

Translation from Bulgarian

GRADUS AD

MANAGEMENT REPORT

for the period January - December of 2023

Contents

I. INTRODUCTION. General information about Gradus AD.....	3
<i>1. Registration and object of activity</i>	3
<i>1.1. Share capital</i>	3
<i>1.2. Board of Directors</i>	3
<i>1.3. Audit Committee</i>	4
<i>1.4. Personnel.....</i>	4
II. Information according to art. 100o1, para 5 of LPOS.....	4
An objective overview of the development and performance of the enterprise, as well as its condition, together with a description of the main risks it faces.	4
<i>2. Main indicators related to profit.....</i>	4
<i>2.1. Operating results</i>	5
<i>2.2. Income of the Company:</i>	5
<i>2.3. Expenses of the Company.....</i>	7
<i>2.4. Risk factors for the activity</i>	7
<i>2.5. Events for Gradus AD occurred in the period January – December 2023</i>	8
<i>2.6. Transactions with related and/or interested parties, as well as information on emerging material receivables and/or liabilities for the relevant reporting period.</i>	15
III. Information about the shares of Gradus AD	15

I. INTRODUCTION. General information about Gradus AD

1. Registration and object of activity

Gradus AD, town of Stara Zagora, was incorporated on 28 November 2017.

Management address: Republic of Bulgaria, Stara Zagora 6000, Industrialen quarter, Gradus Poultry Slaughterhouse.

The Company is a **parent company**.

The Group subsidiaries as at 31.12.2023 are as follows:

		% shares
Millenium 2000 EOOD	effective percentage share	100.00
Gradus-1 EOOD	effective percentage share	100.00
Gradus-3 AD	effective percentage share through Gradus-1 EOOD	96.00
Gradus-98 AD	effective percentage share	99.94
Gradus Logistics EOOD	effective percentage share	100.00

The main object of activity of the Gradus Group companies is concentrated in the field of "Poultry-farming", except for companies having as their subject of activity the "production of combined fodders and trade".

OBJECT OF ACTIVITY OF THE COMPANY

The object of activity of the Company is: Investments in stocks and shares of companies, acquisition and management of shares in Bulgarian and foreign companies; activity as a holding company; acquisition, assessment and sale of patents, concession of licenses for the use of patents of companies, in which the Company has shares; financing of companies, in which the Company has shares, as well as any other activity not prohibited by law, provided that if a permit or a license is required, or registration for the purpose of carrying out any activity, then such activity shall take place following the obtaining of such permit or license, respectively following the completion of such registration.

1.1. Share capital

The registered share capital of Gradus AD as at 31 December 2023 amounts to BGN 243,609 thousand, split into 243,608,710 shares with nominal value of 1 (one) BGN each.

As of 31.12.2023 the fixed capital, net of the repurchased shares amounted to 237 541 thousand bgn

The shares of Gradus AD are ordinary, registered, dematerialized, voting shares.

Shareholders of the Company as of 31.12.2023 are:

• Gradus AD	1.70% of the capital
• Luka Angelov Angelov	40.77% of the capital
• Ivan Angelov Angelov	20.68% of the capital
• Angel Ivanov Angelov	20.68% of the capital
• Legal entities	14.35% of the capital
• Individual shareholders	1.82% of the capital

1.2. Board of Directors

Gradus AD has a one-tier management system - Board of Directors.

The Board of Directors consists of three (3) members who are as follows as at 31 December 2023:

- Angel Ivanov Angelov – Chairman of the Board of Directors of Gradus AD
- Georgi Aleksandrov Babev – Chairman of the Board of Directors and Executive Director of Gradus AD
- Bistra Stoyanova Kotseva - Deputy Chairman of the Board of Directors of Gradus AD

1.3. Audit Committee

Members of the Audit Committee are:

- Hristina Atanasova Filipova – Chairman of the Audit Committee
- Ivailo Nikolaev Nikolov – Member of the Audit Committee
- Radka Dimcheva Peneva – Member of the Audit Committee

The Audit Committee supports the work of the Board of Directors; it has the role of those in charge of governance who monitor and supervise the internal control system, risk management and financial reporting system of the company.

1.4. Personnel

The average number of staff of Gradus AD as of 31 December 2023 is 5 persons hired under employments contracts:

- Investor Relations Director
- Financial manager
- Head of the financial department
- Chief Risk Officer
- Chief Accountant
- Legal Adviser
- HR Manager

II. Information according to art. 100o1, para 5 of LPOS

An objective overview of the development and performance of the enterprise, as well as its condition, together with a description of the main risks it faces.

2. Main indicators related to profit

Gradus AD as a holding company does not carry out independent commercial activity. The company has focused its activities in the management of subsidiaries and the distribution of finances between them.

Key financial indicators

Aiming at achieving greater efficiency and control on the Company's performance, management monitors certain key performance indicators. These indicators are mainly directed towards the amount of profit, the debt level and efficiency.

- **EBITDA margin (EBITDA/sales)**

	31.12.2023	31.12.2022
EBITDA (earnings before interest, taxes, depreciation and amortisation)	3 952	15 226
Revenue	5 012	16 008
EBITDA margin	78.85%	95.11%

- **Cost effectiveness ratio (total expenses /total income)**

	31.12.2023	31.12.2022
Total expenses	1 125	858
Total income	6 281	16 451
Cost effectiveness	0.18	0.05

- **Revenue effectiveness ratio** (total income /total expenses)

	31.12.2023	31.12.2022
Total income	6 281	16 451
Total expenses	1 125	858
Revenue effectiveness	5.58	19.17

The analysis of the revenue and costs effectiveness for the period reveals that revenue covers fully the company's expenses and thus, the company is able to meet the dividend commitments undertaken and to finance the companies included in the Group's portfolio.

2.1. Operating results

For the period 01 January 2023 – 30 December 2023, the company realized net profit of BGN **5 153** thousand (for the period 01 January 2022 – 30 December 2022 - the company realized a loss of BGN **15 592** thousand).

