

INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of Plaisio Estate AD

Sofia

Opinion

We have audited the financial statements of Plaisio Estate AD (the Company), which comprise the Statement of financial position as at December 31, 2016, and the Statement of Profit and loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS), adopted by the European Union (EU).

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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), together with the ethical requirements of the *Independent Financial Audit Act* (IFAA) that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the IFAA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises activity report, prepared by management in accordance with Chapter Seven of the Accounting Act, but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and thus to assess whether such information is materially inconsistent with the financial statements or with our knowledge gained during the audit or otherwise thus appears to contain significant incorrect reporting. If based on the work that we have done, we reach the conclusion that there is a substantial incorrect reporting in this other information, we are required to report this fact.

We have nothing to report in this regard.

Additional questions which the Accounting Act poses for reporting.

In addition to our responsibilities and reporting under ISA, regarding the activity report, we have fulfilled the procedures added to the required ISA as instructed by the professional organization of Certified Public Accountants and Registered Auditors in Bulgaria - Institute of Chartered Accountants (ICPA) issued in November, 2016 and approved by its Board on 29.11.2016. These procedures concern checks on the form and content of this other information aiming to help us in forming an opinion on whether the other information includes the representations provided in Chapter seven of the Accounting Act applicable in Bulgaria.

Opinion in relation to Art. 37, para. 6 of the Accounting Act

Based on the procedures performed, our opinion is that:

- a) The information included in the activity report for the financial year for which financial statements are prepared, is in line with the financial statements.
- b) The activity report was prepared in accordance with the requirements of Chapter Seven of the Accounting Act.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements in accordance with IFSR adopted by EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Independent Financial Audit Act and ISAs 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 financial statements.

As part of an 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 of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

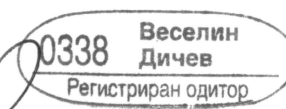
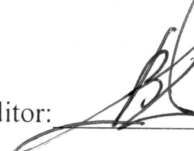
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

31.01.2017 год.

Sofia, j.k. "Ivan Vazov",

bl. 37, entr. B, et.3, ap.48

Registered auditor:



00338 Веселин
Дичев
Регистриран одитор

/Veselin Stefanov Dichev /