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1. Status and subject of activity

Gradus AD, Stara Zagora, was established on 28 November 2017.
Management address: Stara Zagora, Industrialen quarter, Gradus Poultry Slaughterhouse
BULSTAT: 204882907

Gradus AD is a public company registered on 30 July 2018 by the Financial Supervision Commission.

The shares of the company are listed on the Bulgarian Stock Exchange.

The capital of the company consists of 243,608,710 (two hundred forty-three million, six hundred and eight thousand, seven hundred and ten) non-preferential registered shares with nominal amount of BGN 1 each, of which voting rights 237 711 580 (two hundred and thirty-seven seven hundred and eleven thousand five hundred and eighty) non-preferred registered shares with a nominal value of BGN 1 each and:
without the right to vote 5 897 130 (five million eight hundred and ninety-seven hundred and thirty) non-preferred registered shares, which are owned by Gradus AD.

Object of activity of the company: 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.

2. Basis of preparation of the separate financial statements

These separate financial statements have been prepared based on the principles of going concern and historical cost convention, with the exception of property, plant and equipment, which are accounted for by using the revaluation model in IAS 16 "Property, Plant and Equipment".

These financial statements are the separate financial statements of Gradus AD.

Functional currency and currency of presentation

Pursuant to the requirements of the Bulgarian legislation, the company keeps its accounting books and records and prepares its financial statements in the national currency of the Republic of Bulgaria – the Bulgarian lev. Since 1 January 1999 the exchange rate of the Bulgarian lev has been pegged to the exchange rate of the Euro in a ratio of EUR 1 = BGN 1.95583.

These financial statements have been prepared in BGN'000 (BGN thousand), unless stated otherwise.

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3. Property, plant, and equipment

<i>In BGN'000</i>	Buildings	Hardware	Cars	Total
Book value				
Balance on 31 December 2022	117	27	12	156
Acquire	113	3	-	116
Written-off during the period	(117)	-	-	(117)
Balance on 31 December 2023	113	30	12	155
Balance on 30 June 2024	113	30	12	155
Depreciation				
Balance on 31 December 2022	(102)	(8)	(10)	(120)
Depreciation charge for the period	(57)	(4)	(1)	(62)
Written-off during period	117	-	-	117
Balance on 31 December 2023	(42)	(12)	(11)	(65)
Depreciation charge for the period	(28)	(1)	(1)	(30)
Balance on 30 June 2024	(70)	(13)	(12)	(95)
Net book value				
Net book value on 31 December 2023	71	18	1	90
Net book value on 30 June 2024	43	17	-	60

Further information on right-of-use assets included in the Property, Plant and Equipment note is presented in the table below:

<i>In BGN'000</i>	Carrying amount at 01.01.2024	Written-off during the period 1-6/2024r.	Acquired during the period 1-6/2024	Accrued depreciation for the period 1-6/2024r.	Carrying amount at 30.06.2024
Buildings-office	71	-	-	(28)	43
Total	71	-	-	(28)	43

4. Intangible assets

<i>In BGN'000</i>	Software	Licences	In process of acquisition and development	Total
Book value				
Balance on 31 December 2022	16	15	7	38
Balance on 31 December 2023	16	15	7	38
Acquired	-	-	4	4
Disposals	-	-	(7)	(7)
Balance on 30 June 2024	16	15	4	35
Amortisation				
Balance on 31 December 2022	(8)	(8)	-	(16)
Balance on 31 December 2023	(9)	(11)	-	(20)
Amortisation charge for the period	(1)	(1)	-	(2)
Balance on 30 June 2024	(10)	(12)	-	(22)
Net book value				
Net book value on 31 December 2023	7	4	4	22
Net book value on 30 June 2024	6	3	4	13

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5. Investments in subsidiaries

As at 30 June 2024 and 31 December 2023, the company held shares in the following companies:

Company	Country	30.06.2024	Equity share %	31.12.2023	Equity share %
		Share – BGN '000		Share – BGN '000	
Millennium 2000 EOOD	Bulgaria	67 052	100	67 052	100
Gradus-1 EOOD	Bulgaria	149 760	100	149 760	100
Gradus-98 AD	Bulgaria	52 206	99,94	52 206	99,94
Gradus Logistics EOOD	Bulgaria	400	100	400	100
Total:		269 418		269 418	

Gradus-1 EOOD holds 96% of the capital of Gradus-3 AD, which is the effective participation of Gradus AD in Gradus-3 AD.