The reports reported on the financial statements of the Company are directly dependent on the activity of its subsidiaries.

2.2. Income of the Company:

INCOME	01-12/2023 <i>in BGN'000</i>	01-12/2022 <i>in BGN'000</i>	Change %	Relative share for 2023 %
Operating income				
Revenue from services	11	8	38%	-
Dividend income	4 999	15 997	-69%	80%
Other revenue	2	3	-	-
Finance income				
Interest income	1 269	443	186%	20%
Total	6 281	16 451	-63%	100%

- The main income for the period 01.01.2023 - 31.12.2023, having the greatest impact on the current financial result of the Company, is due to the distribution of dividends by the subsidiaries, which are a result of their commercial activity.

The main income for the period 01.01.2022. – 31.12.2022, having the greatest impact on the current financial result of the Company, is the interest income from the subsidiaries, which is the result of granted loans for the implementation of their commercial activities.

Dividend income by subsidiaries is as follows:

Subsidiaries	01-12/2023 <i>in BGN'000</i>	01-12/2022 <i>in BGN'000</i>	Relative share for 2023 %
Gradus-98 AD	1 999	4 997	40%
Gradus-1 EOOD	1 000	3 500	20%
Milenium 2000 EOOD	1 000	3 000	20%
Zhyuliv EOOD	-	300	-
Lora-2004 EOOD	1 000	200	20%
Total	4 999	11 997	100%

- Interest income increased by BGN 826 thousand or by 186,46% compared to the same period of 2022 as a result of an increase in the annual interest rate from 1.15% to 2.90% valid until 30.06.2023 and from 01.07.2023 the interest rate increased to 3.8%.

The terms on which the loans to the subsidiaries are made are as follows:

<i>in BGN'000</i>	Interest rate %	Maturity date	Collateral	Loans granted 31.12.2023	including interest	Loans granted 31.12.2022	including interest
Gradus-1 EOOD	3.80%	02/2024	No	13 745	45	17 443	43
Gradus-3 AD	3.80%	05-11/2024	No	11 637	37	4 415	15
Gradus Logistics EOOD	3.80%	04-12/2024	No	502	2	401	1
Millennium 2000 EOOD	3.80%	05-11/2024	No	11 637	37	1 303	3
Lora-2004 EOOD	3.80%			-	-	11 127	27
Gradus-98 AD	3.80%	05/2024	No	513	13	-	-
Total:				38 034	134	34 689	89

On 23.02.2023, the Company signed an annex with Gradus-1 EOOD to a contract from 26.02.2021. for the extension of the loan until 25.02.2024;

On 03.04.2022, the Company signed an annex with Gradus Logistics EOOD to a contract from 07.04.2021. to extend the term of the loan until 07.04.2024;

On 30.06.2023, the Company signed an annex with Gradus-1 EOOD to a contract from 26.02.2021 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Gradus Logistics Ltd. to a contract from 01.02.2021 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Millennium 2000 EOOD to a contract from 18.11.2021 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Millennium 2000 EOOD to a contract dated 28.10.2020 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Millennium 2000 EOOD to a contract from 02.11.2020 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Millennium 2000 EOOD to a contract from 03.10.2022 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Millennium 2000 EOOD to a contract from 18.05.2023 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Gradus-98 AD to a contract dated 30.05.2023 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Gradus-3 AD to a contract dated 21.09.2021 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Gradus-3 AD to a contract from 24.09.2021 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Gradus-3 AD to a contract from 18.05.2023 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 30.06.2023, the Company signed an annex with Gradus-3 AD to a contract from 30.05.2023 to increase the annual interest rate from 2.9% to 3.8% as of 01.07.2023;

On 18.09.2023, the Company signed an annex with Gradus-3 AD to a contract from 21.09.2021 for the extension of the loan until 21.09.2024;

On 18.09.2023, the Company signed an annex with Gradus-3 AD to a contract from 24.09.2021 for the extension of the loan until 24.09.2024;

On 02.10.2023, the Company signed an annex with Millennium 2000 EOOD to a contract from 03.10.2022 for the extension of the loan until 03.10.2024;

On 26.10.2023 the Company signed an annex with Millennium 2000 EOOD to a contract from 28.10.2020 for the extension of the loan until

Loans granted to subsidiaries are ongoing. The purpose of the loans is to support the development of existing and new business lines described in the Prospectus for public offering of securities, as well as to finance their operational activities..

2.3. Expenses of the Company

Operating results:

EXPENSES	01-12/2023 in BGN'000	01-12/2022 in BGN'000	Change %	Relative share for 2023 %
Operating expenses				
<i>Expenses by nature</i>				
Expenses on materials	17	22	-23%	2%
Hired service expenses	185	186	-	16%
Depreciation / amortization expenses	67	72	-7%	6%
Expenses on wages and social security payments	824	559	47%	73%
Other expenses	34	15	127%	3%
Total:	1 127	854	32%	100%

During the reporting period, the highest share of expenses is the cost of remuneration.

2.4. Risk factors for the activity

Currently, the management of Gradus AD is not aware of specific trends and events that would directly affect the future activity of the Company.

The risk management policy identifies and analyzes the potential risks to which the Company is exposed. Various levels of control have been introduced to ensure the effective monitoring of these risks.

Credit risk

Credit risk exists if a loss is generated when a counterparty to a financial instrument is not able to meet its obligations under a contractual term.

The exposure to a credit risk depends on the individual characteristics of each customer. The Company measure the credit risk of loans to related parties using internal valuations that reflect the probability of default.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in fulfilling its obligations related to financial liabilities. The liquidity management approach of the Company aims at ensuring, as far as possible, that there will always be sufficient liquidity to meet its obligations, both under normal and stressful conditions, and without incurring unacceptable losses or harming the reputation of the Company.

The Company had no payables under financial liabilities as at December 31 2023.

