

Translation from Bulgarian

GRADUS AD

INTERIM CONSOLIDATED MANAGEMENT REPORT
As of 30 September 2024

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I. General information about the group

1. Registration and business activities

The Gradus Group includes the parent company and its seven 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 30 September 2024, the Group subsidiaries are:

- 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.

- 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 and renting of means of transport.

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

- **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, fattening of broilers and hatching of chickens;

- **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.
- **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:

- 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.
- Gradus Logistics EOOD - 4000 shares with a nominal value of BGN 100 each representing 100% of the capital of Gradus Logistics EOOD

2. Personnel

As of 30 September 2024, the average payroll staff of the Group was 1,152 workers and employees (30 September 2023: 1,129 workers and employees).

II. 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

1. Current period results of the group

For the period 01 January 2024 – 30 September 2024, the Group has reported an operating profit of BGN **41 533** thousand (for the period 01 January 2023 – 30 September 2023 - an operating profit of BGN 8 072 thousand) and net profit of BGN **37 440** thousand (01 January 2023 – 30 September 2023 - an net profit of BGN 7 439 thousand).

REVENUE

Sales revenue reported by the Group for the reporting period amount to BGN 129 306 thousand, including:

Sales revenue	1-9/2024 BGN'000	1-9/2023 BGN'000	Change %	Relative share 2024 %
Revenue from sale of finished products	125 585	102 155	23%	97%
Revenue from sale of goods	3 188	4 310	-26%	3%
Revenue from sale of services	533	1 078	-51%	-
Total sales revenue	129 306	107 543	20%	100%

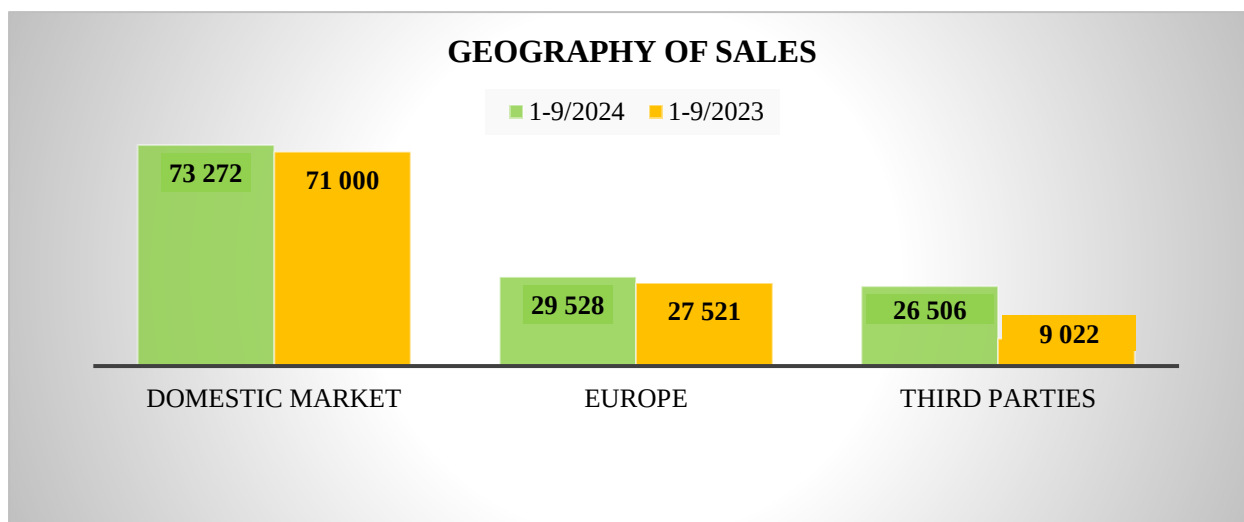
Revenues from production sales for the reporting period increased by BGN 23 430 thousand or by 22,94% compared to those realized in the same period of 2023, reflecting the overall growth in the markets in which the Group operates, with the greatest weight of transactions executed in the markets of third countries in the Breeding Eggs segment.

