



Translation from Bulgarian

GRADUS AD

CONSOLIDATED MANAGEMENT REPORT
As at 31 March 2020

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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 2020, 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

* *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.

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

2. Governing bodies of the parent company

- General Meeting of Shareholders
- Board of Directors

3. Ownership and management of the parent company

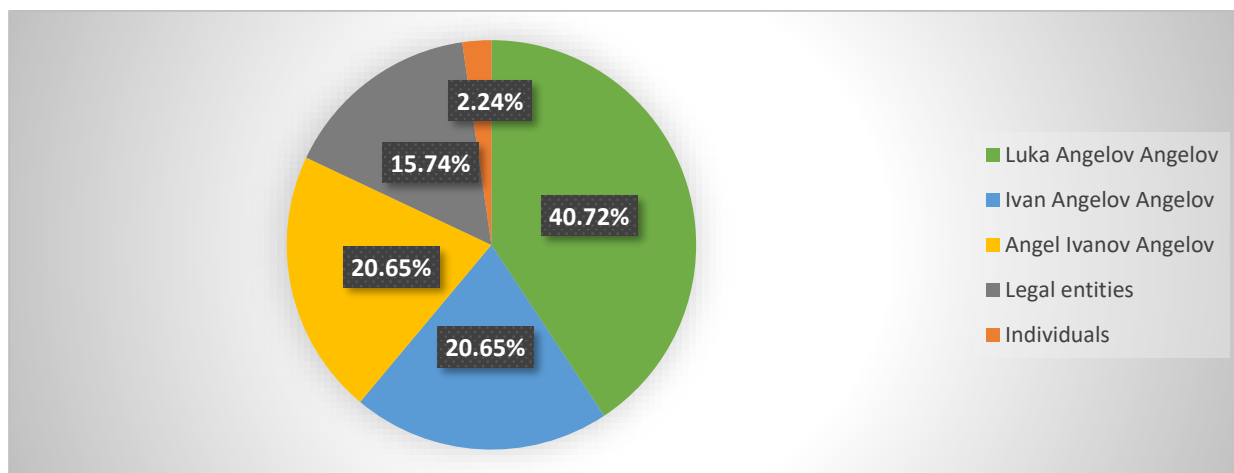
Gradus AD (the parent company) has a one-tier management system with a Board of Directors of three (3) members. Management of the parent company, the Board of Directors, has the following composition as at 31 March 2020:

- Luka Angelov Angelov - Chairman of the Board of Directors of Gradus AD
- Ivan Angelov Angelov - Member of the Board of Directors and Executive Director of Gradus AD
- Georgi Aleksandrov Babev - Member of the Board of Directors of Gradus AD

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.

4. Shareholding structure of the Group as at 31 March 2020



5. Personnel

As of 31 March 2020, the average payroll staff of the Group was 1,343 workers and employees (31 March 2019: 1,300).

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

1. Current period results of the group

For the period 01 January 2020 – 31 March 2020, the Group has reported an operating profit of BGN 19,081 thousand (for the period 01 January 2019 – 31 March 2019 - BGN 15,212 thousand) and net profit of BGN 17,140 thousand (01 January 2019 – 31 March 2019 : BGN 13,691 thousand).

REVENUE

Sales revenue reported by the Group for the reporting period amount to BGN 40,178 thousand, including:

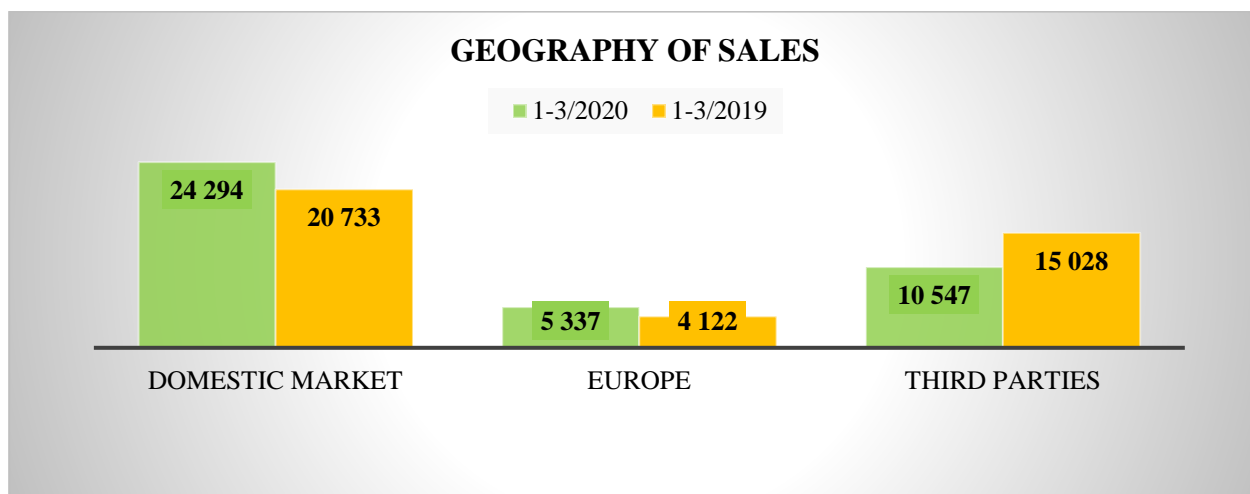
Sales revenue	01-03/2020 BGN'000	01-03/2019 BGN'000	Change %	Relative share 2020 %
Revenue from sale of finished products	34 184	29 667	15%	85%
Revenue from sale of goods	5 791	10 031	-42%	14%
Revenue from sale of services	203	185	10%	1%
Total sales revenue	40 178	39 883	1%	100%

Revenue from sale of finished products for the period grew by BGN 4,5 million or by 15,23% compared to the same period of 2019. The Group expects to be able to take advantage of the better opportunities in the future and sustain them in the long term.

Revenue from sale of goods for the period grew by BGN 4,2 million or by 42,27% compared to the same period of 2019. This is due to the sales in the Grains and components segment and in particular to most of the sunflower transactions realized in January-March 2019.

Revenue from sale of services for the period grew by BGN 18 thousand or by 10% compared to the same period of 2019.

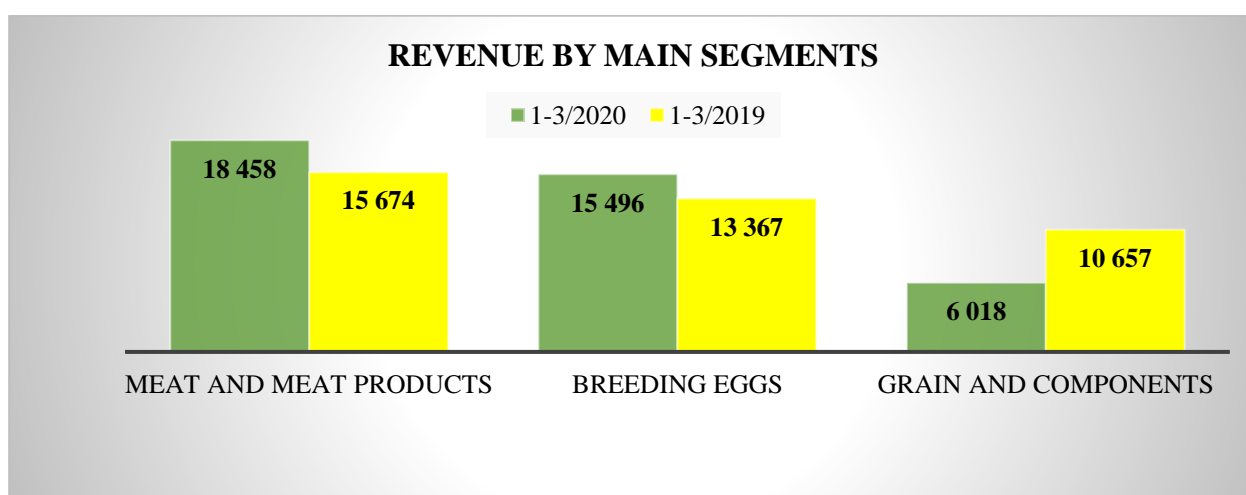
Geography of sales	01-03/2020 BGN'000	01-03/2019 BGN'000	Change %	Relative share 2020 %
Domestic market	24 294	20 733	17%	60%
Europe	5 337	4 122	29%	14%
Third countries	10 547	15 028	-30%	26%
Total	40 178	39 883	1%	100%



