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REPORT OF INDEPENDENT AUDITOR

TO THE BOARD OF DIRECTORS
OF KARIN DOM FOUNDATION
the city of Varna

Opinion

We audited the financial statements of KARIN DOM FOUNDATION (the "Foundation"), containing an accounting balance as of December 31, 2022, a statement of income, statement of equity and statement of cash flows for the year ending on that date, as well as an appendix to the financial statement, containing summary disclosure of significant accounting policies and other explanatory information.

In our opinion, the attached financial statements present fairly in all respects material aspects of the Foundation's financial position as of December 31, 2022 and its financial results for the year ending on this date in accordance with the National Accounting Standards applicable in the Republic of Bulgaria.

Basis for expressing opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the section of our report "Auditor's responsibilities for the audit of the financial statement". We are independent from the Company in accordance with the International Code of Ethics of professional accountants (including the International Independence Standards of the Board for International Ethics Standards for Accountants (the BIESA Code), together with the ethical requirements of the Act for Independent Financial Auditing (AIFA) applicable in relation to our audit of the financial statement in Bulgaria, as we fulfilled our other ethical responsibilities in accordance with the requirements of AIFA and the BIESA Code. We believe that the audit evidence obtained by us is sufficient and relevant to provide a basis for our opinion.

Other information, other than the financial report and the auditor's report on it

The management is responsible for the other information. The other information consists of a report on the activity prepared by the management in accordance with Chapter Seven of the Accounting Act, does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statements does not extend to the other information and we do not express any form of inference of certainty about it unless not expressly stated in our report and to the extent that it is stated. In connection with our audit of the financial statements, our responsibility consists of reading the other information and thereby judge whether this other information is materially inconsistent with the financial report or our knowledge acquired during

the audit or otherwise appears to contain material misreporting. In case based on the work we are committed, we reach the conclusion that there is a material wrong reporting in that other information, we are required to report that fact.

We have nothing to report in this regard.

Additional reporting matters under the Accounting Act

In addition to our responsibilities and reporting under the ISA, in respect of the activity report, we also performed the procedures added to the required under ISA, as per the guidelines of the Professional organization of certified accountants and registered auditors in Bulgaria -- Institute of the certified expert accountants (ICEA), issued on 29.11.2016/approved by its Board of Directors on 29.11.2016. These procedures concern checks for the availability, as well as checks of the form and content of this other information with purpose of assisting us in forming an opinion as to whether the other information includes the disclosures and reports provided for in Chapter Seven of the Accounting Act applicable in Bulgaria.

Opinion in connection with 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 the financial report is prepared corresponds to the financial report.
- b) The activity report was prepared in accordance with the requirements of Chapter Seven of the Accounting Act.

Management's responsibilities for the financial statement

Management is responsible for the preparation and truthful presentation of this financial report in accordance with the National Accounting Standards applicable in Republic of Bulgaria and for such an internal control system as the management defines as necessary to ensure the preparation of financial reports, which do not contain material misstatements, whether or not due to fraud or an error.

When preparing the financial report, the management is responsible for evaluation the viability of the Foundation to continue to function as a going concern, disclosing, where applicable, matters relating to the going concern assumption and using the going concern basis of accounting, unless management intends to liquidate the Foundation or cease its operations, or management has no practical alternative but to do so.

Management is responsible for overseeing the Foundation's financial reporting process.

Responsibilities of the auditor for the audit of the financial statement

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 auditor's opinion. A reasonable level of security is high degree of assurance, but there is no guarantee that an audit performed in accordance with ISA will always reveal a material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if it could reasonably be expected that they,

individually or in the aggregate, could influence the economic decisions of the users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, develop 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 greater than the risk of a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, statements to mislead the auditor, as well as neglecting or circumventing internal controls.

- we gain an understanding of the internal control relating to the audit in order to develop audit procedures that are suitable for specific circumstances, not for the purpose of expressing an opinion regarding the effectiveness of the Foundation's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- we come to a conclusion about the appropriateness of escape on the part of guidance on the basis of accounting on a going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that could cast significant doubt on the Foundation's ability to continue as a going concern to function as acting enterprise. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related uncertainty disclosures in the financial statements or in in case these disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained as of the date of our audit report. Future events or conditions, however, may cause the Foundation to cease operations as an active enterprise

- We evaluate the overall presentation, structure and content of the financial report, including disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management, among other questions, plans scope and time of implementation of the audit and the significant findings of the audit, including material deficiencies in internal control that we identify during our audit.

09 May 2023
Varna, Bulgaria
44 General Zimmerman St., office N 1

Ganka Docheva
Registered Auditor 0339
Stamped and signed