

Translation from Bulgarian

GRADUS AD

INTERIM CONSOLIDATED MANAGEMENT REPORT
As at 31 March 2022

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I. General information about the group

1. Registration and business activities

The Gradus Group includes the parent company and its six subsidiaries.

Parent company

Gradus AD (the "Company") is a company registered in Bulgaria with the Commercial Register at the Registry Agency under UIC 204882907.

The company is of unlimited duration.

Management address:

Republic of Bulgaria,

6000 Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse.

Gradus AD is a public company in accordance with the Public Offering of Securities Act.

Subsidiaries:

As of 31 March 2022, the Group subsidiaries are:

- Lora-2004* (the Company) is registered as OOD (a limited liability company) with the Stara Zagora Regional Court, under company file 332/2004. On 14 December 2017, it was registered with the Commercial Register as EOOD (a single-member limited liability company) with the sole owner of the capital being Gradus AD.

Management address: Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse

- Zhyuliv* (the Company) is registered as OOD (a limited liability company) with the Sliven District Court, under company file 369/1997. On 14 December 2017, it was registered with the Commercial Register as EOOD (a single-member limited liability company) with the sole owner of the capital being Gradus AD.

Management address: the town of Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse

- Millennium 2000* (the Company) is registered as OOD (a limited liability company) by decision 1976 / 20 December 2001 with the Sliven District Court, under company file 948/2001. On 14 December 2017, it was registered with the Commercial Register as EOOD (a single-member limited liability company) with the sole owner of the capital being Gradus AD.

Management address: the town of Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse

- Gradus-1* (the Company) is registered with the District Court of Pazardzhik under company file 732/1995. On 14 December 2017, its legal form was changed to EOOD (a single-member limited liability company) with the sole owner of the capital being Gradus AD.

Management address: the town of Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse

- Gradus-3** (the Company) was established on 20 April 1999 by decision of the Stara Zagora District Court on company file 895/1999.

Management address: the town of Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse

- Gradus-98* ("Biser Oliva-98" AD) was registered on 10 July 1998 by decision of the Stara Zagora District Court on company file No. 1399/1998. By decision of the General Meeting of the Shareholders held on 08 August 2017, it was decided to change the company name from Biser Oliva-98 AD to Gradus-98 AD, which was entered into the Commercial Register on 06 September 2017.

Management address: the town of Stara Zagora, Industrialen quarter.

- Gold Farm 91 EOOD * (the Company) is registered into the Commercial Register with sole owner of capital "Gradus" AD.

Registered office address: Stara Zagora "Industrialen" Residential District, "Gradus" Poultry Slaughterhouse

- Gradus Logistics EOOD * (the Company) is registered into the Commercial Register with sole owner of capital "Gradus" AD.

Registered office address: Stara Zagora "Industrialen" Residential District, "Gradus" Poultry Slaughterhouse

* *Effective percentage of participation*

** *Indirect participation*

Business activities of the Group companies

The main business activity of the Group companies is concentrated in the Poultry Farming sector, with the exception of companies whose activity includes also production of compound fodder and trade.

The scope of business activities of the Group companies is as follows:

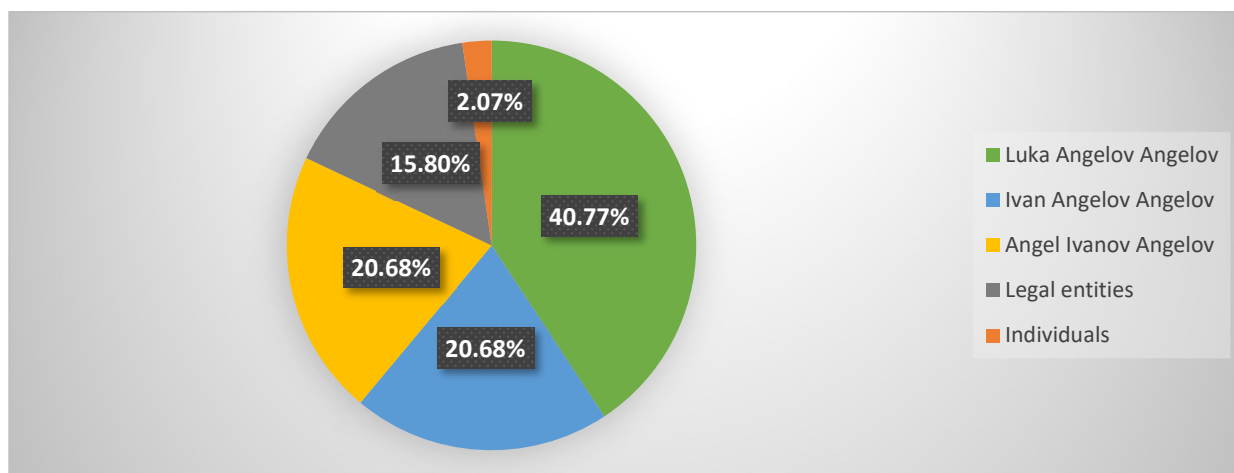
- **Lora-2004 EOOD** - the main business activity of the company is poultry farming - breeding and realization of fattened poultry – broilers;
- **Zhyuliv EOOD** – the main business activity of the company is fattening of broilers and hatching of chickens. The company is registered in the State Fund Agriculture as a farmer.
- **Millennium 2000 EOOD** - the main business activity of the company is poultry farming - breeding parents of broilers, production and realization of breeding eggs, production and realization of fattened broilers;
- **Gradus-1 EOOD** - the main business activity of the company is the processing and sale of poultry meat products;
- **Gradus-3 AD** - the main business activity of the company is the production of compound fodder intended for the market, containing grains and feed additives in a ratio according to established and approved recipes. For the exercise of the activity, the company is entered in the register under Article 19, para.11 of the Law on Fodders and has received a certificate of approval № 00041 dated 26 January 2007 issued by the National Grain and Fodder Service.
- **Gradus-98 AD** - the main business activity of the company is production, processing and realization of all kind of agricultural and animal products.
- **Gold Farm 91 EOOD** – the main activity of the company is poultry farming - breeding and realization of fattened birds - broiler chickens.
- **Gradus Logistics EOOD** - the main activity of the company is rental of vehicles.

The parent company and the subsidiaries carry out their business activities in the Republic of Bulgaria.

The parent company holds the following equity interest in the subsidiaries:

- Lora-2004 EOOD - 50 shares with a nominal value of BGN 100 each representing 100% of the capital of Lora-2004 EOOD;
- Zhyuliv EOOD - 50 shares with a nominal value of BGN 100 each representing 100% of the capital of Zhyuliv EOOD;
- Millennium-2000 EOOD - 10 shares with a nominal value of BGN 500 each representing 100% of the capital of Millennium-2000 EOOD;
- Gradus-1 EOOD - 100 shares with a nominal value of BGN 50 each representing 100% of the capital of Gradus-1 EOOD;
- Gradus AD participates indirectly in the capital of Gradus 3 AD through its subsidiary Gradus-1 EOOD, owning 96.00% of the capital of Gradus 3 AD;
- Gradus 98 AD – 49,967 ordinary registered voting shares with a nominal value of BGN 10 each, representing 99.94% of the capital of Gradus 98 AD.
- Gold Farm 91 EOOD – 3837782 shares with a nominal value of BGN 1 лев each, representing 100% of the capital of Gold Farm 91 EOOD.
- Gradus Logistics EOOD - 4000 shares with a nominal value of BGN 100 each representing 100% of the capital of Gradus Logistics EOOD

2. Shareholding structure of the Group as of 31 March 2022



3. Personnel

As of 31 March 2022, the average payroll staff of the Group was 1,283 workers and employees (31 March 2021: 1,288).

II. Current period result and main risks faced by the Group

1. Current period results of the group

For the period 01 January 2022 – 31 March 2022, the Group has reported an operating profit of BGN 7,516 thousand (for the period 01 January 2021 – 31 March 2021 - BGN 15,459 thousand) and net profit of BGN 6,749 thousand (01 January 2021 – 31 March 2021 : BGN 13,866 thousand).