6. Deferred tax assets

The recognised deferred tax assets relate to the following:

	Assets		Liabilities		Net	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
<i>In BGN'000</i>						
Tax loss	7	7	-	-	7	7
Income of individuals	1	1	-	-	1	1
Net tax assets	8	8	-	-	8	8

There is no movement in the temporary differences in the period 01.01.2024 – 30.06.2024

7. Other current receivables and prepayments

<i>In BGN'000</i>	30 June 2024	31 December 2023
Taxes refundable	24	18
Deferred income	14	13
Others	323	217
Total	361	248

8. Cash and cash equivalents

<i>In BGN'000</i>	30 June 2024	31 December 2023
Cash on hand	-	1
Cash in current accounts	233	301
Total	233	302

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9. Equity

Share capital

The share capital consists of:

	Number of voting shares	Number of shares without voting rights	Total number of shares	Amount in BGN'000
At 31 December 2022	243 608 710	-	243 608 710	243 609
At 31 December 2023	239 473 416	4 135 294	243 608 710	243 609
At 30 June 2024	237 711 580	5 897 130	243 608 710	243 609

The total number of shares at 30 June 2024 is 243,608,710 with nominal value of BGN 1 each. The share capital is paid in full.

	Number of shares	Fixed capital, net of repurchased shares
Balance on 1 January 2024	239 473 416	237 541
Own shares repurchased	(1 761 836)	(2 989)
Costs of repurchased own shares	-	(6)
Balance on June 30, 2024	237 711 580	234 546

The shareholders of Gradus AD at 30 June 2024 are as follows:

	Number of voting shares	Number of shares without voting rights	Total number of shares	Shareholding %
Gradus AD	-	5 897 130	5 897 130	2,42
Ivan Angelov Angelov	50 373 165	-	50 373 165	20,68
Angel Ivanov Angelov	50 372 417	-	50 372 417	20,68
Luka Angelov Angelov	99 316 945	-	99 316 945	40,77
Legal entities	33 458 575	-	33 458 575	13,73
Individual shareholders	4 190 478	-	4 190 478	1,72
Total:	237 711 580	5 897 130	243 608 710	100,00

The shareholders of Gradus AD at 31 December 2023 are as follows:

	Number of voting shares	Number of shares without voting rights	Total number of shares	Shareholding %
Gradus AD	-	4 135 294	4 135 294	1,70
Ivan Angelov Angelov	50 373 165	-	50 373 165	20,68
Angel Ivanov Angelov	50 372 417	-	50 372 417	20,68
Luka Angelov Angelov	99 316 945	-	99 316 945	40,77
Legal entities	34 961 310	-	34 961 310	14,35
Individual shareholders	4 449 579	-	4 449 579	1,82
Total:	239 473 416	4 135 294	243 608 710	100,00

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Equity

<i>In BGN'000</i>	30 June 2024	31 December 2023
Share capital	243 609	243 609
Shares repurchased	(5 897)	(4 135)
Issue premium	59 122	60 354
Retained earnings	16 692	16 572
Total	313 526	316 400

The share capital is presented at the nominal value of the shares issued and paid. Receipts above their nominal value are reported as issue premium.

10.1. Trade payables

As of 30/06/2024, the Company reported trade payables to third parties in the amount of BGN 7 thousand.
(31/12/2023: BGN 14 thousand)

10.2. Tax liabilities

<i>In BGN'000</i>	30 June 2024	31 December 2023
Personal income tax liabilities	6	1
Other taxes	-	3
Total:	6	4

11. Payables to personnel and for social security

<i>In BGN'000</i>	30 June 2024	31 December 2023
Payables to personnel	58	-
Social security payable	8	7
Obligations under unused leave and social security contributions for them	6	7
Total:	72	14

12. Lease payables

The leasing obligations included in the statement of financial position are in BGN and have arisen in connection with contracts for the rental of buildings. The liabilities are presented net of the interest due in the future and are as follows:

	Minimum lease payments		Present value of the minimum lease payments	
	As at 30.06.2024	As at 31.12.2023	As at 30.06.2024	As at 31.12.2023
Liabilities under lease with maturity :				
Up to 1 year	45	60	44	59
Between 2 and 5 years	-	15	-	13
Total	45	75	44	72
Reduced by: future financial charges	(1)	(3)	-	-
Present value of liabilities	44	72	44	72