Revenue reported by main segments

Segments	01-03/2020 BGN'000	01-03/2019 BGN'000	Change %	Relative share 2020 %
Meat and meat products	18 458	15 674	18%	46%
Breeding eggs	15 496	13 367	16%	39%
Grain and components	6 018	10 657	-44%	15%
Total	39 972	39 698	1%	100%

For the reporting period the largest share of sales revenues by main segments is from the segment "Meat and meat products" with 46,18% of the total revenue BGN 39,972 thousand (For a period of time in the previous year with the largest share of sales is also a segment "Meat and meat products" – 39,48% of the total amount of BGN 39,698 thousand).



REVENUE BY MAIN SEGMENTS AND BY MARKET

Main segments	Domestic market		Europe		Third countries	
	1-3/2020 BGN'000	1-3/2019 BGN'000	1-3/2020 BGN'000	1-3/2019 BGN'000	1-3/2020 BGN'000	1-3/2019 BGN'000
Meat and meat products	18 345	15 637	113	37	-	-
Breeding eggs	3 308	2 605	5 224	4 085	6 964	6 677
<i>breeding eggs</i>	3 022	2 251	1 447	594	6 964	6 677
<i>one-day-old chicks</i>	286	354	3 777	3 491	-	-
Grains and components	2 435	2 306	-	-	3 583	8 351
Total	24 088	20 548	5 337	4 122	10 547	15 028

The realized sales revenues in the "Meat and Meat Products" segment for the period under review scored a growth by 17,76 % compared to the same period of the previous year.

The Group's trademarks - Gradus, I Eat and Le Poulet - continue to grow in revenue for the period Jan – Mar 2020.

The Group's estimates made prior to the announcement of the Covid-19 pandemic for 2020 are for growth in volumes realized and the income from sales. The effects of Covid-19 events are difficult to predict and it is virtually impossible to evaluate them at this time. The aim of the company is to maintain sales volume in 2020 compared to that in 2019. If the current situation is quickly overcome, the Group's management expects significant growth in 2021.

The revenues from sales in the "Breeding Eggs" segment (breeding eggs and day-old chicks) increased significantly by 15.93%. This development is due to the sale of significant quantities abroad. Domestic sales results also increased compared to the same period in 2019. with 27%. During the reported period, the Group achieved an increase in sales of breeding eggs by 20% or by BGN 1.9 million. (domestic market - 34.25%, Europe - 143.6%, third countries - 4.3%) compared to the same period in 2019.

During the period of 2020 the Group reported a growth of 5% in the revenues from sales of day-old chickens. The redistered revenues from sales of day-old chicks on the domestic market decreased by 19.2% or by BGN 68 thousand compared to the same period of 2019. The sales of day-old chickens in Europe increased by 8.19% or by BGN 286 thousand compared to the same period of 2019. During this period, the Group focuses mainly on the sale of breeding eggs, due to their better market price, both domestically and externally.

For the reporting period the Group realized a decrease in the sales of the Grains and components segment. It is dictated mainly by most of the realized sunflower transactions during the same reporting period of 2019. This segment is not the Group's primary focus, but with good bargaining power, the Group will benefit from sales.

The Group continues implementing optimisation and restructuring processes aiming at reducing costs and increasing revenue.

For the period January – March 2020 other reported operating income amounts to BGN 10,530 thousand and consists of:

Other operating income	1-3/2020 BGN'000	1-3/2019 BGN'000	Change %	Relative share 2020 %
Rental income	240	217	11%	2%
Gain on sale of materials and FTAs	72	188	-62%	1%
Income from financing	9 914	10 094	-2%	94%
Others	304	83	266%	3%
Total	10 530	10 582	%	100%

EXPENSES

The Group reports operating expenses amounting to BGN 31,910 thousand.