The difference in the reported result for the period considered compared to the same period of the previous year was mainly due to a change in approach in recognising the revenues from the funded for the welfare of birds. In the current year 2022, the revenues from these subsidies are evenly recognized in the year, and not at once - on their actual receipt. For the period 01.01.2022 – 31.03.2022 bgn 11 740 thousand for the year, or BGN 2 935 000 (for 01.01.2021 – 31.03.2021 10 139 thousand BGN).

The subsidies received for the welfare of birds up to the date of preparation of this report are BGN 10 617 thousand (for the same period of the previous year - BGN 10 139 000).

REVENUE

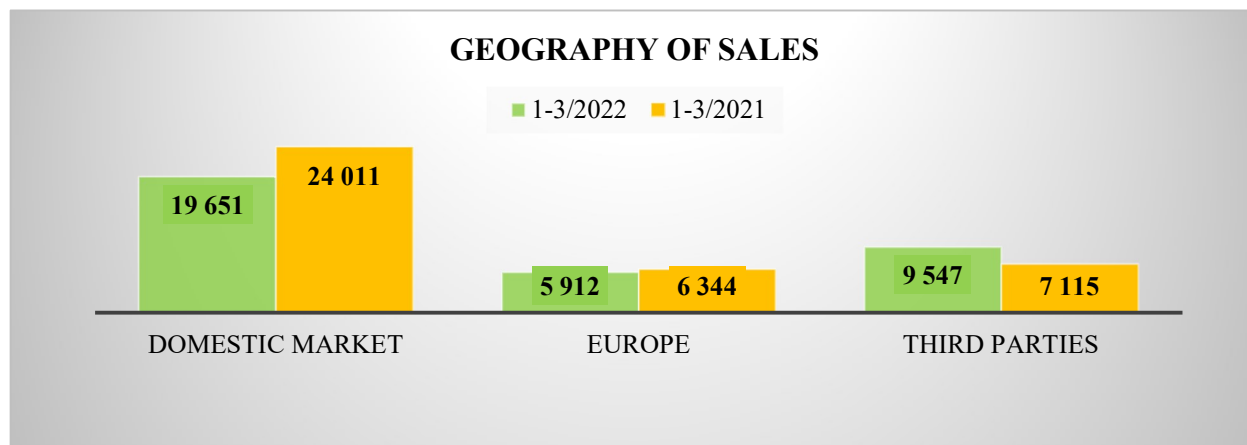
Sales revenue reported by the Group for the reporting period amount to BGN 35,110 thousand, including:

Sales revenue	01-03/2022 BGN'000	01-03/2021 BGN'000	Change %	Relative share 2022 %
Revenue from sale of finished products	34 610	29 094	19%	99%
Revenue from sale of goods	201	8 194	-98%	-
Revenue from sale of services	299	182	64%	1%
Total sales revenue	35 110	37 470	-7%	100%

Revenues from product sales for the reporting period increased by BGN 5,516 thousand or by 18.96% compared to the same period in 2021, reflecting the positive development in the meat and meat products and breeding eggs segments.

