

In the attention
of shareholders of
Chimimport AD

REPORT of the Audit Committee of "CHIMIMPORT" AD

The current report of the Audit Committee of Chimimport AD for 2025 was prepared in compliance with the Law on Independent Financial Audit and the National Code of Good Corporate Governance.

Main functions of the Audit Committee, according to the requirements of Art. 108 of the IFAA:

- ☐ To monitor financial reporting processes;
- ☐ To monitor the effectiveness of internal control systems;
- ☐ To monitor the effectiveness of risk management systems;
- ☐ To supervise the independent financial audit of the Company;
- ☐ To observe the independence of the registered auditor of the Company in accordance with the requirements of the IFAA, as well as the monitoring of the provision of additional services by the registered auditor;
- ☐ Others

The 2025 report presents the work, observations and conclusions of the committee in relation to the performance of its main functions based on the primary information received and the professional analyzes carried out.

Findings, conclusions and recommendations for the activities of Chemimport AD for 2025:

Financial reporting processes

During 2025, the management of Chimimport AD applied a consistent accounting policy and exercised ongoing control over the financial reporting processes in compliance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS).

- Management is responsible for:
 - proper accounting reporting;
 - lawful and expedient management of assets;
 - taking the necessary measures to prevent fraud and irregularities.
- The Company prepares interim and annual separate and consolidated financial statements in accordance with IFRS, in compliance with the legal requirements and the established deadlines.
- All applicable amendments to IFRS and IAS, as well as the interpretations relevant to the activities of the Company and its Group during 2025, have been disclosed in the presented separate and consolidated financial statements.
- As a result of the inspections performed, the following was established:
 - accounting documents from enterprises, organizations and individuals are not accepted when they:
 - are not prepared in Bulgarian or are not accompanied by a translation into Bulgarian;
 - do not contain the requisites under Article 6 of the Accountancy Act and the VAT Act;

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- contain corrections or additions.

Responsibility for control over the received documents has been assigned to the Company's accounting team.

It was further established that:

- all accounting documents issued by the Company comply with the statutory requirements;
- secondary accounting documents have the necessary evidentiary value and are accompanied by an inventory of the primary documents;
- secondary documents are signed by duly authorized persons;
- invoice forms and other special forms are accounted for through a special register;
- copies and duplicates of original accounting documents are certified in accordance with the applicable legal requirements;
- accounting documents addressed to other enterprises and organizations are signed by duly authorized persons;
- the necessary number of copies and the procedure for their submission have been determined for each primary and secondary document.

In compliance with the requirements of the Public Offering of Securities Act (POSA), during 2025 the Company prepared and submitted to the Financial Supervision Commission and the regulated market accurate, reliable and comprehensive interim and annual separate and consolidated financial statements.

The Audit Committee confirms that the financial statements present fairly and accurately the financial position of the Company.

Effectiveness of internal control systems

The Audit Committee monitored the effectiveness of the internal control system, familiarizing itself with the company's charter, management structure and distribution of responsibilities.

A review of the control systems related to the company's main activities was carried out.

The Audit Committee found that the management of Chimimport AD has established an effective internal control system, including:

- preliminary control for legality before assuming obligations;
- control over the implementation of expenses;
- control over quality management;
- control over environmental protection;
- control over health and safety at work.

The Audit Committee believes that the internal control system functions effectively, ensures the reliability of financial reporting and assists management in managing financial resources..

Effectiveness of risk management systems

The Audit Committee monitored the effectiveness of the risk management system jointly with representatives of the finance and accounting department and the commercial department.

The Company has a two-tier management system.

All members of the Management Board and the Supervisory Board meet the statutory requirements for holding their respective positions. The functions, duties and competencies of the corporate bodies are in compliance with the applicable legislation.

It was established that:

- the Management Board manages the Company in accordance with its strategy, objectives and vision;
- the members of the Management Board are guided by the principles of integrity, professionalism and managerial competence;
- the remuneration of the members of the Management Board is disclosed in accordance with the legal requirements;
- the members of the Management Board avoid and do not allow conflicts of interest.

By orders of the executive directors, responsibilities have been allocated and the persons authorized to sign have been designated.

Upon review of the control systems over supplies and sales, it was established that:

- approval of transactions is limited to designated employees;
- transactions are documented according to a pre-established procedure;
- assets are effectively safeguarded and protected;
- cash balances are subject to inspections.

The Audit Committee believes that management applies an effective system for identifying, assessing and managing risks, which ensures protection of the shareholders' interests.

Monitoring the Statutory Audit of the Company. Review of the Independence of the Registered Auditor in Compliance with the Requirements of the Independent Financial Audit Act and the Code of Ethics for Professional Accountants

In compliance with the requirements of the Accountancy Act and the Commerce Act, as well as the requirements regarding the statutory audit of public-interest entities under the Independent Financial Audit Act, a statutory audit of Chimimport AD for 2025 was performed by the registered auditor, the specialized audit enterprise "RSM BG" OOD, registered under No. 173 in the register of the Institute of Certified Public Accountants in Bulgaria, elected by the General Meeting of Shareholders of the Company to audit and certify the annual financial statements of Chimimport AD for 2025.

The Independent Auditor's Report for 2025, prepared in accordance with IFRS, was presented to the General Meeting of Shareholders.

In accordance with the provisions of Article 108 of the Independent Financial Audit Act, the Audit Committee of Chimimport AD established that the statutory audit was conducted fully in compliance with the law, in strict observance of the requirements applicable to the statutory audit of enterprises and in accordance with IFRS.

The review of the independence of the registered auditor of Chimimport AD, conducted in accordance with the legal requirements and the Code of Ethics for Professional Accountants, demonstrated that the specialized audit enterprise "RSM BG" OOD, registered under No. 173, fully complies with the independence requirements applicable to the registered auditor of Chimimport AD.

The independent auditor of Chimimport AD informed the Audit Committee of all other services provided outside the audit during 2025 and discussed with the Audit Committee the threats to independence and the safeguards applied to mitigate such threats, as documented by the registered auditors in compliance with the Independent Financial Audit Act.

Conclusion

As a result of the activities performed during 2025, the Audit Committee believes that:

- the financial reporting processes within the Company function effectively;
- the internal control and risk management systems are adequate and reliable;

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- the statutory audit was conducted in compliance with the legal requirements;
- the Company's financial statements provide a true and fair view of its financial position.

The Audit Committee did not identify any material violations or circumstances that would call into question the reliability of the financial reporting and the Company's management systems.

Review of the Independence of the Company's Registered Auditor Pursuant to the Requirements of the Independent Financial Audit Act and the Provision of Additional Services by the Registered Auditor

RSM BG OOD assured us of its independence and responded to the inquiries raised by us. The Audit Committee believes that RSM BG OOD has not compromised its independence.

Recommendation to the Annual General Meeting of Shareholders Regarding the Appointment of a Registered Auditor to Perform the Statutory Audit of Chimimport AD for 2026

The Audit Committee recommends that the General Meeting of Shareholders of Chimimport AD appoint the specialized audit enterprise "RSM BG" OOD, registered under No. 173, to audit and certify the annual financial statements, the consolidated annual financial statements and the consolidated sustainability report for 2026.