Operating expenses	1-3/2020 BGN'000	1-3/2019 BGN'000	Change: %	Relative share 2020 %
Changes in stock of finished products and work in progress	(5 622)	(3 832)	38%	-18%
Expenses on raw materials and materials	21 294	20 499	4%	67%
Hired service expenses	2 082	2 079	-	7%
Personnel expenses	6 881	5 945	16%	22%
Depreciation / amortization expenses	1 709	1 554	10%	5%
Carrying amount of goods sold	4 850	8 834	-45%	15%
Other operating expenses	716	557	29%	2%
Total	31 910	35 636	-10%	100%

During the reporting period *operating costs* scored a growth by BGN 3,37million or by 10% compared to the same period of 2019. The change is mainly due to a decline in sales of goods and, accordingly, to the carrying amount of goods sold by the Group for the reporting quarter of 2020.

Costs of raw materials and materials grew by BGN 795 thousand or by 4% in the first quarter of 2020 compared to the same period of 2019.

Expenditure on external services has maintained the same level compared to the same period in 2019.

The reported personnel costs increased by BGN 936 thousand or by 15.74% compared with the same period of 2019 mainly due to the increase in the average number of employees, as well as the additional social payments made.

For the reporting period the depreciation expenses have increased by BGN 155 thousand or by 10% compared to the same period of 2019.

Other operating expenses increased by BGN 159 thousand. or by 28.54% in the first quarter of 2020 compared to the same period of 2019.

FINANCE INCOME AND FINANCE COSTS

Finance income	1-3/2020 BGN'000	1-3/2019 BGN'000	Change %	Relative share 2020 %
Interest income on loans granted	39	67	-42%	40%
Foreign exchange gains	58	105	-45%	60%
Total	97	172	-44%	100%

Finance costs	1-3/2020 BGN'000	1-3/2019 BGN'000	Change %	Relative share 2020 %
Interest expenses on bank loans received	29	12	142%	40%
Bank charges	41	90	-54%	57%
Interest expenses on lease contracts	2	3	-33%	3%
Other	-	6	-	-
Total	72	111	-35%	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 in order 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 in order to reflect any changes in the external and internal conditions in which the subsidiaries operate.

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.

COVID-19

On March 11, 2020, the World Health Organization declared the state of pandemic due to Coronavirus, and on March 13, 2020, the Bulgarian government has declared a state of emergency in the country. Measures have been introduced to limit the outbreak of the disease, including restrictions on cross-border movement of people, home office work, temporary closing of schools, universities, restaurants, cinemas, theaters, museums and sports facilities, with the exception of retailers, grocery stores and pharmacies.

The Group's management has carefully analyzed the potential effects of the pandemic and the restrictions imposed by the government, expecting a reduction in economic activity and liquidity in general for the country's economy. The necessary steps have been taken to limit the effects of the pandemic, with the Group's management considering the principle of going concern with respect to these financial statements as it has sufficient liquid resources to continue operations in the foreseeable future.

3. Key ratios analysis

In order 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)**

	1-3/2020	01-03/2019
Pre-tax profit	19 081	15 212
Income	40 178	39 883
Gross profit margin	47.49%	38.14%

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

	1-3/2020	1-3/2019
EBITDA (Earnings before interest, taxes, depreciation and amortisation)	20 765	16 705
Income	40 178	39 883
EBITDA margin	51.68%	41.89%

- **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.

	31.03.2020	31.12.2019
Total liabilities	34 006	43 299
Total assets	362 679	354 832
Debt to Assets Ratio	0.09	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 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 **February 7, 2020**, Gradus AD notifies of an expansion of the production capacity of its subsidiary Gradus 98 AD. 16 production buildings with a total area of 14,400 square meters, centre NORTH 5, Ruse, were commissioned. 79,729 hens and 7,375 roosters were accommodated therein.