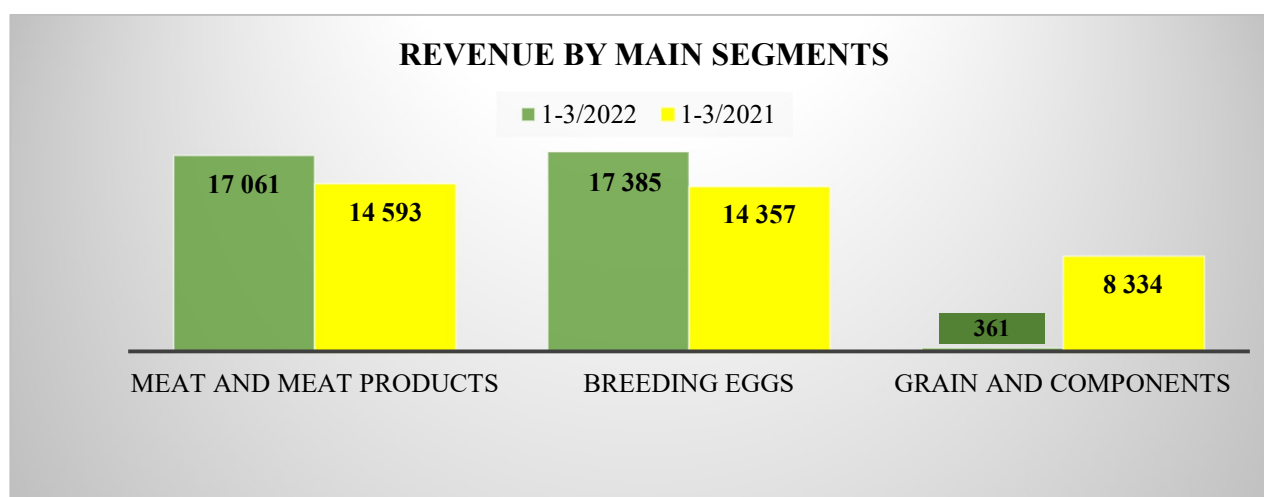
Revenues from sales of goods for the reporting period decreased significantly by BGN 7,993 million or by 97.55% compared to the same period of 2021. This is due to sales in the Grain and components segment. The Group does not focus on this segment of its activities, but if there are good opportunities for transactions in this segment, they will be used.

Revenues from the sale of services for the period increased by BGN 117 thousand or by 64,29% compared to the same period in 2021.



Geography of sales	01-03/2022 BGN'000	01-03/2021 BGN'000	Change %	Relative share 2022 %
Domestic market	19 651	24 011	-18%	56%
Europe	5 912	6 344	-7%	17%
Third countries	9 547	7 115	34%	27%
Total	35 110	37 470	-6%	100%

Revenue reported by main segment



	01-03/2022 BGN'000	01-03/2021 BGN'000	Change %	Relative share 2022 %
Meat and meat products	14 593	14 593	17%	49%
Breeding eggs	14 357	14 357	21%	50%
Grain and components	8 334	8 334	-96%	1%
Total	34 807	37 284	-7%	100%

For the reporting period with the largest share of sales revenues by main segments is the segment "Breeding eggs " with 50% of the total revenue BGN 34,807 million (For the same period of the previous year with the largest share of sales is segment "Meat and meat products" - 39% of the total amount of BGN 37,284 million).

REVENUE BY MAIN SEGMENTS AND BY MARKET

Main segments	Domestic market		Europe		Third countries	
	1-3/2022 BGN'000	1-3/2021 BGN'000	1-3/2022 BGN'000	1-3/2021 BGN'000	1-3/2022 BGN'000	1-3/2021 BGN'000
Meat and meat products	16 866	14 452	187	137	8	4
Breeding eggs	2 121	1 039	5 725	6 207	9 539	7 111
<i>breeding eggs</i>	<i>1 948</i>	<i>903</i>	<i>2 052</i>	<i>3 196</i>	<i>9 539</i>	<i>7 111</i>
<i>one-day-old chicks</i>	<i>173</i>	<i>136</i>	<i>3 673</i>	<i>3 011</i>	<i>0</i>	<i>0</i>
Grains and components	361	8 334	0	0	0	0
Total	19 348	23 825	5 912	6 344	9 547	7 115

Segment "Meat and meat products"

The realized sales revenues in the "Meat and Meat Products" segment for the period under review scored a growth by 16,91 % or BGN 2,468 million compared to the same period of the previous 2021 year.

Inflationary processes in the country and rising prices of cereals on world markets suggest future volatility in price levels of meat and meat products.

The management of the group envisages good prospects for sales in the Meat and Meat Products segment in the recovery period from the pandemic, as well as thereafter, in view of its good liquidity position and the ability to adequately respond to future growth rates of consumer consumption.

