

**REPORT**  
**ON THE ACTIVITY OF THE AUDIT COMMITTEE**  
**OF AGRIA GROUP HOLDING AD**  
**for 2021**

Pursuant to the Independence Financial Audit Act every public-interest entity should set up an Audit Committee to support the financial reporting and inside control processes. As a public-interest company, in accordance with the legal provisions, an Audit Committee of the Company is set up on the General Meeting of Shareholders of Agria Group Holding AD held on 29 June 2009.

In accordance with the provision of Art.108 (1), Item 8 from IFAA (The Act) the Audit Committee must report on its activity to the employment body – the General Meeting of the Company, operating in the public interest. The Audit Committee of Agria Group Holding AD prepares and presents to the shareholders report for its activity for 2021.

The activity of the Audit Committee during 2021 has been directed toward efficiency increase in the processes for financial reporting, inside control systems and risk management in the Company on a consolidated and non-consolidated base.

The rules under which the Audit Committee work, take into account the good practices in this field and comply with the provisions of art. 108 of the Act.

The mandate and the number of Audit Committee's members are determined by the General Meeting. The mandate of the current composition of the Audit Committee is within 1 year dated from 29.06.2021.

No changes were made to the composition of the Audit Committee within the reporting period of this report.

At the General meeting of shareholders of the company, held on 29.06.2021, a resolution was adopted to elect the members of the Audit Committee and a one-year mandate of the Audit Committee of Agria Group Holding AD was established.

The current composition of the Committee is as follows:

1. Svetla Gancheva - Chairman of the Audit Committee;
2. Veselin Marinov - Member of the Audit Committee;
3. Milena Gigova - Member of the Audit Committee.

The members of the Audit Committee have promptly provided Declarations of independence and absence of a conflict of interests to the attention of the General Meeting as required under Art. 107, para. 4 of the IFAA.

The Audit Committee states that the registered auditor complies with the criteria for independence of the audited company. The independent auditor has published a Report for transparency for 2021 in accordance with the requirements of the IFAA. During 2021 the members of the Audit Committee have had a number of consultative meetings with the members of the management body and the accountancy department of the Company.

The significant rights and duties of the audit committee are to monitor the financial reporting process of the company and the effectiveness of the internal control and risk management systems.

The Company prepares its financial statements (consolidated and non-consolidated financial statements) based on International Financial Reporting Standards (IFRS) adopted by the European Union (EU). During the year past 2021, the Company has prepared and published its annual consolidated and non-consolidated financial statements for the 2020 as well as the corresponding interim quarterly individual and consolidated financial statements within the required legal timeframe, fulfilling the requirement for close disclosure to the regulator and the public. No deficiencies or irregularities have been identified in the financial reporting process that would affect the faithful presentation of the Company's financial condition.

A permanent goal of the Audit Committee is to guarantee to the shareholders the efficiency of the internal control systems. The main activity of the Audit Committee during 2021 includes:

- Review and discussion with the management of the quarterly and annual audited financial consolidated and non-consolidated statements, including the announcements.
- Monitoring the financial reporting processes, the internal audit and risk management systems.
- Discussion with the Management of the Company and the independent auditor the financial information in view of preparation of the financial statement of the Company, including all significant changes in the accounting principles, important matters regarding the adequacy of the internal control of the Company and all special control measures.
- Discussion with the Management of the Company for the financial risks, including risk assessment and Risk management policies.
- Approval of a registered auditor to perform an independent financial audit of the separate and consolidated financial statement, including review of the independency of the registered auditor in accordance with the Ethical Code.
- Assessment of the qualification, work and independency of the registered auditor, including whether the auditor keeps the standards for quality control of the work performed.

The Audit Committee has been in conference about the preparation of the consolidated and non-consolidated quarterly and annual financial statements and has also been controlling the processes for financial reporting in the Company, internal audit and risk management systems.

Conclusions for the work performed by the Audit Committee during 2021

In view of the inspections conducted and statements made, it can be concluded that the internal control and risk management systems in the Company operate successfully and comply with the regulations. The Audit Committee states that the registered auditor has not provided other services outside the Audit Agreement and has conducted an integral and qualified inspection of the activity of the Company. In pursuance with the legislation requirements, the Audit Committee has prepared and will present a proposal to the General Meeting for electing a registered auditor for 2022.

The Report is approved on a meeting of the Audit Committee, convened at 29.04.2022.

Chairman of the Audit Committee of Agria Group Holding AD:



Svetla Gancheva