

INDEPENDENT AUDITOR'S REPORT

(Translated in English language by the company based on the 2020 annual financial statements, prepared in Bulgarian language.)

TO THE SHAREHOLDERS OF BILLBOARD AD

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of BILLBOARD AD (the "Company"), including the separate statement of financial position as of December 31, 2020 and separate statement of comprehensive income, separate statement of changes in equity and separate cash flow statement for the year then ended and the explanatory notes to the separate financial statements including summary disclosure of the significant accounting policies.

In our opinion, the enclosed separate financial statements present fairly, in all material aspects, the financial position of the Company as of December 31, 2020 and the financial results from its operations and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) adopted for use in the European Union (EU).A

Basis to express audit opinion

We conducted our audit in accordance with the International Audit Standards (IAS). Our responsibilities under these standards are further described in the section of our report "Responsibilities of the auditor for the audit of the financial statements." We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) of the Council of International Ethic Standards for Accountants (CIESA Code), together with the ethical requirements of the Independent Financial Audit Act (IFAA), along with the ethical requirements of the Independent Financial Audit Act (IFAA), applicable to our audit of the financial statements in Bulgaria, as we have fulfilled our other ethical responsibilities in accordance with the requirements of the IFAA and the Code of CIESA. We believe that the audit evidence, obtained by us, are sufficient and appropriate to provide a basis for our opinion.

Key Audit Issues

Key audit issues are those issues which, according to our professional judgment, have been of the greatest significance in the audit of the separate financial statements for the current period. These issues were addressed as part of our audit of the separate financial statements as a whole and the formation of our opinion thereon, as we do not provide a separate opinion on these issues.

Key Audit Issue	<i>How this key audit issue was addressed while conducting our audit</i>
<i>Revaluation of real estate properties- land and buildings - BGN 7 884 thousand.</i> Enclosure 1.1. to the separate financial statements The Company has adopted the revaluation model for subsequent valuation of property - land and buildings. As of the date of the	In this field our audit procedures included: <ul style="list-style-type: none">• We took into consideration the competence and objectivity of the independent valuator, appointed by the Company. In addition, we have reviewed the scope of their work and the conditions under which they had been engaged.• We have reviewed the key assumptions in

separate financial statements a revaluation was made of those assets by independent certified valuers, external for the Company experts. The revaluation of properties at fair value is a process associated with calculation of estimates, the use of various assumptions and specific methods and models.

Due to the specific characteristics of the evaluation process and the inherent uncertainty of these evaluations, we have identified this issue as a key audit issue.

Valuation of investments in subsidiaries and receivables from subsidiaries.

Enclosure 1.3. Investments in subsidiaries; Enclosure 1.4. Non-current financial assets; Enclosure 1.7. Current financial assets; Enclosure 3.1. Related parties to the separate financial statements

As disclosed in Enclosure 1.3. Investments in subsidiaries; Enclosure 1.4. Non-current financial assets; Enclosure 1.7. Current financial assets; Enclosure 3.1. Related parties to the separate financial statements, the Company has investments in subsidiaries and receivables from subsidiaries with a gross book value in the amount of BGN 10 238 thousand.

At each date of the statement of financial position, management analyzes and evaluates whether there are any indicators of impairment of its investments in subsidiaries.

As main indicators of impairment are accepted: significant reduction of the volume and / or cessation of the activity of the company in which it is invested; losses in markets, customers or technological problems; reporting losses over a longer period of time; reporting of negative net assets or assets below the registered share capital; trends of worsening of key financial indicators; reduction of market capitalization.

When calculating the impairment of investments in subsidiaries and receivables therefrom, estimates are applied regarding the valuation of the future collection of receivables

the process of defining the fair value of the real estate properties and in particular the valuation models and the significant estimates s applied.

- Comparing these data to market data and the specific for the company historical information to assess the appropriateness of these judgments.
- Testing selected incoming data based on which the valuation of the real estate properties was grounded.

We reviewed the appropriateness and completeness of the results disclosure from the revaluation of real estate properties - land and buildings in accordance with IAS 16 Property, plant and equipment.

In this field our audit procedures included but were not limited to the following:

- Review of the accounting policy of the Company regarding the impairment of investments in subsidiaries and receivables from subsidiaries;
- Assessment of the assumptions' appropriateness for existence of indications for impairment, including on the basis of financial indicators of subsidiaries and the appropriateness of assumptions related to the effects of the spread of COVID 19;
- Analysing the information related to the subsidiaries on the basis of which the impairment of the exposure to subsidiaries is recognized in the separate financial statements;
- Analysis of the estimates made by the management for the existence of impairments of investments in subsidiaries and receivables from subsidiaries, including as a result of the ongoing pandemic of COVID 19;
- Assessment of the completeness and adequacy of the disclosures in the separate financial statements.

and the recoverable amount of investments, analyzing and valuating the return of the entire exposure of the Company to subsidiaries.

