2021, for a period of one year.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2021 of the Company represents second, consecutive year of continuous commitment for mandatory audit of this company, performed by us.
- In support of the audit opinion, we have provided in the "Key Audit Matter" section a description of the most important assessed risks, a summary of the auditor's response and important observations regarding those risks, where appropriate.
- We confirm that our audit opinion is consistent with the additional report to the audit committee of the Company, 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 covered by our statutory audit, in addition to the audit, we have not provided other services to the Company and its controlled undertakings .

Mariy Apostolov
Managing partner

Silvia Dinova
Registered auditor responsible for the audit

Grant Thornton Ltd., registered № 032
Audit firm

29 March 2022
Bulgaria, Sofia, 26, Cherni Vrah Blvd.