

INVITATION

Dear Shareholders,

On the grounds of Article 223, paragraph 1, sentence one, of the Commercial Act and Article 53, paragraph 3 of the Articles of Association of the Company, the Management Board of Korado-Bulgaria AD, a joint stock company, incorporated and existing in accordance with the laws of the Republic of Bulgaria, with head office and management address: Veliko Tarnovo Region, town of Strazhitsa, 28, Gladstone Street, registered with the Commercial Register at the Registry Agency under UIC 814190902, with an official website as follows: <http://www.korado.bg> (hereinafter referred to as the „Management Board” and the „Company”), passed a resolution to convene an extraordinary General Meeting of Shareholders of the Company (hereinafter referred to as the „General Meeting”).

Pursuant to the resolution, herewith the Management Board invites you to participate in the extraordinary General Meeting to be held on 9 August 2017, at 11:00 a.m., in the town of Strazhitsa, at the following address: 28, Gladstone Street, under the following agenda and draft resolutions:

Item 1. Approval of a resolution on the increase of the capital of the company by its own funds;

Draft resolution on item 1 of the agenda: The General Meeting approves a resolution to increase the company's capital by its own funds subject to the following essential terms and conditions:

Amount of the capital before the increase (BGN):	8,779,076
Amount of the increase (BGN):	4,389,538
Amount of the capital after the increase (BGN):	13,168,614
Source of the increase:	Own funds of the company from Issue Premium (capitalization of a reserve that exceeds the minimum amount of statutory reserves)
Way of effecting the increase:	Issuance of new shares from the same issue (ISIN code BG11LUSTAT13) or from a new issue of in substance identical shares
Number of new shares:	4,389,538
Type of new shares:	Ordinary, registered, dematerialized, voting shares
Allocation of the new	Among the company shareholders exclusively, pro rata to their

shares: participation in the share capital of the company in a ratio of 2:1 (issuance and allocation to each shareholder of 1 new share for every 2 shares held by this shareholder at the date set in accordance with article 112b, paragraph 2 of POSA)

Item 2. Approval of a resolution on the amendment to the Articles of Association of the company to reflect the increase of its capital;

Draft resolution on item two of the agenda: The General Meeting amends article 8, paragraph 1 and article 9, paragraph 1 of the Articles of Association of the company and after the amendment this article shall read as follows:

„Article 8. /1/ The company's capital amounts to BGN 13,168,614 /thirteen million one hundred sixty-eight thousand six hundred and fourteen Bulgarian leva/.”

„Article 9. /1/ The company's capital is split into 13,168,614 /thirteen million one hundred sixty-eight thousand six hundred and fourteen/ ordinary, registered, dematerialized shares with nominal value of BGN 1 /one/ each.

Item 3. Appointment of an investment intermediary to serve the capital increase of the company

Draft resolution on item three of the agenda: The extraordinary General Meeting of Shareholders appoints Raiffeisenbank (Bulgaria) EAD as an investment intermediary to serve the increase of the company's capital in accordance with the resolution on item 1 of the agenda. The General Meeting entrusts the Management Board of the company with the task to agree with the so-appointed investment intermediary the terms and conditions of its services, and to conclude and execute the required contracts.

Item 4. To entrust the Management Board of the company with the task to carry out the technical actions that are necessary to effect the capital increase

Draft resolution on item four of the agenda: The General Meeting entrusts the Management Board of the company with the task to carry out all organisational and technical actions that are necessary to effect the capital increase in accordance with the resolution on item 1 of the agenda (including, but not limited to, determine the allocation of all new shares issued during the increase among the shareholders of the company).”

Item 5. Miscellaneous

All shareholders of the Company are invited to attend the General Meeting. The deadlines and terms and conditions, specified hereinbelow with respect to the preparation of your participation and the way of voting at the General Meeting, shall be duly taken into account:

1. Date of holding the shares for the purposes of the Meeting

The right to participate and vote at the General Meeting is exercised only by the persons registered with the register kept by Central Depository AD as shareholders of the Company 14 (fourteen) days before the date of the General Meeting, i.e. 26 July 2017.

2. Registration

The registration of the shareholders for participation at the General Meeting will commence 1 (one) hour before the scheduled time of commencement of the General Meeting, at the place announced as a venue of the General Meeting.

The shareholders – individuals shall prove their identity by presenting an identity card or a passport.

The persons that are representatives of legal entities-shareholders shall prove: (a). their identity in the way specified in the previous paragraph; and (b). their representative power by presenting, in original on paper, an extract from a register or other document issued by a competent authority entrusted by the applicable law to keep the corporate (or other type, depending on the specifics of the particular legal entity) file of the respective type of legal entity; this extract or other document shall contain the name and position of the respective representative/s and shall have been issued no earlier than 3 (three) months prior to the date of the General Meeting, i.e. not before 9 May 2017. If the extract, and respectively, the other document, has been prepared in a language other than the Bulgarian language, the document shall be apostilled or otherwise legalised, so as to be valid for use in Bulgaria, in accordance with the requirements of the Bulgarian law, and shall be translated into Bulgarian language by a sworn translator.

3. Representation pursuant to a power of attorney

Each shareholder is entitled to authorize, by virtue of a power of attorney, any individual or legal entity to represent the shareholder at the General Meeting, to receive the materials of the meeting, and to participate in and vote at the General Meeting on behalf and on account of that shareholder.