Additional investments in building and improving the infrastructure were made. As present, concrete on 720 meters (2,880 square meters) of roads and approximately 6,000 square meters of platforms with ramps was laid down.

On **February 24, 2020**, Gradus AD notifies of a planned forthcoming increase of production capacity and commissioning of buildings in the subsidiary Gradus 98 AD, namely:

- 4 buildings /3,600 square meters / „PARENT FLOKS PRODUCTION PERIOD“ at centre NORTH 3, Ruse – June 2020;
- Reconstruction of 8 production buildings /7,200 square meters / „PARENT FLOKS ADOLESCENTS“ at centre NORTH, Ruse – September 2020;
- Refurbishing of 2 double buildings /3,600 square meters / at centre NORTH 2, Ruse – January 2021.

On **March 26, 2020**, Gradus AD issued a statement in connection with the impact of the Covid-19 pandemic as a recommendation act to the capital market participants by the European Securities and Markets Authority (ESMA). As of the date of the statement, the management of Gradus AD does not consider Covid-19 to have a substantial negative impact on the financial position and liquidity of Gradus AD and its companies.

The management has taken all necessary measures to reduce the effects of the Covid-19 pandemic and apply them at the same time according to the impact options and in order to preserve the viability of the Group companies and the continuity of their business processes.

The Group companies continue to operate in strict compliance with all requirements for safe and healthy working conditions.

In situation of a pandemic, the effect of measures taken by the governments to limit the spread puts the global economy in a situation of contrasting economic sentiment and has a negative impact on the global business environment.

The company's management constantly monitors the development of the Covid-19 pandemic in order to take proper actions to limit the impact of the emergency situation.

The management of Gradus AD is aware of the responsibility it holds towards its investors, employees, partners and to the whole community.

On **April 22, 2020**, Gradus AD presented an invitation for convening a Regular General Meeting of Shareholders and materials for a General Meeting of Shareholders, which will be held on 05-06-2020, from 11:00 am 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 05 June 2020 at 11:00 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 2019;

Draft resolution: The General Meeting of Shareholders approves the Activity Report of the Board of Directors of the Company for the year 2019.;

2. Approval of the Registered Auditor's Report for auditing the Annual Financial Statements of the Company for the year 2019;

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 2019;

3. Approval of the Annual Financial Statements of the Company for the year 2019;

Draft resolution: The General Meeting of Shareholders approves the Annual Financial Statement of the Company for the year 2019;

4. Approval of the report on the activity of the Investor Relations Director of the Company for the year 2019;

Draft resolution: The General Meeting of Shareholders approves the report on the activity of the Investor Relations Director of the Company for the year 2019;

5. Dismissal of a member of the audit committee;

Draft resolution: The General Meeting of Shareholders dismisses the former member of the Audit Committee - Mrs. Radka Peneva, who has applied for her dismissal from her position - member and chairman of the Audit Committee of Gradus AD

6. Election of a new member of the Audit Committee of the Company on proposal of the Board of Directors;

Draft resolution: 1. The General Meeting of Shareholders elects a new member of the Audit Committee proposed by the Board of Directors as follows: Dobri Svetlozarov Simenonov

7. Approval of the report on the activity of the Audit Committee;

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

8. Adoption of changes in the Rules of the Audit Committee of Gradus AD

Draft resolution: The General Meeting of Shareholders adopts the prepared and proposed by the Audit Committee of Gradus AD amendments to the Rules of Procedure of the Audit Committee of the company, in accordance to the regulatory framework;

9. Proposal for distribution of the profit for 2019, which is BGN 11 910 268.74, as follows;

Draft resolution: 9.1. The Board of Directors proposes the profit for 2019 to be distributed as follows:

- part of the profit, which is in the total gross amount of BGN 5 359 391.62, has already been distributed to the shareholders of the Company as a 6-month dividend (gross single 6-month dividend BGN 0.022 per share), according to a decision of the General Meeting of Shareholders of The Company as of October 25, 2019;

- part of the profit, which is a part of the total gross amount of BGN 5 359 391.62, to be distributed to the shareholders of the Company as an annual dividend, the gross single annual dividend BGN 0.022 per share.