Segment „Breeding eggs"

Revenues from sales in the segment "Breeding eggs" (breeding eggs and day-old chicks) for the period under review decreased by 7.35% or by BGN 1,139 million compared to the same period of the previous 2021 year.

Breeding eggs

Realized revenues from the sales of breeding eggs for the reporting period recorded a significant increase of 20,78% or BGN 2 328 thousand compared to the same period of the previous year. The first quarter of the current year witnessed high but volatile prices of breeder eggs on the international markets.

Revenues from sales of breeder eggs on the domestic market registered a significant increase by 115,73% or BGN 1 045 thousand compared to the same period of 2021.

The Group recorded an increase in revenue from sales of breeder eggs to third countries for the period under review by 34,14% or BGN 2,428 thousand compared to the same period of 2021.

During the period under review, there was a decrease in revenue from sales of breeder eggs on the European market by 35.79% or BGN 1,144 thousand compared to the same period of 2021.

The Group's management continues its program of high capex utilization in the segment in the medium to long term.

Day-old chicks

The Group realized an increase in revenue from sales of day-old chicks in the amount of BGN 699 thousand or 14.96% in comparison to the same period in 2021.

Realized revenue from sales of day-old chicks on the domestic market increased by 27.21% or by BGN 37 thousand compared to the same reporting period in 2021.

Sales of day-old chicks in Europe also recorded an increase in revenues by 21.99% or by BGN 662 thousand compared to the same reporting period in 2021.

The Group's management closely monitors the markets for meat and meat products as well as breeder eggs and may increase its production capacity utilization if demand and/or prices for day-old chicks increase.

Segment "Grains and components segment"

For the reporting period the Group realized sales in the segment "Grains and components" by 95.67% or by BGN 7,973 thousand, compared to the same reporting period of 2021.

The Group does not focus on this segment of its activities, but if there are good opportunities for transactions in this segment, they will be used.

Optimization and restructuring processes to reduce costs and increase revenues continue.

Reported other operating income for the period under review amounted to BGN 4 338 thousand and included:

Other operating income	1-3/2022 BGN'000	1-3/2021 BGN'000	Change %	Relative share 2022 %
Rental income	169	275	-39%	4%
Gain on sale of materials and FTAs	65	81	-20%	1%
Income from financing	3 985	10 239	-61%	92%
Others	119	177	-33%	3%
Total	4 338	10 772	-60%	100%

Revenues from the financing include in the main part revenues from subsidies for welfare for birds, which in turn are evenly rescheduled in the reporting year 2022, and not recognized in view of their actual receipt as cash receipts. This leads to a one-off effect in 2022, which is reflected in less recognized funding income in the current quarter and higher revenue in the next three quarters. As of the date of the report, the companies of the Group have received payments for subsidies for welfare of birds in the amount of BGN 10,617 thousand.

EXPENSES

The Group reports operating expenses amounting to BGN 32,078 thousand.

Operating expenses	1-3/2021 BGN'000	1-3/2020 BGN'000	Change %	Relative share 2022 %
Changes in stock of finished products and work in progress	(7 660)	(4 367)	75%	-24%
Expenses on raw materials and materials	27 670	19 011	46%	86%
Hired service expenses	1 874	1 843	2%	6%
Personnel expenses	7 451	6 830	9%	23%
Depreciation / amortization expenses	1 955	1 896	3%	6%
Carrying amount of goods sold	160	6 835	-98%	-
Other operating expenses	628	980	-36%	3%
Total	32 078	33 028	-3%	100%

During the period under review, operating expenses decreased by BGN 950 thousand or by 2.88% compared to the same period in 2021. The change is mainly due to an increase in the cost of raw materials and supplies and a decrease in the sales of goods and, accordingly, in the carrying amount of goods sold by the Group for the period January-March 2022.

The cost of raw materials and supplies increased by BGN 8.7 million or 45.55% compared to the same period in 2021 mainly due to the increase in electricity price and the increase in feed raw material prices.