No shareholder shall be represented by a member of the Management Board or Supervisory Board of the Company, unless the shareholder had explicitly stated how to vote on each item on the agenda.

The proxy shall have the same rights as the rights of the shareholder represented.

The proxy is obliged to exercise the voting right in accordance with the shareholder's instructions stated in the power of attorney (if any).

A person has the right to represent more than one shareholder at the General Meeting. If this is the case, the proxy can vote differently on the shares held by the separate shareholders represented.

The power of attorney for representation of a shareholder at the General Meeting should be: submitted for the particular General Meeting; explicit; stated in writing; and it shall contain at least the following requisites: data of both the shareholder and the proxy; number of shares covered by the power of attorney; the items on the agenda for discussion; draft resolutions on each agenda item; way of voting on each agenda item, if applicable; date and signature. If the way of voting on separate agenda items has not been specified in the power of attorney, it shall be stated that the proxy has the right to decide on whether and how to vote.

A sample of a power of attorney for a General Meeting will be prepared by the Company and made available to the shareholders from the date of announcement of this invitation to the Commercial Register to the date of holding the General Meeting, as follows: (a). on paper, as part of the materials for the General Meeting – at the management address of the Company; and (b). in an electronic format, on the official website of the Company in Internet.

If a shareholder shall authorise a third person to represent him/her at the General Meeting, a copy of the power of attorney shall be send to Mrs Snezhana Baycheva, Investor Relations Director of the Company, by one of the following ways: (a). by post, by a registered main to the management address of the Company, as specified above; or (b). by email, to the following email address: info@korado.bg; or (c). by fax, to the following fax number of the Company: +359 6161 42 42, not later than 5:00 p.m., Bulgarian time, on the last working day preceding the date of holding the General Meeting, i.e. 8 August 2017. The notice of authorisation may also be emailed to the email address of the Company published on the official website of the Company in Internet. The original paper powers of attorney shall be presented upon registration of the respective shareholder for participation in the General Meeting.

4. *Mail-in or electronic voting is not allowed*

The rules for mail-in or electronic voting stipulated in article 115, paragraph 2, item 5 of POSA shall not apply to the General Meeting.

5. *Rights of shareholders relating to the General Meeting*

5.1. *Number of shares and voting right*

The total number of shares of the Company at the time of passing the resolution of the Management Board for convocation of a General Meeting is 8,779,076 (eight million seven hundred seventy-nine thousand and seventy-six). Each share gives the right to cast one vote at the General Meeting. The total number of votes at the General Meeting is 8,779,076 (eight million seven hundred seventy-nine thousand and seventy-six).

5.2. *Speeches, questions and draft resolutions*

Each shareholder has the right to speak, to ask questions and - on the condition that the applicable statutory procedure has been duly complied with - to make proposals on every and each one of the items included in the agenda of the General Meeting, announced in this Invitation. Unless otherwise required by a law, the deadline for exercising the right to propose resolutions is the time of closing the discussions being held on the respective agenda item and prior to putting that agenda item to the vote of the General Meeting. Questions put by shareholders may refer also to matters not expressly included in the announced agenda of the General Meeting.

5.3. *Inclusion of items to the agenda*

Shareholders holding shares representing at least 5 per cent of the Company's share capital have the right to request that certain items be included in the agenda of the General Meeting after its announcement to the Commercial Register.

For the purpose, not later than 15 days prior to the date of the General Meeting, the shareholders under the preceding sentence shall present for announcement to the Commercial Register a list of the items to be included in the agenda and the draft resolutions thereon. By their announcement to the Commercial Register, the new items are considered included in the proposed agenda of the General Meeting. Not later than on the next working day following the date of announcement, the shareholders shall present the list of the items, the draft resolutions and the written materials at the registered address and address of management of the Company, as well as to the Financial Supervision Commission.

6. *Inadmissible resolutions*

The General Meeting may pass resolutions on items not included in the agenda in accordance with the procedure laid down in article 223 and article 223a of the Commercial Act, with the exception of cases where all shareholders have attended the General Meeting and no one objected to the discussion of these items.

7. *Absence of quorum*

In the absence of quorum, on the grounds of article 227, paragraph 3 of the Commercial Act and article 61, paragraph 2 of the Articles of Association of the Company, a new General Meeting will be held on 30 August 2017 at 11:00 a.m., at the same place and under the same agenda.

8. *Provision of the materials for the General Meeting*

From the date of announcement of this Invitation to the Commercial Register to the date of holding the General Meeting, the materials on the agenda will be available to the shareholders and their representatives at the management address of the Company: Veliko Tarnovo Region, town of Strazhitsa, 28, Gladstone Street, and will be provided free of charge at the request of a shareholder or his/her representative. Within the same period of time, the materials will be available also on the official website of the Company in Internet.

9. *Breach of the requirements for registration and representation by virtue of a power of attorney*

In case of breach of any of the requirements for registration and/or representation by virtue of a power of attorney, as stipulated in item 2 and item 3 hereof, the respective shareholder, his/her representative or a proxy will not be allowed to participate in the discussions and to vote on any one or all of the items included in the agenda of the General Meeting, as the case may be, and if he/she has participated or exercised a vote, his/her opinion and vote will not be taken into account.

Executive Director:

/Eng. JIRI REZNICEK /