Market risk

Market risk is the risk that in case of changes in market prices, such as foreign exchange rates, interest rates or prices of equity instruments, the Company's income or the value of its investments may be affected. At present, this risk is immaterial.

Financial risk management

The overall capital management goal of the Company is to ensure its ability to continue as a going concern and to ensure adequate return to its shareholders.

During the period ending 31.12.2023 there are no changes to capital management objectives, policies or processes.

2.5. Events for Gradus AD occurred in the period January – December 2023

According to Art. 111, para. 6 of the Public Offering of Securities Act.

In connection with a decision of the regular annual general meeting of shareholders held on 05.06.2020 and on the basis of the provision of art. 111, para. 6 of the Public Offering of Securities Act, we notify you of a decision taken by the Board of Directors of Gradus AD to launch a procedure for redemption of up to 7 308 261 own shares, representing up to 3% of the capital of the Company, which is within the limit under Art. 111, para. 5 of POSA. The investment intermediary to whom orders will be placed is FFBH AD. As of 17.01.2023. The program for redemption of the company's own shares was launched, and on the same date Gradus AD bought back 18,776 own shares at an average price of BGN 1.50. for one share.

As of 17.01.2023. The program for redemption of the company's own shares was launched, and on the same date Gradus AD bought back 18,776 own shares at an average price of BGN 1.50. for one share.

Към 17.01.2023г. общият брой на притежаваните от дружеството собствени акции е 18 776 броя или 0,008% от правата на глас на Градус АД. On 18.01.2023. Gradus AD bought back 107,900 own shares at an average price of BGN 1.50. for one share.

As of 18.01.2023. the total number of own shares held by the company is 126 676 or 0.052% of the voting rights of Gradus AD.

On 19.01.2023. Gradus AD bought back 20,197 own shares at an average price of BGN 1.50. for one share.

As of 19.01.2023. the total number of own shares held by the company is 146 873 or 0.060% of the voting rights of Gradus AD.

On 20.01.2023. Gradus AD bought back 248 own shares at an average price of BGN 1.50. for one share.

As of 20.01.2023. the total number of own shares held by the company is 147 121 or 0.060% of the voting rights of Gradus AD.

On 24.01.2023. Gradus AD bought back 1,690 own shares at an average price of BGN 1.50. for one share.

As of 24.01.2023. the total number of own shares held by the company is 148 811 or 0.061% of the voting rights of Gradus AD.

On 25.01.2023. Gradus AD bought back 95,404 own shares at an average price of BGN 1.50. for one share.

As of 25.01.2023. the total number of own shares held by the company is 244 215 units or 0.1% of the voting rights of Gradus AD.

On 26.01.2023. Gradus AD bought back 2,190 own shares at an average price of BGN 1.50. for one share.

As of 26.01.2023. the total number of own shares held by the company is 246 405 or 0.1% of the voting rights of Gradus AD.

On 27.01.2023 Gradus AD bought back 56,490 own shares at an average price of BGN 1.50 one share.

As of 27.01.2023 the total number of own shares held by the company is 302,895 or 0.12% of the voting rights of Gradus AD.

On 30.01.2023 Gradus AD bought back 137,705 own shares at an average price of BGN 1.50 one share.

As of 30.01.2023 the total number of own shares held by the company is 462,295 or 0.19% of the voting rights of Gradus AD.

On 31.01.2023 Gradus AD bought back 137,705 own shares at an average price of BGN 1.50 one share.

As of 31.01.2023 the total number of own shares held by the company is 600,000 or 0.25% of the voting rights of Gradus AD.

On 14.02.2023 at the General Meeting of the shareholders of "Gradus-98" AD, a decision was made to distribute part of the profit for 2021. in the amount of BGN 2,000,000. As a result of the decision, Gradus AD, as the majority shareholder of Gradus-98 AD, will receive a dividend in the amount of BGN 1,998,680.

On 02.03.2023 Gradus AD bought back 1,131 own shares at an average price of BGN 1.40 one share. As of 02.03.2023 the total number of own shares held by the company is 601,131 or 0.25% of the voting rights of Gradus AD.

On 06.03.2023 Gradus AD bought back 5,643 own shares at an average price of BGN 1.40 one share. As of 06.03.2023 the total number of own shares held by the company is 606,774 or 0.25% of the voting rights of Gradus AD.

On 07.03.2023 Gradus AD bought back 2,700 own shares at an average price of BGN 1.40 one share. As of 07.03.2023 the total number of own shares held by the company is 609,474 or 0.25% of the voting rights of Gradus AD.

On 08.03.2023 Gradus AD bought back 650 own shares at an average price of BGN 1.40 one share. As of 08.03.2023 the total number of own shares held by the company is 610,124 or 0.25% of the voting rights of Gradus AD.

On 20.03.2023. Gradus AD is again part of the three leading indices on the BSE: SOFIX, BGBX40 and BGTR 30

On 19.04.2023 received a request from the subsidiaries of Gradus AD companies Gold Farm 91 EOOD, UIC 205933500, Lora-2004 EOOD, UIC 123658624, Juliv EOOD, UIC 119053781 and Millennium 2000 EOOD, UIC 119591422 for approval of a transaction under Art. 114, para. 3, item 1, letter "a" of the Public Offering of Securities Act and on the basis of a decision for approval of the Board of Directors of Gradus AD from 20.04.2023. of Gold Farm 91 EOOD (UIC 205933500); "Lora-2004" EOOD (UIC 123658624) and "Juliv" EOOD (UIC 119053781), as transforming companies, into "MILLENNIUM 2000" EOOD (UIC 119591422), as a receiving company.

Gradus AD is the sole owner of the capital of each of the transforming and receiving companies. Therefore, the planned merger is an entirely intra-group transformation, which will not lead to a change in the final ownership of the assets to be transferred as a result of the merger from the transforming to the receiving company. The merger will be carried out without an increase in the capital of the receiving company "MILENIUM 2000" EOOD, no advantages are envisaged for the examiners or the members of the management and supervisory bodies of the companies participating in the merger, nor are any other changes envisaged in the founding act of Millennium 2000 as a receiving company. GRADUS AD is the sole owner of the capital of Milenium 2000 and will remain so after the merger.