The cost of external services increased marginally by BGN 31 thousand or by 1.68% compared to the same period in 2021.

Personnel costs in 2021 increased by BGN 1.56 million or by 9.09% compared to the same period of 2021.

Depreciation and amortization expenses for the reporting period increased marginally by BGN 59 thousand or by 3.11% compared to the same period in 2021.

The carrying amount of goods sold decreased by BGN 6,675 thousand or by 97.66% compared to that reported in the same period of 2021, due to a decrease in sales of goods and, accordingly, in the carrying amount of goods sold by the Group for 2021, located in the segment "Grains and components".

FINANCE INCOME AND FINANCE COSTS

Finance income	1-3/2022 BGN'000	1-3/2021 BGN'000	Change %	Relative share 2022 %
Interest income on loans granted	51	46	11%	75%
Foreign exchange gains	17	87	-80%	25%
Total	68	133	-49%	100%

Finance costs	1-3/2022 BGN'000	1-3/2021 BGN'000	Change %	Relative share 2022 %
Interest expenses on bank loans received	3	12	-75%	27%
Bank charges	8	17	-53%	73%
Interest expenses on lease contracts	-	2	-	-
Total	11	29	-62%	100%

2. Main risks faced by the Group

The risk management policy of the Group is directed towards identifying and analysing the risks to which the Group is exposed to set limits of risk appetite. Based on the analysis of these risks, the Group develops and implements appropriate controls to address these risks. This policy, as well as the risk management controls introduced are subject to periodic reviews to reflect any changes in the external and internal conditions in which the subsidiaries operate.

The continuing uncertainty regarding the expected economic development at the national, regional and global levels, as well as the observed inflationary processes, are a challenge in determining the Group's strategy and may affect its results. The geopolitical risk associated with the conflict in Ukraine may have a negative effect on economic processes in Bulgaria and the region, as well as in particular on supply chains in a number of sectors of the economy, and hence affect the Group's operations. This uncertainty creates risks that the Group analyzes and assesses.

Credit risk

Credit risk arises mainly from receivables from customers. The exposure to credit risk is the result of the individual characteristics of each individual client.

The Group manages credit risk primarily by placing credit limits on each client individually, depending on the sales volume and the client's credit history, as well as by exercising constant control over delayed payments.

Currency risk

Sometimes, the Group companies undertake transactions denominated in foreign currencies. The Group is exposed to currency risk relating to possible fluctuations in exchange rates of foreign currencies. Currently, such risk originates from fluctuations in the USD exchange rate upon trading in agricultural produce.

Liquidity risk

Liquidity risk is the risk that the Group companies will have difficulty in fulfilling their obligations related to financial liabilities. The liquidity management approach 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 Group. For the purpose, the subsidiaries maintain credit lines and use short-term borrowings from banks.

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 companies' income or the value of their investments may be affected. The goods' prices are monitored by the Group's management. Sales are managed locally using competitive market prices. The main factors determining price changes are changes in competitors' prices as well as changes in the cost of products.

Political risk

Political risk is the probability of a change of government, or of a sudden change in its policy, of internal political turmoil and adverse changes in European and / or national legislation, as a result of which the environment in which local businesses operate will change negatively, and investors to incur losses.

The political situation on the Export Markets of the Group has a significant effect on the operations and financial position of the Group. Russia is still inaccessible as a breeding egg market for the group.

At the date of the report, the Russian invasion of Ukraine created preconditions for uncertainty and negative consequences for Bulgaria in many dimensions, including economic.

The group's sales revenues generated during the reporting period in Ukraine amounted to BGN 729 000. (BGN 1 877 000 during the same reporting period of 2021) and are situational in the Breeding Eggs segment. At present, in view of the significant preponderance of demand for breeding eggs relative to supply on the export markets on which the Group operates, management expects that, if necessary, such sales may be redirected to other markets on the same or more advantageous terms.

