

Smart Organic AD achieved strong organic growth in the first quarter of 2023. Consolidated sales revenue for the first three months, according to preliminary data, amounted to BGN 17.3 million, which is an increase of 46% compared to the same period of the previous year. We realized the biggest growth in Germany, where revenues grew by 125%. If we can sustain this growth throughout the year, it will result in a higher EBITDA margin for the year due to the distribution of the fixed costs on higher revenues. At this stage it is difficult to commit to a forecast, but bearing in mind that the additional realized sales are from long-term listings (and not from promotions), we remain positive.

Starting this month, a series of new production lines are being installed to increase the production capacity of our existing plants. In total, the planned investments in machines, equipment and buildings for this year are around BGN 13 million. At full load, the new capacities have the potential to realize additional revenues of BGN 150 million per year. This gives us a solid foundation for future organic growth with a high return on investment. The investments are partially.