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13. Income

13.1. Other income

In BGN'000

	1-6/2024	1-6/2023
Rentals	10	1
Other	-	1
Total:	10	2

13.2 Dividend income

In BGN'000

	1-6/2024	1-6/2023
Gradus-98 AD	-	1 999
Gradus-1 EOOD	-	1 000
Milenium 2000 EOOD	-	2 000
Total:	-	4 999

See note 19, „Related party transactions“

14. Costs of hired services

In BGN'000

	1-6/2024	1-6/2023
Audit costs	21	25
Consulting activities and commissions	18	21
Advertising expenditure and PR	13	17
Subscription fees	12	11
Subscription fees – legal services	7	4
Expenses for consumables of leased assets (electricity; etc. gas)	6	6
Service charges current bank accounts	1	1
Repair and maintenance of fixed assets	1	1
Insurances	1	1
Other expenses	7	6
Total:	87	93

15. Personnel costs

In BGN'000

	1-6/2024	1-6/2023
Current remuneration	427	383
Social security contributions	27	21
Total:	454	404

16. Other operating expenses

In BGN'000

	1-6/2024	1-6/2023
Representation costs	3	3
Business trips expenses	2	1
Other	1	-
Total:	6	4

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17. Finance income/costs

<i>In BGN'000</i>	1-6/2024	1-6/2023
Interest income on loans granted	699	528
Lease interest expense	(1)	-
Other	(3)	-
Total income/costs	695	528

18. Financial instruments

Categories of financial instruments:

Financial assets at amortised cost

<i>In BGN'000</i>	30.06.2024	31.12.2023
Related party receivables	7 375	8 395
Receivables on loans to related parties	36 189	38 027
Cash and cash equivalents	233	302
Total:	43 797	46 724

During its ordinary activity the company is exposed to various financial risks, the most significant of which are the following: market risk (including currency risk, risk of changes in fair value and price risk), credit risk, liquidity risk and risk of interest-bearing cash flows.

The overall risk management is focused on difficulties in forecasting financial markets aimed at minimising the potential negative effects that might impact the financial results and performance of the company.

Currently, financial risks are identified, measured and monitored currently, using different control mechanisms, in order to determine adequate prices of company's goods and to assess adequately the forms of maintenance of free liquidity without permitting unjustified concentration of a particular risk.

Risks faced by the company are managed on an ongoing basis in accordance with a policy elaborated by the company's management. Main principles of the overall financial risk management have been set, on the basis of which specific procedures for management of particular risks, such as credit risk, currency risk, liquidity risk, and interest rate risk.

Credit risk

The main financial assets of the company comprise cash on hand and cash in bank accounts, and receivables on loans granted.

Credit risk is the risk that the company's counterparties might not be able to repay fully and within the usual time limits the amounts they owe on credit receivables.

Loans granted and financial guarantees

The Company measures the credit risk of loans to related parties by using the probability of default (PD), exposure at default (EAD) and loss given default (LGD). To determine the credit risk, the company's management uses internal estimates that reflect the probability of default for individual counterparties. The activity, financial performance of the borrower and the value of the collateral received is included in the risk assessment.

The Company considers that a financial instrument has undergone a significant increase in credit risk (migration from phase 1 to phase 2) when one or more of the following quantitative or qualitative criteria are met:

- the borrower is past due by more than 60 days;
- significant adverse changes in business, financial and economic conditions in which the borrower operates;
- actual or expected significant adverse changes in the operating results of the borrower;

Criteria used to determine whether there is a significant increase in credit risk are monitored and reviewed periodically.

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The company considers a financial instrument as being in default and exposed to a credit loss (migration from phase 1 or phase 2 to phase 3) when one or more of the following quantitative or qualitative criteria are met:

- the borrower is past due by more than 90 days;
- the borrower experiences significant financial difficulties;
- the borrower is in an insolvency / liquidation procedure.

Calculation of expected credit losses

Expected credit losses are calculated by discounting the resulting value of the product of: the probability of default (PD), exposure at default (EAD) and loss given default (LGD), determined as follows:

- PD the probability of that the borrower would fail to perform its financial obligation either in the next 12 months or for the entire lifetime of the financial asset;
- EAD is the amount due by the company at the time of default;
- LGD is the expectation of the company for the amount of the loss in case of exposure at default. The LGD amount has been reduced by the insured portion of the financial asset.