Macroeconomic risk

This is the risk of macroeconomic shocks, which are measured by economic stability and the prospects for growth of the national economy. Trends in the macroeconomic environment directly or indirectly influence the formation and change of market conditions, as well as the investment climate.

3. Key ratios analysis

To achieve greater efficiency and control over the Group companies' results, management monitors certain key performance indicators related to business activities. These indicators are mainly focused on the amount of profit, debt level and effectiveness.

- **Gross Profit Margin (Gross profit from operations / Sales)**

	1-3/2022	1-3/2021
Pre-tax profit	7 516	15 459
Income	35 110	37 470
Gross profit margin	41.26%	41.26%

- **EBITDA margin (EBITDA-Earnings before interest, taxes, depreciation and amortisation /Sales)**

	1-3/2022	1-3/2021
EBITDA (Earnings before interest, taxes, depreciation and amortisation)	9 414	17 251
Income	35 110	37 470
EBITDA margin	26.81%	46.04%

- **Debt to Assets Ratio (Total Liabilities / Total Assets).** Through this indicator, management monitors how much of the assets have been financed by debt in one form or another.

	31.03.2022	31.12.2021
Total liabilities	34 360	31 221
Total assets	370 983	369 099
Debt to Assets Ratio	0.09	0.08

4. Prospective future development of the Group

The Group's management continues its policy of effectively and successfully achieving its main goals:

- increasing the number of main flocks, increasing the number of fattened broilers, increasing the production and marketing of breeding eggs, as well as achieving full compliance with all European standards for the protection of the environment and the environment;
- full utilization of production capacities and increase in product range and sales volume under “Gradus” and “I Eat!” and “Le Poulet” brands;
- development of existing and new business lines related to the production of high-margin food products.

III. Significant events, which have occurred during the reporting period and until the issuance of the interim management report

On 20.04.2022 "Gradus" AD presented an invitation to convene a Regular General Meeting of Shareholders and materials for a general meeting of shareholders, which will be held on 03-06-2022 at 11:00 in Stara Zagora.

The Board of Directors of Gradus AD pursuant to Article 223 of the Commercial Act convenes a regular General Meeting of Shareholders of Gradus AD ("the Company"), to be held on 03 June 2022 at 11:00 (8:00 UTC) am in the town of Stara Zagora 6009, Park Hotel Stara Zagora, 50, Khan Asparuh Street, Tervel Hall, with the following agenda:

1. Approval of the Activity Report of the Board of Directors of the Company for the year 2021;

Draft resolution: The General Meeting of Shareholders approves the Activity Report of the Board of Directors of the Company for the year 2021.;

2. Approval of the Registered Auditor's Report for auditing the Annual Financial Statements of the Company for the year 2021;

Draft resolution: The General Meeting of Shareholders approves the Report of the Registered Auditor for the Verification of the Annual Financial Statement for the year 2021;

3. Approval of the Annual Financial Statements of the Company for the year 2021;

Draft resolution: The General Meeting of Shareholders approves the Annual Financial Statement of the Company for the year 2021;

4. Approval of the report on the activity of the Investor Relations Director of the Company for the year 2021;

Draft resolution: The General Meeting of Shareholders approves the report on the activity of the Investor Relations Director of the Company for the year 2021;

5. Approval of the report on the activity of the Audit Committee for the year 2021;

Draft resolution: The General Meeting approves the report on the activity of the Audit Committee for the year 2021;

6. Proposal for distribution of the profit for 2021, which is BGN 13 670 682.66 and part of the retained earnings, as follows;

Draft resolution:

6.1. The Board of Directors proposes the profit for 2021 to be distributed as follows:

- part of the profit, which is in the total gross amount of BGN 6 333 826.46, has already been distributed to the shareholders of the Company as a 6-month dividend (gross single 6-month dividend BGN 0.026 per share), according to a decision of the General Meeting of Shareholders of The Company as of October 22, 2021;

- the rest of the profit for 2021 (BGN 7 336 856.20) plus part of the retained profit as of 31.12.2021 (BGN 3 625 535.75) total gross amount BGN 10 962 391.95, to be distributed to the shareholders of the Company as an annual dividend, the gross single annual dividend BGN 0.045 per share.

