

Notice

under Art. 92a of the Public Offering of Securities Act in regard to the public offering of shares of GRADUS AD

GRADUS AD, with headquarters and address of management: Bulgaria, Stara Zagora Region, town of Stara Zagora; Industrialen Residential Quarter, Gradus Chicken Slaughterhouse, registered in the Commercial Register under UIC 204882907, pursuant to Art. 92a of the Public Offering of Securities Act (POSA), shall notify the investors in regard to the beginning of a public offering of up to 55 555 556 (fifty five million five hundred and fifty five thousand five hundred and fifty-six) ordinary, registered, dematerialized, freely transferable shares, entitled to a single vote, the right to dividend and a liquidation share proportional to the nominal value of the share, with a par value of BGN 1 per share. GRADUS AD has decided to increase its capital (authorization by the GMS (General meeting of the shareholders) by decision dated 29.12.2017, decision of the Board of Directors dated 30.01.2018 and decision of GMS dated 26.03.2018) by issuance of up to 27 777 778 new ordinary, dematerialized, registered, freely transferable shares with a par value of BGN 1 offered for subscription through a public subscription. The capital increase will be deemed successful if at least 18 055 556 New Shares are subscribed. Simultaneously with the capital increase, the Selling Shareholders will sell up to 27 777 778 Existing Shares (and, at the discretion of the Lead Manager, up to 6 638 888 Over-Allotted Shares). Since both new and existing shares are being offered simultaneously, the offering will be deemed successful if at least 36 111 112 shares, of which 18 055 556 Existing Shares and 18 055 556 New Shares, are subscribed. The Prospectus for Public Offering of Shares of the Company was confirmed by the Financial Supervision Commission by Decision No. 542-E dated 28.05.2018.

The public offering will be carried out on the Bulgarian Stock Exchange - Sofia AD (BSE), Segment for initial public offering, through the IPO Auction mechanism. The Price Range is from BGN 1.80 (one Bulgarian leva and eighty stotinki) to BGN 2.35 (two Bulgarian leva and thirty-five stotinki) per share. The price range will be disclosed in the Official Bulletin of the BSE as the minimum and maximum price of the shares at the start of the offering below which, and respectively, over which orders will not be met. BSE-Sofia AD will announce the date and time for each Auction in the Trading System and its official bulletin. The price at each auction will be formed in accordance with the auction methodology. The Offering Price will be the same for both Individual Investors and Institutional Investors.

The date of publication of the notice under Art. 92a, paragraph 1 of the Public Offering of Securities Act in one central daily newspaper (Standart Newspaper) and on the websites of the Issuer, GRADUS AD (www.gradus.bg), and the Lead Manager, First Financial Brokerage House EOOD (www.ffbh.bg). The initial date for purchase of the Offered Shares (the day of the first IPO auction) will be the first business day following the expiration of 7 days from the latest date mentioned above for publication of the notice under Art. 92a, paragraph 1 of the Public Offering of Securities Act. The initial purchase date shall not be later than the first business day following the expiration of 5 business days from the date of the decision of the Board of Directors of BSE-Sofia AD for admission of the securities to the Segment for Initial Public Offering. The offering will continue until there are no more offered shares, but not more than 2 trading sessions. The deadline for transferring shares of the Offered Shares is no later than 4 working days from the auction start date, including the start date (this includes the maximum offering period of 2 trading sessions and the two-day period for transaction settlement). The initial public offering auction will take place at the BSE Primary Public Offering Segment and will pass through the following stages: Announcement of auction date, number of securities offered for sale and the price range, Call phase of the IPO auction; Freeze phase; Determining the Auction Price and the Executed Volume of Orders. Two types of orders can be submitted - limited and market. The priority of the execution of the market orders is the time of their submission, while for the limited orders the priority is the price. Classified investors will receive an equal number of new and existing

shares. Offering will continue until there are no more Offered Shares (New, Existing and Over-allotted) or the 2-day Offer Period expires. Any person may acquire at least one share and at most such number equal to the Offered Shares. The final schedule of the offering will be announced on the websites of Gradus AD (www.gradus.bg) and FFBH EOOD (www.ffbh.bg). Investors who are interested in the offered securities can contact the Lead Manager: First Financial Brokerage House EOOD, Address: city of Sofia, 2, Enos Street, Contact person: Stoyan Nikolov, Telephone: + 359 2 460 64 24 E-mail: Stoian.Nikolov@ffbh.bg.

Investors can also contact any investment intermediary, member of the Bulgarian Stock Exchange - Sofia AD. Purchase of shares is carried out by submitting an order that complies with statutory requirements.

Each investor with orders classified at the auction will receive shares from the temporary issue, which after the registration of the increase or deregistration thereof, will be transformed into equal number of New and Existing Shares (from the initial package) according to the procedures of Central Depository AD. Notifications of the crediting of the securities accounts of the investors with the Offered Shares will be provided to investors in accordance with the rules of the relevant investment intermediary that manages its securities account. Acquired shares are paid into the account of the respective investment intermediary where the order is placed, upon the submission of the order or within the settlement period. Investment intermediaries pay the shares purchased for their clients and/or for their own account under the terms of "delivery against payment" and according to the rules of Central Depository AD. A special account of the company is opened, to which the amounts of the payment of the Shares (the account under Art. 89 (1) of the POSA) will be paid after completion of the settlement from the Auction, with IBAN: BG59UNCR70005523287745 BIC: UNCRBGSF in UniCredit Bulbank AD, headquarters and address of management at: city of Sofia, 7, Sveta Nedelya Sq. The funds from the sale of the Shares will remain blocked on the special account and will not be available until the subscription and the registration of the capital increase in the Commercial Register (Art. 89, paragraph 2 of POSA). Following the conclusion of a transaction for the purchase of shares of the Issuer and the payment thereof, the shares remain blocked on a sub-account with the investment intermediary of which the buyer is a client, until the registration of the emission for trading on a regulated market.

Within three working days of the closing of the second auction of the Offering, the Company will notify the Financial Supervision Commission and BSE-Sofia AD for the results of the Offering, including the total number of Subscribed and Purchased Offered Shares. This information will be published in the Standart Newspaper and also on the websites of the Company and the Lead Manager. The Issuer or the Lead Manager shall immediately notify the Commission of the final price and the final number of the securities offered and shall inform the public by publishing this information pursuant to Art. 92a, paragraph 5 of POSA.

Immediately after the registration of the capital increase in the Commercial Register and in compliance with the regulatory procedures, the Issuer shall submit an application to the Central Depository for the registration of the New Shares as well as to the Financial Supervision Commission for listing of the Company and the Shares in the register of public companies. Immediately after the last registration, the Issuer will file an application with BSE-Sofia for acceptance of all Trading Shares.

The most complete and comprehensive information on the securities offered and for their issuer can be obtained from the Prospectus for Public Offering of Shares of GRADUS AD, which will be made available for the period of validity of the Prospectus on the website of GRADUS AD (www.gradus.bg) and on the website of the investment intermediary FFBH EOOD (www.ffbh.bg). The prospectus and other relevant information will also be available to the public on paper for the period of validity of the Prospectus at the address of the Lead Manager, First Financial Brokerage House EOOD in the city of Sofia, 2, Enos Str.

June 8, 2018

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