Revenues from sales of goods for the reporting period decreased by BGN 1 122 thousand or 426,03% compared to the same period of 2023, reflecting the realized transactions in the segment Grains and components on the domestic market.

Revenues from sales of services for the reporting period decreased by BGN 545 thousand or by 50,56% compared to those reported in the same period of 2023.

Geography of sales

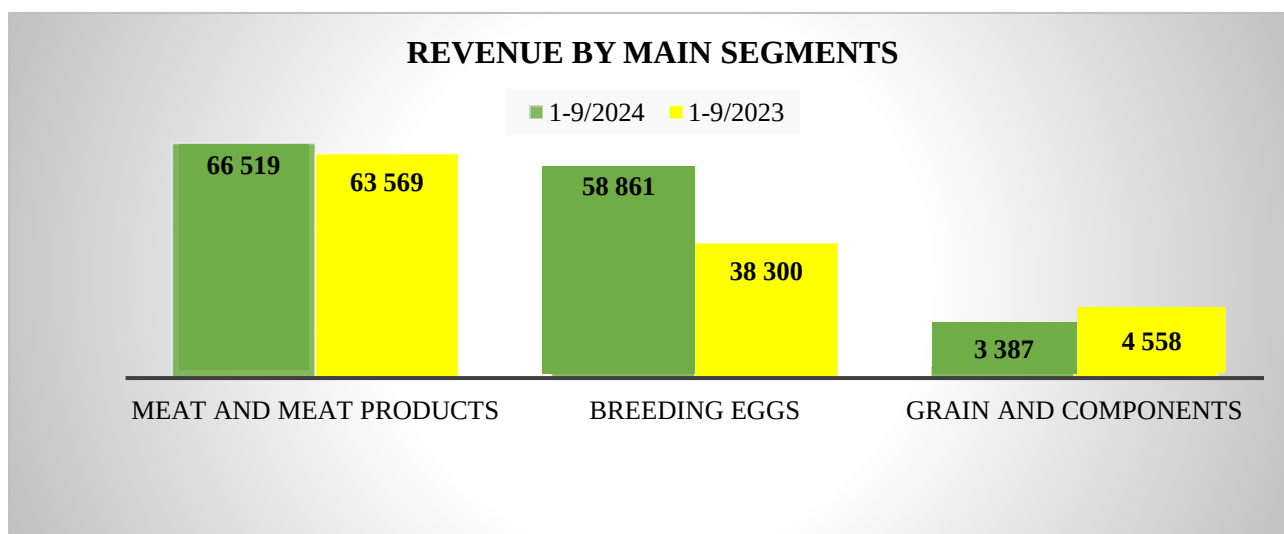
	1-9/2024 BGN'000	1-9/2023 BGN'000	Change %	Relative share 2024 %
Domestic market	73 272	71 000	3%	57%
Europe	29 528	27 521	7%	23%
Third countries	26 506	9 022	194%	20%
Total	129 306	107 543	20%	100%



Revenue reported by main segments

	1-9/2024 BGN'000	1-9/2023 BGN'000	Change %	Relative share 2024 %
Meat and meat products	66 519	63 569	5%	51%
Breeding eggs	58 861	38 300	54%	46%
Grain and components	3 387	4 558	-26%	3%
Others	539	1 116	-52%	-
Total	129 306	107 543	20%	100%

For the reporting period, the largest share of sales revenue by main segments is the "Meat and Meat Products" segment with 51,44% of the total revenue BGN 129 306 thousand (For the same period of the previous year, the largest share of sales is the segment "Meat and Meat Products" – 59,11% of the total amount of BGN 107 543 thousand).



