



TO
FINANCIAL SUPERVISION COMMISSION
Copy to: BSE AD and the Public

FROM
Gradus AD, Stara Zagora town


Dear Ladies and Gentlemen,

Pursuant to Article 114a, Paragraph 9 of the Public Offering of Securities Act (POSA) and referring to a request received on 19 April 2023 from the subsidiaries of Gradus AD, namely Gold Farm 91 EOOD, UIC 205933500, Lora-2004 EOOD, UIC 123658624, Zhyuliv EOOD, UIC 119053781, and Millennium 2000 EOOD, UIC 119591422, for approving a transaction under Article 114, Paragraph 3, item 1, letter (a) of the Public Offering of Securities Act, and on the grounds of a decision taken for the approval by the Board of Directors of Gradus AD dated 20 April 2023, we herewith inform you of the initiation of the procedure for the merger of Gold Farm 91 EOOD (UIC 205933500); Lora-2004 EOOD (UIC 123658624), and Zhyuliv EOOD (UIC 119053781), as transforming companies, with MILENIUM 2000 EOOD (UIC 119591422), as the receiving company.

Gradus AD is the sole equity owner of each of the transforming companies and the receiving company. Therefore, the proposed merger is a fully intra-group transformation, which will not result in a change in the ultimate ownership of the assets to be transferred as a result of the merger from the transforming companies to the receiving company. The merger will be accomplished without an increase in the capital of the receiving company Millennium 2000 EOOD, no advantages are foreseen for the auditors or the members of the management and control bodies of the companies participating in the merger, nor are any other changes foreseen in the Constituent Act of Millennium 2000 as the receiving company. GRADUS is the sole equity owner of Millennium 2000 and will remain so after the merger.

The merger is planned to take place before the end of the second quarter of 2023, and the accounting date of the merger will be the earlier of the date of its entry into the Commercial Register or 30 June 2023.

The purpose of the proposed merger is to optimise production processes and improve efficiency in managing individual production processes now allocated among the various subsidiaries of Gradus AD, as well as to optimise administrative services and overall production costs of the Group of Gradus AD. The de facto transformation of Millennium 2000 EOOD will eliminate numerous intra-group transactions and production processes, such as hatching egg - day-old chicken - fattened chicken (broiler), which will favour the more efficient management of



individual production processes and will help achieve cost optimisation and a lower cost of each final product along the chain.

Given the nature of the transaction, namely a merger among subsidiaries that are wholly owned by Gradus AD, the provisions of Article 114 of POSA regarding interested parties are not applicable, and such parties are not involved in the transaction.

Yours faithfully:

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Public Relations Director