The merger was planned to take place before the end of the second quarter of 2023, the accounting date of the merger being the earlier than the date of entry in the Commercial Register of the merger or 30 June 2023;

On 20.04.2023 "Gradus" AD informs that pursuant to Article 114a, paragraph 9 "Gold Farm 91" EOOD (UIC 205933500), "Lora-2004" EOOD (UIC 123658624), "Juliv" EOOD (UIC 119053781) and "Milenium 2000" EOOD (UIC 119591422) for approval of a transaction under Art. 114 para. 3(1)(a) of the Public Offering of Securities Act and based on a resolution for approval of the Board of Directors of "Gradus" AD dated 20.04.2023. for the initiation of a procedure for the merger of "Gold Farm 91" EOOD(UIC 205933500), "Lora-2004" EOOD (UIC 123658624) and "Juliv" EOOD (UIC 119053781), as the transforming companies, into "Milenium 2000" EOOD (UIC 119591422), as the receiving company.

On 26 April 2023, "Gradus" AD bought back 1,970,000 of its own shares at an average price of BGN 1.45 per share. The total number of own shares held by the company as of 26.04.2023 is 2 580 124 or 1.06% of the voting rights of "Gradus" AD.

On 28.04.2023 "Gradus" AD bought back 29 291 of its own shares at an average price of BGN 1.49978 per share. The total number of own shares held by the company as of 28.04.2023 is 2 609 415 or 1.07% of the voting rights of "Gradus" AD.

On 02.05.2023, at a meeting of the Board of Directors of "Gradus"AD, held on 02.05.2023, a decision was made to distribute part of the profit of the subsidiary "Gradus – 1" EOOD to "Gradus" AD, as the sole owner of the capital, in the form of a dividend of BGN 1 000 000 /one million/.

On 02.05.2023, at a meeting of the Board of Directors of "Gradus" AD, held on 02.05.2023, it was resolved to distribute part of the profit of the subsidiary "Lora – 2004" EOOD to "Gradus" AD, as the sole owner of the capital, in the form of a dividend in the amount of 1 000 000 /one million/ leva.

On 02.05.2023, at a meeting of the Board of Directors of "Gradus" AD, held on 02.05.2023, it was resolved that part of the undistributed profit of subsidiary "Milenium 2000" EOOD be distributed to "Gradus" AD, as the sole

owner of the capital, in the form of a dividend of BGN 1 000 000 /one million/.

On 02.05.2023 "Gradus" AD bought back 59 992 own shares at an average price of BGN 1.497997 per share. The total number of own shares held by the company as of 02.05.2023 is 2 669 407 or 1.1% of the voting rights of "Gradus" AD.

On 03.05.2023 "Gradus" AD bought back 1070 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the company as of 03.05.2023 is 2 670 477 or 1.1% of the voting rights of "Gradus" AD.

On 09.05.2023 "Gradus" AD bought back 700 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the Company as of 09.05.2023 is 2 671 177 or 1.1% of the voting rights of "Gradus" AD.

On 11.05.2023 "Gradus" AD bought back 10000 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the Company as of 11.05.2023 is 2 681 177 or 1.1% of the voting rights of "Gradus" AD.

On 16.05.2023 "Gradus" AD bought back 8748 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the Company as of 16.05.2023 is 2 689 925 or 1.1% of the voting rights of "Gradus" AD.

On 17.05.2023 "Gradus" AD bought back 1000 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the Company as of 17.05.2023 is 2 690 925 or 1.1% of the voting rights of "Gradus" AD.

On 18.05.2023 "Gradus" AD bought back 60200 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the company as of 18.05.2023 is 2 751 125 or 1.13% of the voting rights of "Gradus" AD.

On 19.05.2023 "Gradus" AD submitted an invitation to convene an Ordinary General Meeting of Shareholders and materials for a General Meeting of Shareholders to be held on 30-06-2023 at 11:00 a.m. at Stara Zagora, Park-Hotel Stara Zagora, "Khan Asparuh" str. № 50, "Tervel" Hall, with the following agenda:

1. Adoption of the Report of the Board of Directors on the Company's activities in 2022;

Draft resolution: The General Meeting of Shareholders accepts the Report of the Board of Directors on the Company's activities for 2022;

2. Acceptance of the Report of the registered auditor on the audit of the Company's annual financial report for 2022;

Draft resolution: The General Meeting of Shareholders accepts the Report of the registered auditor on the audit of the annual financial statement for 2022;

3. Adoption of the Company's annual financial report for 2022;

Draft resolution: The General Meeting of Shareholders adopts the Company's annual financial report for 2022;

4. Adoption of a report on the activities of the Company's Investor Relations Director for 2022;

Draft resolution: The General Meeting of Shareholders adopts a report on the activities of the Company's Investor Relations Director for 2022;

5. Acceptance of the Report of the Audit Committee on its activities in 2022;

Draft resolution: The General Meeting of Shareholders accepts the Report of the Audit Committee on its activities in 2022.

6. Election of members of the Audit Committee of the Company, on the proposal of the Board of Directors and determination of their remuneration.

Draft resolution: The General Meeting of Shareholders elects the members of the Audit Committee proposed by the Board of Directors as follows: Hristina Atanasova Filipova, Ivaylo Nikolaev Nikolov and Radka Dimcheva Peneva and determines the gross monthly remuneration of the chairman of the Audit Committee in the amount of BGN 500 and for a member of the audit committee BGN 250.

7. 2022 Profit Distribution Proposal

Draft resolution:

7.1. The General Meeting of Shareholders of "Gradus" AD shall distribute part of the Company's profit for 2022, in the total gross amount of BGN 2,800,000 /two million and eight hundred thousand/, as an annual dividend, and the balance of the Company's profit for 2022 shall remain undistributed. The gross single annual dividend will be determined in the manner provided for under Article 115c, Par. 3 of the Securities Act, as the Company is in the process of repurchasing its own shares.