REVENUE BY MAIN SEGMENTS AND BY MARKET

Main segments	Domestic market		Europe		Third countries	
	1-9/2024 BGN'000	1-9/2023 BGN'000	1-9/2024 BGN'000	1-9/2023 BGN'000	1-9/2024 BGN'000	1-9/2023 BGN'000
Meat and meat products	66 519	62 742	-	659	-	168
Breeding eggs	2 827	2 584	29 528	26 862	26 506	8 854
<i>breeding eggs</i>	<i>2 344</i>	<i>2 283</i>	<i>14 584</i>	<i>10 073</i>	<i>26 506</i>	<i>8 854</i>
<i>one-day-old chicks</i>	<i>483</i>	<i>301</i>	<i>14 944</i>	<i>16 789</i>	-	-
Grains and components	3 387	4 558	-	-	-	-
Total	72 733	69 884	29 528	27 521	26 506	9 022

The management of the group closely monitors the main markets for the realization of the production in the segments in which it operates and takes the necessary measures to ensure optimal economic benefit at the group level.

Segment “Meat and meat products”

The realized sales revenues in the “**Meat and Meat Products**” segment for the period under review scored a increase by 4,64% or BGN 2 950 thousand compared to the same period of the previous 2023 year.

Inflationary processes and the impact of geopolitical risks on the prices of basic raw materials suggest future volatility in the price levels of meat and meat products.

The focus of the production of Gradus – 1 Ltd. is to continue to increase the quantities of final products with higher demand, higher added value and margins. Part of this strategy is the investment launched in the second quarter to increase the production capacity of cut meat products.

Management expects the strategic reorientation of the subsidiary to continue to bring positive results in the medium term.

Segment „Breeding eggs”

The realized sales revenues in this segment for the reporting period increased by 53,68% or by BGN 20 561 thousand. compared to the same period of the previous year.

Breeding eggs

The realized revenues from sales of breeding eggs for the reporting period increased by 104,78% or by BGN 22 224 thousand compared to the same period of the previous year. During the reporting period, there were volatile prices of breeding eggs on international markets.

Revenues from the domestic market of breeding eggs recorded a increase of 2,67% or 61 thousand BGN in the same period of 2023.

During the period under review, there was a increase in revenue from sales of breeder eggs on the European market by 44,78% or BGN 4 511 thousand compared to the same period of 2023.

The group reported a significant increase in revenues from sales of breeding eggs in third countries for the period under review – 199,37% or BGN 17 652 thousand. compared to the same period in 2023, thanks to higher demand and higher prices negotiated by the new management.

Day-old chicks

The Group realized an decrease in revenue from sales of day-old chicks in the amount of BGN 1 663 thousand or 9,73% in comparison to the same period in 2023 due to increased demand under more favorable conditions for breeding eggs.

Realized revenues from sales of day-old chicks on the domestic market they have seen a slight increase by 60,47% or BGN 182 thousand. compared to the same reporting period in 2023.

Sales of day-old chickens in Europe reported a decrease in revenue by 10,99% or BGN 1 845 thousand compared to the same reporting period in 2023.

Segment “Grains and components segment”

For the reporting period the Group realized decrease in sales of the grain and components segment by 25,69% or BGN 1 171 thousand, compared to the same reporting period of 2023.

The group does not focus on this segment of its business, but if there are good transaction opportunities in this segment, they will be exploited.

The optimization and restructuring processes to reduce costs and increase revenue continue.

Reported other operating income for the period under review amounted to BGN 16 438 thousand and included:

Other operating income	1-9/2024 BGN'000	1-9/2023 BGN'000	Change %	Relative share 2024 %
Rental income	425	435	-2%	3%
Reversed impairments for credit losses of receivables	-	2 059	-	-
Gain on sale of materials and FTAs	4 265	472	804%	26%
Income from financing, including:	10 706	8 381	28%	65%
for the humane rearing of poultry	10 091	7 892	28%	61%
for electric energy	352	267	32%	2%
Others	1 042	161	547%	6%
Total	16 438	11 508	43%	100%

EXPENSES

The Group reports operating expenses amounting to BGN 104 228 thousand.