The tests and judgments of the management for the impairment of investments are made through the prism of its forecasts and intentions regarding the future economic benefits expected to be received by the subsidiaries, including commercial and industrial experience, securing positions in Bulgarian and foreign markets, expectations for future sales, etc.

Based on the review and assessment as of 31.12.2020, an impairment of an exposure to a subsidiary was recognized as an investment in equity in the amount of BGN 3 000 thousand. and receivables under a loan in the amount of BGN 6 342 thousand.

The assessment of investments in subsidiaries was also made taking into account the possible effects of the continuing impact of the Covid-19 coronavirus pandemic.

Due to the fact that the process of determining the impairment losses of the Company's exposure in its subsidiaries presupposes judgments and subjectivity in the forecast assumptions, we have identified this issue as a key audit issue.

Information other than the financial statements and the auditor's report thereon

The management is responsible for the other information. The other information consists of activity report, a corporate governance declaration and a report on the implementation of the remuneration policy prepared by the management in accordance with Chapter VII of the Accountancy Act but does not include the financial statements and our audit report thereon, as we received the other information prior to the date of our audit report.

Our opinion as regards the financial statements does not cover the other information and we do not express any form of conclusion of certainty about it, unless explicitly stated in our report and to the extent to which it is indicated.

With regard to our audit of the financial statements, our responsibility is to read the other information and thus to consider whether this other information is materially inconsistent with the financial statements or with our knowledge, gained during the audit, or otherwise it seems to contain substantially incorrect reporting.

In the event that, based on the work we have done, we reach the conclusion that there is substantially incorrect reporting in that other information, we are required to report on this fact.

We have nothing to report with this regard.

Responsibilities of the management and the people, engaged with general management in terms of the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS applicable in the EU and for such an internal control system as the management has considered being necessary to ensure the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements the management is responsible for valuating the Company's ability to continue functioning as an active enterprise, disclosing, when applicable, issues related to the active enterprise assumption and using the accounting basis based on the active enterprise assumption, unless the management intends to liquidate the Company or to suspend its operations, or if the management does not actually have any alternative but to do so.

People, engaged with general management, are responsible for supervising the financial reporting processes of the Company.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and issue an audit report that includes our audit opinion. Reasonable level of assurance is a high level of assurance but it does not guarantee that an audit conducted in accordance with the IAS will always reveal materially incorrect reporting whenever such reporting exists. Incorrect reporting may occur as a result of fraud or error and is considered to be material if it could reasonably be expected that this reporting, individually or in the aggregate, could influence the economic decisions of users based on these financial statements.

As part of the audit in accordance with the IAS, we use professional judgment and preserve professional skepticism throughout the whole audit. We also:

- identify and assess risks from material misstatements in the financial statements, whether due to fraud or error, develop and implement audit procedures in response to these risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk for a given significant misstatement, resulting from fraud, not to be revealed is higher than the risk of material misstatements resulting from error due to the fact that fraud may involve secret collusions, falsification, deliberate omissions, statements aimed at misleading the auditor and neglecting or circumventing internal controls.
- obtain understanding of the internal control related to the audit in order to develop audit procedures that are appropriate in the particular 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 the accounting estimates and related disclosures made by the management.
- reach a conclusion on the appropriateness of the accounting basis, used by management, based on the active enterprise assumption, and, based on the audit evidence obtained as to whether there is a material uncertainty related to events or conditions that might provoke significant doubts on the Company's ability to continue functioning as an active enterprise. If we reach the conclusion that there is a significant uncertainty, we are required to draw attention in our audit report to the disclosures related to this uncertainty in the financial statements or in the event that these disclosures are inadequate to modify our opinion. Our conclusions are based on audit evidence obtained to the date of our audit report. Future

events or conditions may, however, cause the Company to suspend its operations as an active enterprise.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements present fundamental transactions and events in a manner that achieves fair presentation.

We communicate with the people engaged with general management, among other issues, the planned scope and timing of the audit and the significant audit findings, including significant deficiencies in internal control that we identify during our audit.

We also provide the people engaged with general management with a statement that we have fulfilled the relevant ethical requirements in terms of independence and that we will communicate with them all relations and other issues that could reasonably be regarded as relevant to our independence, and where applicable - the related precautions.

Among the issues communicated with the people engaged with general management, we set up those issues that have been of the greatest significance during the audit of the financial statements for the current period and which are therefore key audit issues. We describe these issues in our audit report, except for the occasions where the law or other regulations prevent public disclosure of information on this issue or where, in extremely rare cases, we decide that a question should not be communicated in our report, since it could reasonably be expected that the adverse consequences of this action would exceed the benefits in terms of public interest in this communication.