7.2. (i) Commencement of dividend payment:

30.08.2023; (ii) Dividend payment period: - three months; (iii) Dividend payment method: through Central Depository JSC and branches of UniCredit Bulbank JSC.

8. Making a decision to exempt the members of the Company's Board of Directors from liability for their activities in 2022;

Draft resolution: The General Meeting of Shareholders exempts the members of the Company's Board of Directors from liability for their activities in 2022;

9. Selection of a registered auditor to certify the annual financial statements of the company for 2023.

Draft resolution: The General Meeting of Shareholders elects a registered auditor to verify and certify the annual financial statements of the Company for 2023 in accordance with the proposal of the Audit Committee, included in the materials on the agenda.

10. Adoption of the Report of the Board of Directors regarding the implementation of the Policy for the remuneration of the members of the Board of Directors of the Company for 2022;

Draft resolution: The General Meeting of Shareholders adopts the Report of the Board of Directors regarding the implementation of the Policy on the remuneration of the members of the Board of Directors.

On 19.05.2023 "Gradus" AD issued an invitation to an on-line meeting "Financial Review of the First Quarter of 2023 and Discussion with Investors" to be held at 3:00 p.m. on May 31, 2023.

On 19.05.2023 "Gradus" AD bought back 9480 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the company as of 19.05.2023 is 2 760 605 or 1.13% of the voting rights of "Gradus" AD.

On 23.05.2023 "Gradus" AD bought back 845 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the company as of 23.05.2023 is 2761450 or 1.13% of the voting rights of "Gradus" AD.

On 29.05.2023 "Gradus" AD bought back 1500 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the Company as of 29.05.2023 is 2762750 or 1.13% of the voting rights of "Gradus" AD.

On 30.05.2023 "Gradus" AD bought back 3695 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the company as of 30.05.2023 is 2766445 or 1.14% of the voting rights of "Gradus" AD.

On 31.05.2023 "Gradus" AD published a presentation on the Group's Q1 2023 results from an online event held at 3:00 p.m. on 31 May, 2023 entitled "Q1 2023 Financial Review and Investor Discussion.

On 02.06.2023 "Gradus" AD bought back 20,000 of its own shares at an average price of BGN 1.50 per share. The total number of own shares held by the company as of 02.06.2023 is 2786445 or 1.14% of the voting rights of "Gradus" AD.

On 09.06.2023 "Gradus" AD notified the Board of Directors of "Gradus" AD of the decisions taken on merging its subsidiaries "Gold Farm 91" EOOD, UIC 205933500; "Lora-2004" EOOD, UIC 123658624 and "Juliv" AD, UIC 119053781, into the receiving company – "MILENIUM 2000" EOOD, UIC 119591422. Upon completion of the merger, the receiving company shall become the universal successor of the merging companies and all of the assets of each of the merging companies shall pass to the receiving company by operation of law and each of the merging companies shall be dissolved without liquidation. The merger of the merging companies into the receiving company shall be effected pursuant to Article 263t(2) in conjunction with Article 262f and Article 262g of the Companies Act.

On 14.06.2023 "Gradus" AD informs about the decision of the Board of Directors regarding planned investments in subsidiary "Gradus - 1" EOOD in the amount of BGN 6.8 million including:

1. New cutting line including modules for machine production of items for KFC products, new filleting machines, reconstruction of production premises and improvements of distribution flow line;
2. Upgrading of the live bird intake and meat production assembly line, in line with the requirements for a higher level of biosecurity and increased production capacity efficiency;
3. Upgrading of truck fleet for live poultry transport and finished product transport;

The BOD instructs the managers of "Gradus-1" EOOD to conduct negotiations with potential suppliers and to start the approved investments by 01.09.2023 at the latest.

On 16.06.2023 "Gradus" AD submitted an updated invitation to convene an Ordinary General Meeting of Shareholders and materials for a General Meeting of Shareholders to be held on 30-06-2023 at 11:00 a.m. at Stara Zagora, Park-Hotel Stara Zagora, ul. "Khan Asparuh" № 50, "Tervel" Hall.

The shareholder Mr. Luka Angelov Angelov has submitted to The Commercial register and register of non-profit entities operated by the Bulgarian registry agency at the Ministry of justice a proposal pursuant to Article 118, paragraph 2, item 4 of the Securities Act for making a decision on item 7 of the previously announced agenda in the following sense:

7.1. The General Meeting of Shareholders of "Gradus" AD shall distribute the Company's profit for 2022, in the total gross amount of 10,800,000, as an annual dividend and the balance of the Company's profit for 2022 shall

remain undistributed. The gross single annual dividend will be determined in the manner provided under section 115(c)(1) of the Act. 3 of the Securities Act, as the Company is in the process of buying back its own shares.

7.2. (i) Commencement date of dividend payment: 30.08.2023 ; (ii) Dividend payment period: - three months; (iii) Method of dividend payment: through Central Depository JSC and branches of UniCredit Bulbank JSC.

The proposal is announced pursuant to Art. 223a, par. 223a, item 223a, paragraph 1 of the Commercial Companies Code, with entry 20230614142909.

On 22.06.2023 “Gradus” AD updated invitation to convene the Ordinary General Meeting of Shareholders and materials for the General Meeting of Shareholders to be held on 30-06-2023 at 11:00 a.m. at Stara Zagora, Park-Hotel Stara Zagora, ul. "Khan Asparuh" № 50, Tervel Hall, with the following additions to the agenda:

The shareholder Mr. Angel Ivanov Angelov has submitted to The Commercial register and register of non-profit entities operated by the Bulgarian registry agency at the Ministry of justice a proposal pursuant to Article 118, Paragraph 2, Item 4 of the Securities Act for a decision to be taken on Item 7 of the previously announced agenda in the following sense:

7.1. The General Meeting of Shareholders of Gradus S.A. shall distribute the Company's profit for 2022, in the total gross amount of 5,000,000, as an annual dividend, and the balance of the Company's profit for 2022 shall remain undistributed. The gross single annual dividend will be determined in the manner provided under section 115c(1)(b) of the Act. 3 of the Securities Act, as the Company is in the process of buying back its own shares.