The discount rate used to calculate the expected credit loss (ECL) is the instrument's original effective interest rate. When determining the 12-month and lifetime PD, EAD and LGD for the instrument, forecast information has been employed as well. The company's management has conducted an historical analysis and has identified the main economic variables affecting credit risk and expected credit losses.

The expected credit losses on certain loans classified in Phase 1 are determined on the basis of expected credit losses resulting from possible default events which could occur within the next 12 months of the lifetime of the relevant asset (12-month expected credit losses for the instrument).

Analysis of expected credit losses on loans granted:

<i>In BGN'000</i>	Loan granted at 30.06.2024	Interest rate	Probability of non- performance, %	Loss in case of non- performance	Expected credit losses	Loan granted, net
Gradus-1 EOOD	9 927	3.30%	0.03%	9 927	(3)	9 924
Gradus-3 AD	19 441	3.30%	0.01%	19 441	(2)	19 439
Gradus Logistics EOOD	1 603	3.30%	0.02%	1 603	-	1 603
Milenium 2000 EOOD	4 723	3.30%	0.04%	4 723	(2)	4 721
Gradus-98 AD	502	3.30%	0.02%	502	-	502
Total:	36 196			36 196	(7)	36 189

<i>In BGN'000</i>	Loan granted at 31.12.2023	Interest rate	Probability of non- performance, %	Loss in case of non- performance	Expected credit losses	Loan granted, net
Gradus-1 EOOD	13 745	3.80%	0.02%	13 745	(3)	13 742
Gradus-3 AD	11 637	3.80%	0.02%	11 637	(2)	11 635
Gradus Logistics EOOD	501	3.80%	0.02%	501	-	501
Milenium 2000 EOOD	11 638	3.80%	0.02%	11 638	(2)	11 636
Gradus-98 AD	513	3.80%	0.02%	513	-	513
Total:	38 034			38 034	(7)	38 027

Currency risk

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At the moment, this risk is immaterial for the Company has no transactions in currencies other than the Bulgarian lev.

Liquidity risk

Liquidity risk is reflected in the adverse situation of the Company not being able to meet unconditionally all of its liabilities as they fall due. The Company applies conservative liquidity management policy through which it constantly maintains optimal cash levels. The company does not experience a shortage of cash.

Interest rate risk

The company did not hold interest-bearing financial liabilities at 30 June 2024 and 31 December 2023.

19. Related party transactions

Identification of related parties

For the purposes of preparing these separate financial statements, the owners, the companies under their control, the senior management (key management staff) and close family members, including companies controlled by them, are treated as related parties.

Related parties:	Relation
Ivan Angelov Angelov	Equity owner
Angel Ivanov Angelov	Equity owner
Georgi Aleksandrov Babev	Member of the Board of Directors and Executive
Bistra Stoyanova Koceva	Member of the Board of Directors
Luka Angelov Angelov	Equity owner
Gradus-1 EOOD	Subsidiary company
Gradus-3 AD	Subsidiary company
Millennium 2000 EOOD	Subsidiary company
Gradus-98 AD	Subsidiary company
Zhyuliv EOOD	Subsidiary until 30.06.2023
Lora-2004 EOOD	Subsidiary until 30.06.2023
Gold Farm 91 EOOD	Subsidiary until 30.06.2023
Gradus Logistics EOOD EOOD	Subsidiary company
Energy-2 OOD	Relationship through a person exercising significant influence
Agro Invest-7 OOD	Relationship through a person exercising significant influence
Ayazmo AD	Relationship through a person exercising significant influence
Ralitsa 2004 OOD	Relationship through a person exercising significant influence
Biser Oliva AD	Relationship through a person exercising significant influence
Equity Invest-1 AD	Relationship through a person exercising significant influence
Equity Invest-2 OOD	Relationship through a person exercising significant influence
M.O. Stara Zagora OOD	Relationship through a person exercising significant influence
Biser Distribution OOD	Relationship through a person exercising significant influence
LG Auto OOD	Relationship through a person exercising significant influence
Auto Spa Center	Relationship through a person exercising significant influence
Next Capital OOD	Relationship through a person exercising significant influence
LG Auto 2 OOD	Relationship through a person exercising significant influence
AA Invest 1 EOOD	Relationship through a person exercising significant influence
AP INVESTMENTS AD	Relationship through a person exercising significant influence
AP CAPITAL AD	Relationship through a person exercising significant influence
Angels Estate AD	Relationship through a person exercising significant influence
ACIBADEM CITY CLINIC EAD	Relationship through a person exercising significant influence
Gallery Varna AD	Relationship through a person exercising significant influence
West MALL AD	
FarmproOOD	Relationship through a person exercising significant influence until 1.04.2024
ACIBADEM CITY CLINIC MLADOST EOOD	Relationship through a person exercising significant influence
ACIBADEM CITY CLINIC UMBAL TOKUDA EAD	Relationship through a person exercising significant influence
APL Capital AD	Relationship through a person exercising significant influence
BGK AD	Relationship through a person exercising significant influence