Operating expenses	1-9/2024 BGN'000	1-9/2023 BGN'000	Changes %	Relative share 2024 %
Changes in stock of finished products and work in progress	(18 858)	(17 366)	9%	-18%
Expenses on raw materials and materials	71 534	76 280	-6%	69%
Hired service expenses	6 104	5 374	14%	6%
Personnel expenses	26 916	26 427	2%	26%
Depreciation / amortization expenses	5 437	6 184	-12%	5%
Carrying amount of goods sold	3 172	4 431	-28%	3%
Impairment of assets	7 597	7 604	-	7%
Other operating expenses including	2 326	2 392	-3%	2%
Total	104 228	111 326	-6%	100%

During the period under review, the first effects of the optimizations launched by the new management are visible, with *the operating costs* growing significantly slower than the revenues. The change for the period of operating expenses is BGN 7 098 thousand or 6,38% more compared to those reported in the same period of 2023. (Detailed information on the costs of the activity can be seen on pages 14-15 of the Explanatory Notes to the Consolidated Report).

The cost of raw materials decreased by BGN 4 746 thousand or 6,22% compared to the same period in 2023. This is due to the lower prices of materials used in production (p. 14, note 27);

The cost of external services has increased by BGN 730 thousand. or by 13,58% compared to those reported in the same period of 2023. (p. 14, note 28);

Personnel costs in the reporting period of 2024 have increased by BGN 489 thousand. or by 1,85%, compared to those reported in the same period of 2023.

For the reporting period, depreciation expenses decreased by BGN 747 thousand. or by 12,08% compared to those reported in the same period of 2023.

The book value of the goods sold has decreased by BGN 1 259 thousand. or by 28,41% compared to those reported in the same period of 2023. This is due to sales of goods located in the "Grains and components" segment.

Other operating expenses has decreased by BGN 66 thousand. Lv. or by 2,76%.

FINANCE INCOME AND FINANCE COSTS

Finance income	1-9/2024 BGN'000	1-9/2023 BGN'000	Change %	Relative share 2024 %
Interest income on loans granted	130	168	-23%	100%
Total	130	168	-23%	100%

Finance costs	1-9/2024 BGN'000	1-9/2023 BGN'000	Change %	Relative share 2024 %
Interest expenses on bank loans received	163	50	226%	61%
Bank charges	85	76	12%	32%
Negative differences from changes in net exchange rates.	12	42	-71%	4%
Interest expenses on leasing agreements	5	-	-	2%
Other finance costs	3	-	-	1%
Total	268	168	60%	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 analyses 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.

At the date of the report, the political instability in our country is again a significant factor in the economy of the country.

The political situation in the Group's export markets has a significant effect on the Group's operations and financial position. Russia is inaccessible as a breeding egg market for the group.

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

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)**

	1-9/2024	1-9/2023
Pre-tax profit	41 533	8 072
Income	129 306	107 543
Gross profit margin	32.12%	7.51%

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

	1-9/2024	1-9/2023
EBITDA (Earnings before interest, taxes, depreciation and amortisation)	47 108	14 256
Income	129 306	107 543
EBITDA margin	36.43%	13.26%

- **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.

	30.09.2024	31.12.2023
Total liabilities	51 114	39 720
Total assets	360 644	326 290
Debt to Assets Ratio	0.14	0.12

4. Prospective future development of the Group

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

- increasing efficiency in broiler fattening, increasing the production and marketing of breeding eggs, as well as achieving full compliance with all European standards for the protection of the environment;
- full utilization of production and investments in new capacities;
- development of existing and new business lines related to the production of high-margin food products.

III. Important events for Gradus AD Group that occurred during the reporting period

On 29.02.2024, Gradus AD notified of significant shareholding under Art. 145 of the Public Offering of Securities Act - carried out transactions for the sale of respectively: 517 000, 11 306 857 and 1 009 446 shares with voting rights from the capital of Gradus AD, representing 5.27% of the company's capital.