7.2. (i) Commencement date of dividend payment: 30.08.2023 ; (ii) Dividend payment period: - three months; (iii) Method of dividend payment: through Central Depository JSC and branches of UniCredit Bulbank AD.

The proposal is announced pursuant to Art. 223a, par. 223a, paragraph 1 of the Commercial Companies Code, with entry 20230620122451.

An additional matter included in the agenda under the terms of Article 223a of the Commercial Companies Code, proposed for voting by the shareholder Mr. Angel Ivanov Angelov:

Amendment of the resolution adopted by the Ordinary Annual General Meeting of Shareholders of “Gradus” AD held on 05.06.2020 regarding the buyback of own shares.

Proposal for a resolution:

- maximum number of treasury shares: 10 percent of the Company's capital, but not more than 3 percent in any calendar year of the total number of voting shares issued by the Company;

- minimum redemption price: BGN 1.35 (one lev and thirty-five cents);

- maximum redemption price: BGN 2.00 (two).

All other terms and conditions approved by the resolution of the Ordinary Annual General Meeting of Shareholders of “Gradus” AD held on 05.06.2020, regarding the buyback of own shares shall remain in force and shall be applied accordingly, including the authorization by the General Meeting of Shareholders of the Board of Directors of the Company to determine all other specific parameters of the buyback within the aforementioned limits, to determine the specific dates for the commencement and termination of the buyback within the timeframe set forth above, the duration of any specific buyback procedure, the specific number of shares to be redeemed and the specific redemption price within the limits set by the. The General Meeting of Shareholders authorizes the Board of Directors of the Company to dispose of the treasury shares acquired by the Company after the buyback in accordance with applicable law.

The matter is included in the agenda and announced in the Commercial register and register of non-profit entities operated by the Bulgarian registry agency at the Ministry of justice with entry 20230614142909. The call has been updated and communicated to the Financial Supervision Commission and the public via the X3 News platform. The item is included in the agenda as No. 11. The materials have been made available by the shareholder in the company to the other shareholders.

On the account of the company in the Commercial register and register of non-profit entities under the procedure of Article 223a, paragraph 1 and paragraph 2 of the Commercial Code, proposals have been received from the shareholder Mr. Luka Angelov Angelov for inclusion of items in the agenda as follows:

Adoption of a resolution on the disposal of the Company's own shares acquired as a result of the buyback of shares from the Company's capital.

Draft resolution:

a) 90% of the shares acquired by the Company as a result of the buyback shall be cancelled by the General Meeting of Shareholders taking an annual decision to reduce the capital of “Gradus” AD by cancelling the shares acquired by the Company as a result of the buyback in the previous calendar year;

b) disposal of treasury shares acquired by the Company as a result of the buyback shall be made by resolution of the General Meeting of Shareholders;

c) to give effect to this resolution, the Board of Directors of the Company shall convene a General Meeting of Shareholders at which a resolution shall be passed to reduce the capital of the Company as a result of the cancellation of treasury shares and/or to dispose of treasury shares acquired by the Company as a result of the buyback.

The matter is included in the agenda and announced in the Commercial register and register of non-profit entities

ewith entry 20230621133424. The call has been updated and communicated to the FSC and the public via the X3 News platform. The item is included in the agenda as No. 12. The materials have been made available by the shareholder in the company to the other shareholders.

On 27.06.2023 "Gradus" AD bought back 3150 own shares at an average price of BGN 1.490794 per share. The total number of own shares held by the Company as of 27.06.2023 is 2789595 or 1.15% of the voting rights of "Gradus" AD.

On 28.06.2023 "Gradus" AD bought back 1323 own shares at an average price of BGN 1.50 per share. The total number of own shares held by the Company as of 28.06.2023 is 2790918 or 1.15% of the voting rights of "Gradus" AD.

On 30.06.2023 "Gradus" AD informed that on 29.06.2023 a notification was received from the Financial Supervision Commission with number RG - 05 - 1662 - 10 regarding the application of a compulsory administrative measure, which obliges "Gradus" AD not to submit to a vote at the Ordinary Annual General Meeting of Shareholders scheduled for 30.06.2023 at 11:00 a.m. in the town of Stara Zagora, Park-Hotel Stara Zagora, ul. "Item 12, concerning a resolution on the disposal of the Company's own shares acquired as a result of the redemption of shares from the Company's capital.

On 30.06.2023 "Gradus" AD filed a notice of cash dividend.

The decision to distribute cash dividend was taken at the Annual General Meeting of Shareholders of the company held on 30-06-2023 in Stara Zagora. At the AGM a dividend for 2022 was voted in the total amount of 5000000 BGN. Dividend amount per share gross - 0.020762586 BGN. Dividend amount per share net (only for shareholders natural persons) - 0.019724456 (only for shareholders natural persons) BGN.

Terms and conditions for payment of dividends, voted at the General Meeting of Shareholders of "Gradus" AD, Stara Zagora. The General Meeting of Shareholders of "Gradus" AD, held on 30.06.2023, resolved to distribute part of the profit for 2022, in the gross amount of BGN 5 000 000, to the shareholders of the Company as dividend.

1.1. Gross amount per share: the gross single annual dividend as at the date of the resolution 30.06.2023 is BGN 0.020762586. *It is to be noted that the final gross dividend per share will be determined in the manner provided under Art. 115c, para. 3 of the Securities Act, as the company is in the process of repurchasing its own shares.

1.2. Net amount per share: the net single annual dividend at the date of the resolution 30.6.2023 is 0.019724456 BGN. *It is to be borne in mind that the final net dividend per share will be determined in the manner provided under Article 115c(1) of the Act. 3 of the Securities Act, as the company is in the process of buyback of its own shares.

