

Material on item 3 of the agenda

**of the regular Annual General Meeting of Electrohold Sales AD,
scheduled for 27th June 2022**

Acceptance of the Report of the registered auditor on review and audit of the Annual Financial Statements of the Company for the year 2021

In performance of the requirement of Art. 245 the Law on Commerce (hereinafter referred to as “the LC”), by 30th June each year the Management Board of Electrohold Sales AD (hereinafter referred to as “the Company”, with previous trade name CEZ Electro Bulgaria AD) has the obligation to prepare the Annual Financial Statements (hereinafter referred to as “the AFS”) and the Annual Report on the Activities of the Company for the previous calendar year and to submit these documents to the registered auditor, appointed by the General Meeting of the Company for audit and certification. The auditors shall ascertain whether the financial statements are duly prepared in compliance with the requirements of the Accountancy Act (hereinafter referred to as “the AA”) and the Company’s By-laws. The results from the audit, performed by the registered auditor, shall be reported in a separate report, a copy of which is submitted to the general meeting together with the AFS, the Annual Report on the Activities of the Company and the proposal for distribution of the profit.

The performance of the independent financial audit of the AFS of the Company for the year 2021 was assigned to the audit firm Grant Thornton OOD, appointed by recommendation of the Audit Committee of the Company, by means of a resolution of the General Meeting adopted on the grounds of Art. 221, item 6 of the LC and Art. 47, Par. 1, item 8 of the Company’s By-laws on 29th December 2021.

The AFS of the Company were prepared by the Management Board in the statutory term and approved by the Management Board by means of Minutes of an in absentio decision № 6/28.03.2022.

The AFS of CEZ Electro Bulgaria AD (with actual trade name Electrohold Sales AD) for the year 2021 were audited by the selected by the General Meeting of the Company registered auditor on 28.03.2022. The trade name of the Company was changed from CEZ Electro Bulgaria AD to Electrohold Sales AD by means of Minutes of a General Meeting of the Company as of 18.04.2022. The change to the trade name of the Company was entered within the Trade Register to the Registry Agency on 28.04.2022.

In the audit report of the registered auditor Grant Thornton OOD was expressed the opinion that the financial statements of CEZ Electro Bulgaria AD (with actual trade name Electrohold Sales AD) gives a correct and fair view of the financial status of the Company up to 31st December 2021, as well as of the financial results from its activity and its cash flows for the reported period, pursuant to the International Financial Reporting Standards, adopted by the European Union and the Bulgarian legislation.

The report of the registered auditor Grant Thornton OOD contains the opinion in relation to Art. 37, Par. 6 of the AA that the information included in the Annual Report on the Activities of the Company for the year 2021, as submitted by the Management Board, was in compliance with the AFS for the same reported period. The registered auditor expressed opinion also on the Report on the Implementation of the Policy on the Remuneration of the Members of the Boards of the Company for the year 2021, as presented by the Management Board, which constitutes a separate document appended to the Annual Financial Report on the Operations of the Company for the year 2021. The Report on the Implementation of the Policy on the Remuneration of the Members of the Boards of the Company for the year 2021 and the Report of the registered auditor on review and audit of the AFS of the Company for the year 2021 were appended as an attachment to the material under item 1 of the agenda of the annual regular Annual General Meeting of Electrohold Sales AD.

Draft-resolution:

“The General Meeting accepts the Report of the registered auditor on review and audit of the Annual Financial Statements of the Company for the year 2021.”

Appendices:

1. Report of the independent auditor Grant Thornton OOD on the financial statements of the Company for the year 2021 – in English language.