Report in relation to other legal and regulatory requirements

Additional issues subject to reporting based on the Accountancy Act and the Law on Public Offering of Securities

In addition to our responsibilities and reporting under the International Audit Standards described above under the section "Information other than the financial statements and the auditor's report thereon" in terms of the management report, the corporate governance declaration and the report on the implementation of the remuneration policy we have also conducted procedures added to those required under the International Audit Standards, pursuant to the "Instructions on new and extended audit reports and communication on the part of the auditor" of the professional organization of the Certified Public accountants and registered auditors in Bulgaria – the Institute of Certified Public Accountants (ICPA). These procedures concern verifications on the availability as well as verifications on the form and contents of such other information with the objective to help us form our opinion on whether the other information includes disclosures and reports provided for under Chapter Seven of the Accountancy Act and the Law on Public Offering of Securities (Art. 100n, para. 10 of the Law on Public Offering of Securities in relation to Art. 100n, para. 8, item. 3 and 4 of the Law on Public Offering of Securities as well as art. 100 n, para. 13 in relation to art. 116c, para. 1 of the Law on Public Offering of Securities) applicable in Bulgaria.

Opinion in relation to art. 37, para. 6 of the Accountancy Act

Based on the procedures performed our opinion is that:

- a) The information included in the activity report for the financial year, for which the financial statements have been prepared, is consistent with the financial statements.

- b) The activity report was prepared in accordance with the requirements of Chapter Seven of the Accountancy Act and Art. 100 (n), para. 7 of the Law on Public Offering of Securities.
- c) The corporate governance declaration for the financial year, for which the financial statements have been prepared, contains the information required under Chapter Seven of the Accountancy Act and art. 100 (n), para. 8 of the Law on Public Offering of securities.
- d) The report on the implementation of the remuneration policy for the financial year for which the financial statement has been prepared was provided and meets the requirements set out in the ordinance under Art. 116c, para. 1 of the Public Offering of Securities Act.

Opinion in relation to art. 100 (n), para. 10 in relation to art. 100 (n), para. 8, item 3 and 4 of the Law on Public Offering of securities

Based on the audit procedures performed and the acquired knowledge and understanding of the enterprise and the environment where it operates, in our opinion, the description of the main characteristics of the internal control and risk management systems of the enterprise in relation to the financial reporting process, which is part of the activity report (as part of the contents of the corporate governance declaration) and the information under Article 10, Paragraph 1, Letters "c", "d", "f", "h" and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regarding take-over offers, does not contain cases of materially incorrect reporting.

Additional reporting concerning the audit of the financial statements in relation to art. 100 (n), para. 4 item 3 of the Law on Public Offering of Securities

Statement in relation to art. 100 (n), para. 4, item 3, letter "B" of the Law on Public Offering of Securities

Information on related parties' transactions is disclosed under Enclosure 3.1. to the financial statements. Based on the audit procedures that we conducted in terms of the related parties' transactions as part of our audit of the financial statements as a whole, no facts, circumstances or other information has become known to us, based on which to conclude that the related parties' transactions are not disclosed in the accompanying financial statements for the year ended on December 31, 2020, in all material aspects, in accordance with IAS 24 "Related Parties Disclosures". The results from our audit procedures on related parties' transactions are reviewed by us in the context of forming our opinion on the financial statements as a whole, but not to express a separate opinion on related parties' transactions.

Statement in relation to art. 100 (n), para. 4, item 3, letter "C" of the Law on Public Offering of Securities

Our responsibilities for the audit of the financial statements as a whole, described in the section of our report "Responsibilities of the auditor for the audit of the financial statements" include assessment on whether the financial statements present material transactions and events in a manner that achieves fair presentation. Based on the audit procedures performed on essential transactions underlying the financial statements for the year ended on December 31, 2020, no facts, circumstances or other information has become known to us, based on which to conclude that there are cases of materially incorrect reporting and disclosure in accordance with the requirements of IFRS as adopted by the European Union. The results from our audit procedures on the material to the financial statements transactions and events of the Company are reviewed by us in the context of forming our opinion on the financial statements as a whole, but not to express a separate opinion on these material transactions.

Reporting under Art. 10 of Regulation (EC) No 537/2014 in relation to the requirements of Art. 59 of the Independent Financial Audit Act

Pursuant to the requirements of the Independent Financial Audit Act in relation to Art. 10 of Regulation (EC) No 537/2014, we further report the following information.

- Magdalena Cvetkova was appointed as a statutory auditor of the financial statement for the year ended on December 31, 2020 of BILLBOARD AD ("the Company") at the General Meeting of Shareholders held on 28.09.2019 for a period of one year.
- The audit of the financial statements for the year ended on December 31, 2020 of the Company represents a first full continuous commitment to a statutory audit of this enterprise, performed by us.
- We confirm that our audit opinion is consistent with the additional report provided to the Audit Committee of the Company in accordance with the requirements of Art. 60 of the Independent Financial Audit Act.
- We confirm that we have not provided the banned services except for the audit as specified under Art. 64 of the Independent Financial Audit Act.
- We confirm that we have preserved our independence in relation to the Company when conducting the audit.

Magdalena Cvetkova

Certified auditor

No 61 „Manastirski livadi – B“,

Sofia

March 31, 2021