1.3. Commencement of dividend payment;

1.4. 3 months;

1.5. In accordance with the Regulations of the Central Depository JSC, the dividend will be paid as follows: for shareholders with client accounts opened with investment intermediaries - through the respective investment intermediary; for shareholders without accounts with investment intermediaries - through the branches of UniCredit Bulbank JSC, subject to the requirements of the Law on Public Offering of Securities and the applicable norms of the current legislation.

1.6. The right to receive dividends shall be vested in the persons entered in the register of the "Central Depository" JSC as shareholders of the Company on the 14th day following the day of the General Meeting at which the financial statements were adopted and the resolution on profit distribution was passed, namely 14.07.2023.

On 30.06.2023 "Gradus" AD notified that by entry in the Commercial register and register of non-profit entities number 20230630144754 dated 30.06.2023 its subsidiary "Milenium 2000" EOOD, UIC 119591422 became the universal successor of the Companies "Gold Farm 91" EOOD UIC 205933500, "Juliv" EOOD UIC 119053781 and "Lora-2004" EOOD UIC 123658624 and all the assets of each of the merging companies passed to the receiving company.

On 03.07.2023 "Gradus" AD bought back 945 of its own shares at an average price of BGN 1.50 per share. The total number of treasury shares held by the Company as of 29.06.2023 is 2791863 or 1.15% of the voting rights of "Gradus" AD.

On 03.07.2023 "Gradus" AD submitted the minutes of the General Meeting of Shareholders held on 30.06.2023 at 11:00 (and in coordinated universal time - 8:00) in the town of Stara Zagora 6009, Park-Hotel Stara Zagora, ul. "Khan Asparuh" 50, Tervel Hall. The General Meeting of Shareholders of "Gradus" AD adopted the following resolutions:

1. The AGM adopts the Report of the Board of Directors on the Company's activities in 2022;
2. The AGM approves the Report of the Registered Auditor on the audit of the Company's annual financial statements for 2022;
3. The AGM adopts the Company's annual financial statements for 2022;

4. The AGM adopts the report of the Investor Relations Director of the Company for the year 2022;
 5. The AGM adopts the Audit Committee's Report on its activities in 2022;
 6. The AGM elects the members of the Audit Committee proposed by the Board of Directors as follows: Hristina Atanasova Filipova, Ivaylo Nikolaev Nikolov and Radka Dimcheva Peneva and determines the gross monthly remuneration of the Chairman of the Audit Committee in the amount of BGN 500 and for each member of the Audit Committee BGN 250;
 7. The AGM resolved to distribute the profit for 2022 as follows:
 - 7.1. The General Meeting of Shareholders of "Gradus" AD shall distribute the Company's profit for 2022, in the total gross amount of 5 000 000, as an annual dividend and the balance of the Company's profit for 2022 shall remain undistributed. The gross single annual dividend will be determined in the manner provided under section 115c(1)(b) of the Act. 3 of the Securities Act, as the Company is in the process of repurchasing its own shares.
 - 7.2. (i) Commencement date of dividend payment: 30.08.2023 ; (ii) Dividend payment period: - three months; (iii) Method of dividend payment: through Central Depository JSC and branches of UniCredit Bulbank JSC.
 8. The AGM exempts the members of the Board of Directors of the Company from liability for their activities in 2022;
 9. The AGM elects a registered auditor, Baker Tilly Clitu & Partners Ltd, reg. no. 129, represented by Galina Lokmadjieva-Nedkova - Manager, to audit and certify the Company's annual financial statements for 2023, in accordance with the Audit Committee's proposal included in the agenda materials.
 10. The AGM approves the Report of the Board of Directors on the implementation of the Remuneration Policy for the members of the Board of Directors of the Company for 2022;
 11. The AGM does not adopt an amendment to the resolution passed by the Ordinary Annual General Meeting of Shareholders of "Gradus" AD held on 05.06.2020 regarding the buyback of own shares;
- On 03.07.2023 "Gradus" AD disclosed additional inside information in relation to matters on the agenda of the AGM held on 30.06.2023.

In connection with the items included in the agenda of the General Meeting of Shareholders of "Gradus" AD held on 30 June 2023 and the report submitted to the Board of Directors of "Gradus" AD on the assignment of the Board of Directors of "Gradus" AD for the analysis and evaluation of proposals received for voting at the forthcoming Ordinary General Meeting of 30 June 2023, "Gradus" AD discloses the following information:

1. Losses in the total amount of BGN 8.5 million in "Gradus-3" AD in 2022 and 2023 as a result of imprudent management decisions in 2022 of the subsidiary In connection with a report by the Management Board on the evaluation of shareholder proposals received and included in the agenda of the Ordinary General Meeting of Shareholders of "Gradus" AD and a review of the results of "Gradus-3" AD as of the first five months of 2023. "Gradus" AD disclosed total losses from unreasonable management in 2022 of subsidiary "Gradus-3" AD in the amount of BGN 8.5 million. These same losses are also irretrievably lost cash resources, hurting the Group's liquidity position and negatively impacting the ability to distribute dividends.

In connection with the results of the review, "Gradus" AD takes the following actions, entered in the Commercial register and register of non-profit entities on:

- 5.12.2022 - election of a second representative of "Gradus-3" AD;
- 23.02.2023 - dismissal of Luka Angelov Angelov - independent representative of "Gradus-3" AD from 04.03.2008 to 05.12.2022, as well as members of the Board of Directors - Luka Angelov Angelov and Nedi Stancheva Angelova.

In order to protect the interests of all shareholders, the Board of Directors of "Gradus" AD has not discharged the 2022 representative of "Gradus-3" AD and will analyze the management policy for the period and make additional disclosures if necessary.