On 09.05.2024 Gradus AD presented an invitation to convene a general meeting of shareholders and materials for a general meeting of shareholders, which will be held on 28-06-2024 at 11:00 am in Stara Zagora, with the following agenda:

The Board of Directors of Gradus AD on the grounds of art. 223 of the Commercial Act convenes a regular Annual General Meeting of Shareholders of Gradus AD (the Company), which will be held on 28.06.2023, at 11:00 am, and in coordinated universal time – 08.00 in Sofia. Stara Zagora 6009, Park Hotel Stara Zagora, ul. 50 Khan Asparuh, Tervel Hall, with the following agenda:

1. Adoption of a Report of the Board of Directors on the activities of the Company in 2023;

Draft resolution: The General Meeting of Shareholders adopts the Report of the Board of Directors on the activities of the Company for 2023;

2. Adoption of a Report of the registered auditor for an inspection of the annual financial statements of the Company for 2023;

Draft resolution: The General Meeting of Shareholders adopts the Report of the registered auditor for an inspection of the annual financial statements for 2023;

3. Adoption of the annual financial statements of the Company for 2023;

Draft resolution: The General Meeting of Shareholders adopts the annual financial statements of the Company for 2023;

4. Approval of a report on the activities of the Investor Relations Director of the Company for 2023;

Draft resolution: The General Meeting of Shareholders adopts a report on the activities of the Investor Relations Director of the Company for 2023;

5. Adoption of a Report of the Audit Committee on its activities in 2023;

Draft resolution: The General Assembly adopts a Report of the Audit Committee on its activities in 2023

6. Proposal for profit distribution for 2023

Draft decision:

The General Meeting of Shareholders in Gradus AD decides that the profit of the Company for 2023, which is BGN 5 100 045.23, will remain undistributed.

7. Taking a decision for discharge of the members of the Board of Directors of the Company for their activities in 2023;
Draft resolution: The General Meeting of Shareholders releases from responsibility the members of the Board of Directors of the Company for their activities in 2023;

8. Adoption of a Report of the Board of Directors on the implementation of the Remuneration Policy of the members of the Board of Directors of the Company for 2023

Draft resolution: The General Assembly adopts a Report of the Board of Directors on the implementation of the Remuneration Policy of the members of the Board of Directors.

On 14.06.2024 Gradus AD presented an updated invitation for convening a Regular General Meeting of Shareholders and materials for a General Meeting of Shareholders, which will be held on 28-06-2024. at 11:00 a.m. in Stara Zagora, Park-Hotel Stara Zagora, ul. 50 Khan Asparuh Street, Tervel Hall with a proposal under Art. 118, para. 2, item 4 of the POSA, for making a decision under item 6 of the previously announced agenda in the following sense:

6.1. The General Meeting of Shareholders in Gradus AD distributes the Company's profit for 2023, which is BGN 5,100,045.23, as follows:

- Part of the profit, which is in the total gross amount of BGN 5,000,000, is distributed to the shareholders of the Company as an annual dividend. The gross unit annual dividend will be determined within the stipulated under Art. 115c, para. 3 of the POSA, as the company is in a procedure for redemption of its own shares.

- the balance of the Company's profit for 2023 in the amount of BGN 100,045.23 is attributed to the retained earnings of the Company;

6.2. Terms and Conditions for Profit Distribution: (i) Start of Dividend Payment: 28.08.2024; (ii) Dividend payment period: three months; (iii) Method of payment of the dividend: through Central Depository AD and branches of UniCredit Bulbank AD.

The proposal was announced under Art. 223a, para. 1 of the CA in the TRRYULNT with entry 20240614104440.