6.2. Condition and term of dividend distribution: Commencement of payment of dividends: 18 July 2022;

Term for payment of dividends: - three months ; Method of payment of dividends: through Central Depository AD and branches of Unicredit Bulbank AD;

7. Deciding on the dismissal of the members of the Board of Directors of the Company for their activity in 2021;

Draft resolution: The General Meeting of Shareholders releases from responsibility the members of the Board of Directors of the Company for their activity in 2021;

8. Election of a certified (registered) auditor to verify and certify the Company's Individual Annual Financial Report for 2022 and the Company's Consolidated Financial Statements for 2022.

Draft resolution: The General Meeting of Shareholders elects a registered auditor to verify and certify the annual financial statements of the Company for 2022, in accordance with a proposal of the Audit

Committee included in the materials on the agenda.

9. Approval of the Report on the Implementation of the Remuneration Policy of the Board of Directors; Draft resolution: The General Meeting of Shareholders approves the Report on the Implementation of the Remuneration Policy of the Board of Directors of the Company.

On 24.02.2022 a military conflict between Ukraine and Russia occurred. Subsequently, a number of countries imposed sanctions against certain individuals and entities in Russia. The Russia Ukraine conflict and the related economic sanctions and other measures taken by governments around the world are expected to have a significant effect on the local economies of individual countries as well as on the global economy.

Gradus AD and its subsidiaries has no investments on the territory of the countries involved in the military conflict. The Group has no trading relationships with sanctioned counterparties. Gradus AD and its subsidiaries has no suppliers of goods or services from the parties to the conflict. Sales to customers in the affected countries are not material to the Group's operations and can be redirected to other markets on the same or more favourable terms. At this stage, management has not identified any significant indirect economic effects on the Group's operations arising from the conflict.

On 17.05.2022 Gradus AD notifies of a protocol of findings, prepared on 16 May 2022, of the results of an inspection of the company activity carried out by the Deputy Chair of the Financial Supervision Commission. The conclusion of the inspection team is: Based on the information provided and analysed in the course of the inspection, there were no violations of the requirements of the Public Offering of Securities Act, the Financial Supervision Commission Act, and the regulations on their implementation relevant for the activities of Gradus AD found. The company further notifies of examinations of the Group companies performed and completed by the National Revenue Agency. During the control performed under the Tax and Social Insurance Procedure Code, the National Revenue Agency ("NRA") authorities have performed examinations of primary accounting documents and other relevant documentation duly provided by the audited companies. As part of the examinations, the control bodies visited the offices and bases of the respective companies. Cross-checks of contractors and individuals selected by the control bodies have also been performed. As a result of all actions taken, the NRA did not find significant inconsistencies in the tax and accounting documentation or violations of tax legislation by the audited companies. Minor violations of the nature of clerical errors were established and eliminated yet during the inspections. None of the NRA reports found a discrepancy between the actual and documented facts.

Considering the above facts, Gradus AD deems the media speculation, in which the company was involved and where, in addition to the accused Mr. Ilchovski, journalists, politicians, and others took an active part, to be over.

IV. Information about related party transactions

The group has not entered into large related party transactions outside its normal business. The information on related party transactions is disclosed in the notes (bel. 34, p. 37) to the interim consolidated financial statements for the period January – March 2022.

V. Information about the shares of Gradus AD

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

Since 15 March 2019, the issue of Gradus AD (GR6) has been part of the main indices of BSE, namely SOFIX, BG40, BGTR30.

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

	31 March 2022
Total number of shares issued	243 608 710
Number of shares in circulation as of 31 March 2022	243 608 710
Price of share at the beginning of the period	1,35
Price of share at the end of the period	1,33
Market capitalisation as of 31 March 2022 in BGN	323 999 584

27 May 2022

EXECUTIVE DIRECTOR:

/Ivan Angelov/

CHAIRMAN OF BD:

/Luka Angelov/