2. Dividend distribution decision. The dividend distribution decision taken by our shareholders is balanced. The announced losses of BGN 8.5 million accumulated from mid-2022 to May 2023 in "Gradus-3" AD disqualify "Gradus" AD from distributing a dividend in the amount proposed by Mr. Luka Angelov - BGN 10.8 million. So far, the company has accumulated about BGN 9 million in the form of bought back shares and voted dividend. The announcement is also part of a planned investment program of Gradus Group in the short term, starting with BGN 6.8 million for the subsidiary "Gradus-1" EOOD. It should be noted that we are currently operating in an uncertain business and economic environment of dynamically rising interest rates and it is essential for management not to deprive the company of liquid resources.

3. Approval of the proposal to increase the amount of the share buyback program of "Gradus" AD from 3% to 10% At the Ordinary Annual General Meeting held on 30 June 2023, the proposal was not supported by the sole shareholder of "Gradus" AD holding more than 1/3 of the Company's capital. This limits the Group's ability to use cash resources efficiently and indirectly deprives higher investor interest in the shares. Under the Articles of Association of "Gradus" AD, such a resolution can be passed with more than 2/3 of the capital.

On 04.07.2023 Gradus AD bought back 12295 own shares at an average price of 1.50 leva per share.

The total number of own shares held by the company as of 04.07.2023 is 2804158 the number or 1.15% of the voting rights of Gradus AD.

On 05.07.2023 Gradus AD bought back 40750 own shares at an average price of 1.50 leva per share. The total number of own shares held by the company as of 05.07.2023 is 2844908 the number or 1.17% of the voting rights of Gradus AD.

On 07.07.2023 Gradus AD bought back 20830 own shares at an average price of 1.50 leva per share. The total number of own shares held by the company as of 07.07.2023 is 2865738 the number or 1.18% of the voting rights of Gradus AD.

On 20.07.2023 Gradus AD bought back 256627 own shares at an average price of 1.48 leva per share. The total number of own shares held by the company as of 20.07.2023 is 3122365 the number or 1.28% of the voting rights of Gradus AD.

On 24.08.2023 Gradus AD bought back 135455 own shares at an average price of 1.48 leva per share. The total number of own shares held by the company as of 24.08.2023 is 3257820 the number or 1.34% of the voting rights of Gradus AD.

On 14.09.2023 Gradus AD bought back 75000 own shares at an average price of 1.44 leva per share. The total number of own shares held by the company as of 14.09.2023 is 3332820 the number or 1.37% of the voting rights of Gradus AD.

On 19.09.2023 Gradus AD bought back 638000 own shares at an average price of 1.44 leva per share. The total number of own shares held by the company as of 19.09.2023 is 3970820 the number or 1.63% of the voting rights of Gradus AD.

On 22.12.2023 Gradus AD bought back 45964 own shares at an average price of 1.45 leva per share. The total number of own shares held by the company as of 22.12.2023 is 4016784 the number or 1.65% of the voting rights of Gradus AD.

On 28.12.2023 Gradus AD bought back 55514 own shares at an average price of 1.50 leva per share. The total number of own shares held by the company as of 28.12.2023 is 4072298 the number or 1.67% of the voting rights of Gradus AD.

On 29.12.2023 Gradus AD bought back 62996 own shares at an average price of 1.50 leva per share. The total number of own shares held by the company as of 29.12.2023 is 4135294 the number or 1.70% of the voting rights of Gradus AD.

2.6. Transactions with related and/or interested parties, as well as information on emerging material receivables and/or liabilities for the relevant reporting period.

The Company has not entered into large related party transactions outside its normal business and there are not newly arising and substantially amended receivables/payables for the respective reporting period.

III. Information about the shares of Gradus AD

The company shares are admitted to trading on BSE AD, Market: Standard Segment

From March 15, 2019. until September 20, 2021. The issue of Gradus AD (GR6) is part of the main indices of the BSE (SOFIX, BGBX40, BG TR30). From September 20, 2021. The issue of Gradus AD (GR6) is part of the main indices of the BSE (BGBX40, BG TR30).

From September 20, 2022. The issue of Gradus AD (GR6) is part of the main indices of the BSE (BGBX40).

From March 20, 2022. The issue of Gradus AD (GR6) is part of the main indices of the BSE (BG TR30).

As of 31 December 2023. the issue of Gradus AD (GR6) is part of the main indices of BSE (BGBX40, BG TR30).



Дата	Отваряне	Мин.	Макс.	Затваряне	Δ	Δ%	Обем(лота)	Обем (лева)
12/2023	1.430	1.400	1.500	1.500	▲ 0.100	▲ 7.14 %	186 539	275 899
11/2023	1.400	1.400	1.440	1.400	▼ 0.010	▼ 0.71 %	20 735	29 073
10/2023	1.410	1.400	1.450	1.410	0.000	0.00 %	9 126	12 807
09/2023	1.450	1.410	1.500	1.410	▼ 0.040	▼ 2.76 %	739 060	1 064 448
08/2023	1.520	1.450	1.520	1.450	▼ 0.090	▼ 5.84 %	155 289	229 535
07/2023	1.500	1.450	1.600	1.540	▲ 0.040	▲ 2.67 %	357 521	532 284
06/2023	1.500	1.450	1.500	1.500	0.000	0.00 %	30 381	45 504
05/2023	1.450	1.440	1.510	1.500	0.000	0.00 %	163 750	245 254
04/2023	1.470	1.420	1.510	1.500	▲ 0.060	▲ 4.17 %	2 014 004	2 921 565
03/2023	1.410	1.400	1.500	1.440	▲ 0.040	▲ 2.86 %	122 369	179 229
02/2023	1.490	1.400	1.490	1.400	▼ 0.100	▼ 6.67 %	40 538	57 888
01/2023	1.450	1.410	1.550	1.500	▲ 0.050	▲ 3.45 %	665 070	997 449

January 2024

EXECUTIVE DIRECTOR:

/Georgi Babev/

CHAIRMAN OF THE BOARD OF DIRECTORS

/Angel Angelov/