- The balance of BGN 1 191 485.50 to be transferred to the undistributed profit of the Company.

9.2. Condition and term of dividend distribution: Commencement of payment of dividends: 13 July 2020; Term for payment of dividends: - 60 days; Method of payment of dividends: through Central Depository AD and branches of Unicredit Bulbank AD;

10. Deciding on the dismissal of the members of the Board of Directors of the Company for their activity in 2019;

Draft resolution: The General Meeting of Shareholders releases from responsibility the members of the Board of Directors of the Company for their activity in 2019;

11. Extension of the term of office of the Board of Directors of Gradus AD and determination of the amount of their remuneration.

Draft resolution:

11.1. The General Meeting of Shareholders shall extend the term of office of the present members of the Board of Directors for another 5 (five) years from the date of the expiry of the first term of office - 17.11.2020.

The following decision shall take effect upon the expiration of the term of office of this Board of Directors - 11/17/2020 and shall take effect from the date of its entry in the Commercial and Non-profit Legal Entities Register of the Registry Agency.

11.2. The General Meeting of Shareholders decides to preserve the current amount of the remuneration of the members of the Board of Directors. This Decision shall enter into force on the date on which the decision appointing the members of the Board of Directors under the preceding paragraph is entered.

12. Election of a certified (registered) auditor to verify and certify the Company's Individual Annual Financial Report for 2020 and the Company's Consolidated Financial Statements for 2020.

Draft resolution: The General Meeting of Shareholders elects a registered auditor to verify and certify the annual financial statements of the Company for 2020, in accordance with a proposal of the Audit Committee included in the materials on the agenda.

13. Proposal of the Board of Directors for covering the accumulated loss in the amount of BGN 1040.08 from the retained earnings for 2019.

Draft resolution: The General Meeting of Shareholders adopts proposal of the Board of Directors for covering accumulated loss in the amount of BGN 1040.08 from retained earnings for 2019.

14. Approval of the Report on the Implementation of the Remuneration Policy of the Board of Directors;

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

15. Buy back decision:

Draft resolution: Pursuant to Art. 187b of the Commercial Code and Art. 111, para. 5 of the Law on Public Offering of Securities, the General Meeting of Shareholders of Gradus AD decides to repurchase shares from the capital of the company under the following conditions:

a) maximum number of shares to be repurchased: up to 3% (three percent) of the total number of shares issued by the company;

b) minimum price per share – 1.20 levs

c) maximum price per share – 2.00 levs

d) redemption term: up to 5 years from the day on which the decision of the General Assembly for redemption is entered in the Commercial Register.

e) redemption order: through a licensed stockbroker.

f) Assign actions to the Board of Directors of the Company:

The General Assembly assigns to the Board of Directors of the Company:

(i). to set specific dates for the beginning and end of the redemption. In the event that the maximum number of shares is not redeemed within the period specified by the Board of Directors, the General Meeting authorizes the Board of Directors at its discretion to extend this period.

(ii). to identify the investment intermediary through which the redemption takes place;

(iii). to determine each and all other terms and conditions of the redemption, subject to the requirements of the law and the Articles of Association of the Company;

(iv) to undertake any and all necessary legal and factual actions related to the redemption;

IV. Information about related party transactions

Information about related party transactions is disclosed in the notes to the interim consolidated financial statements for the period January – March 2020.

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.

	31 March 2020
Total number of shares issued	243 608 710
Number of shares in circulation as at 31 March 2020	243 608 710
Price of share at the beginning of the period	1,680
Price of share at the end of the period	1,425
Market capitalisation as at 31 March 2020 in BGN	347 142 412

Trading in shares of Gradus AD on BSE AD over the period 01 January 2020 – 31 March 2020



27 May 2020

EXECUTIVE DIRECTOR:

/Ivan Angelov/

CHAIRMAN OF BD:

/Luka Angelov/