Loans granted to related parties:

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<i>In BGN'000</i>	Interest rate	Maturity	Collateral	Loan granted at 30.06.2024	Loan granted at 31.12.2023
Gradus-1 EOOD	3,30%	02.2025	No	9 900	13 700
Gradus-3 AD	3,30%	09-12.2024	No	19 400	11 600
Gradus Logistics EOOD	3,30%	12.2024-04.2025	No	1 600	500
Millennium 2000 EOOD	3,30%	12.2024	No	4 700	11 600
Gradus-98 AD	3,30%	05.2025	No	500	500
Total:				36 100	37 900

The transactions between Gradus AD and the related companies for the period 1-6/2024 were as follows:

<i>In BGN'000</i>	Type of transaction	Transaction value for the period 1-6/2024	Total liabilities 30 June 2024
Gradus-1 EOOD	Service	1	-
Total liabilities			-

<i>In BGN'000</i>	Type of transaction	Transaction value for the period 1-6/2024	Total receivables 30 June 2024
Gradus-1 EOOD	Service	161	50
Gradus-1 EOOD	Loans granted	1 000	9 897
Gradus-1 EOOD	Interest accrued	189	27
Gradus-3 AD	Service	32	8
Gradus-3 AD	Loans granted	10 700	19 398
Gradus-3 AD	Interest accrued	275	41
Millennium 2000 EOOD	Service	61	9
Millennium 2000 EOOD	Loans granted	-	4 698
Millennium 2000 EOOD	Interest accrued	81	23
Gradus-98 AD	Service	31	7
Gradus-98 AD	Loans granted	-	500
Gradus-98 AD	Interest accrued	10	2
Gradus Logistics EOOD	Service	3	1
Gradus Logistics EOOD	Loans granted	1 100	1 600
Gradus Logistics EOOD	Interest accrued	17	3
Gradus-1 EOOD	Dividends	-	7 300
Total:			43 564
Including dividends receivable:			7 300
Including receivables on loans			36 189
Including trade receivables			75

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20. Related party transactions (continued)

The transactions between Gradus AD and the related companies for the period 1-6/2023 were as follows:

<i>In BGN'000</i>	Type of transaction	Transaction value for the period 1-6/2023	Total receivables 31 December 2023
Gradus-1 EOOD	Service	173	85
Gradus-1 EOOD	Loans granted	-	13 697
Gradus-1 EOOD	Interest accrued	248	45
Gradus-3 AD	Service	38	3
Gradus-3 AD	Loans granted	5 500	11 598
Gradus-3 AD	Interest accrued	82	37
Millennium 2000 EOOD	Service	36	6
Millennium 2000 EOOD	Loans granted	-	11 598
Millennium 2000 EOOD	Interest accrued	19	38
Lora-2004 EOOD	Service	9	-
Lora-2004 EOOD	Loans granted	-	-
Lora-2004 EOOD	Interest accrued	156	-
Gradus-98 AD	Service	16	1
Gradus-98 AD	Loans granted	1 500	500
Gradus-98 AD	Interest accrued	3	13
Zhyuliv EOOD	Service	3	-
Zhyuliv EOOD	Loans granted	5 500	-
Zhyuliv EOOD	Interest accrued	16	-
Gold Farm 91 EOOD	Service	4	-
Gradus Logistics EOOD	Service	3	-
Gradus Logistics EOOD	Loans granted	-	500
Gradus Logistics EOOD	Interest accrued	6	1
Millennium 2000 EOOD	Dividends	1 000	1 000
Gradus -98 AD	Dividends	1 999	
Gradus-1 EOOD	Dividends	1 000	7 300
Lora-2004 EOOD	Dividends	1 000	-
Total:			46 422
Including dividends receivable:			8 300
Including receivables on loans			38 027
Including trade receivables			95

20. Events after the reporting date

There were no other significant events occurring after 30 June 2024 that require additional adjustments and/or disclosures in the separate financial statements.