On 28.06.2024 Gradus AD presented the minutes of the General Meeting of Shareholders held on 28.06.2024 at 11:00 a.m. (and in coordinated universal time – 8:00 a.m.) Stara Zagora 6009, Park-Hotel Stara Zagora, ul. 50 Khan Asparuh Street, Tervel Hall. The General Meeting of Shareholders of Gradus AD made the following decisions:

1. The General Meeting of Shareholders adopts the Report of the Board of Directors on the Company's activities for 2023.

2. The GMS adopts the Report of the Registered Auditor for the audit of the annual financial statements for 2023;

3. The General Meeting of Shareholders adopts the annual financial statements of the Company for 2023;

4. The GMS adopts a report on the activities of the Investor Relations Director of the Company for 2023;

5. The GMS adopts a Report of the Audit Committee on its activities in 2023;

6. The GMS does not adopt a decision on the Company's profit for 2023, which is BGN 5,100,045.23;

6.1. The GMS does not adopt a decision to distribute part of the Company's profit for 2023 in the amount of BGN 5,000,000.00;

7. The GMS releases the members of the Board of Directors of the Company from liability for their activities in 2023;

8. The GMS adopts a Report of the Board of Directors on the implementation of the Remuneration Policy for the members of the Board of Directors.

On 24.07.2024 Gradus AD notifies of a decision of the Board of Directors regarding planned investments in a subsidiary company "Gradus Logistics" EOOD in the amount of BGN 1,496 thousand, including the purchase of poultry trucks and refrigerated trucks.

On 25.07.2024 Gradus AD notifies of an investment to increase the capacity of the cutting line in the Meat segment in a subsidiary Gradus – 1 EOOD and a partial payment of BGN 6.4 million. Commissioning is expected by the end of 2024.

On 26.07.2024 Gradus AD notifies of investments made in the segment "Broiler fattening", consisting in repair of buildings, gasification and equipment in the amount of BGN 1,165 thousand.

On 29.07.2024 Gradus AD notifies of a proposal of the Management Board for the implementation of a large-scale investment program in all segments in which the company operates.

The objectives: modernization of equipment in meat production, updating and purchase of new farm management systems and their centralization, increasing the energy efficiency of the building stock, optimization solutions to reduce heating and cooling costs and gasification of all bases.

Budgeting procedures and negotiations with equipment suppliers are in different phases. The total value is expected to exceed BGN 29 million. Together with the usual amount of supporting investments of the Group, this represents a minimum 3-year investment budget of BGN 30-50 million.

In view of the dynamics of interest rates worldwide and the realized in 2022 loss from overstocking of grains, with a carryover effect in 2023, the Management Board of GRADUS AD recommends that the financing of the above investments be implemented in stages and with its own funds.

The Management Board considers it appropriate not to distribute an interim dividend in 2024, as well as not to distribute dividends to shareholders until the completion of the implementation of the presented investment program or at least until the end of the financial year 2026.

The proposal will support the future stabilization and efficiency of the production processes in the group and will reflect positively on the long-term prospects of Gradus AD and the benefits for the company's shareholders.

On 01.08.2024 Gradus AD notifies of a decision of the Board of Directors regarding investments in a subsidiary of Gradus Logistics EOOD for the purchase of freight vehicles worth EUR 314,590 excluding VAT.

On 30.09.2024 Gradus AD notifies of investments in the hatchery and a contract worth BGN 1,049,620 excluding VAT.

On 24.10.2024 Gradus AD notifies of a registered outbreak of bird flu in a livestock facility for parent flocks for breeding eggs (growing parents and parents in the oviparous period), operated by the subsidiary Millennium 2000 EOOD and located in the land of the village of Bolyarsko, Yambol region.

According to the preliminary estimate of the Management Board of Gradus AD, the expected losses, together with the lost profits from the unrealized sales of breeding eggs for the next 12-18 months, are estimated at not less than BGN 25 million.

The management of Gradus AD emphasizes that this force majeure circumstance does not change the announced investment program of the group, but delays its implementation period.

IV. Information on transactions and/or interested parties, as well as information on newly arisen material receivables and/or liabilities for the relevant reporting period

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 (note 34, p. 20) to the interim consolidated financial statements for the period January – September 2024.

GRADUS GROUP

EXECUTIVE DIRECTOR:

/Georgi Babev/

CHAIRMAN OF THE BOARD OF DIRECTORS:

/Angel Angelov/