Annual Consolidated Management Report
Independent Auditor's Report
Consolidated Financial Statements

Smart Organic AD

31 December 2021

SMART
ORGANIC

Consolidated statement of financial position

Assets	Note	31 December 2021 BGN'000	31 December 2020 BGN'000
Non-current assets			
Intangible assets	8	51	115
Property, plant and equipment	9	11 513	9 384
Investments accounted for using the equity method	6	45	47
Deferred tax assets	11	140	116
Non-current assets		11 749	9 662
Current assets			
Inventory	12	10 571	7 471
Trade and other receivables	13	6 894	4 489
Related party receivables	30	77	23
Income tax receivables		12	-
Cash and cash equivalents	14	8 044	3 917
Current assets		25 598	15 900
Total assets		37 347	25 562

Prepared by: /Midas EOOD, Plamen Kolev - manager/

Executive Director: /Yani Dragov/

Date: 05.05.2022

Auditor's report issued on 20.05.2022:

Mariy Apostolov
Managing partner

Grant Thornton OOD
Audit firm

Gergana Mihaylova
Registered auditor responsible for the audit

The accompanying notes from pages 7 to 53 form an integral part of the consolidated financial statements.

Consolidated statement of financial position (continued)

Equity and liabilities	Note	31 December 2021 BGN'000	31 December 2020 BGN'000
Equity			
Share capital	15.1	10 310	1 500
Share premium	15.2	5 549	-
Other reserves	15.3	1 865	1 399
Retained earnings		9 679	12 281
Equity attributable to the owners of the parent		27 403	15 180
Non-controlling interest		3	3
Total equity		27 406	15 183
Liabilities			
Non-current liabilities			
Long-term borrowings	17	3 312	4 570
Long-term lease liabilities	10	722	1 141
Deferred tax liabilities	11	-	1
Non-current liabilities		4 034	5 712
Current liabilities			
Employee obligations	16.2	893	618
Short-term borrowings	17	1 258	1 278
Short-term lease liabilities	10	702	679
Trade and other payables	18	2 946	1 960
Short-term related party payables	30	2	50
Income tax liabilities		106	82
Current liabilities		5 907	4 667
Total liabilities		9 941	10 379
Total equity and liabilities		37 347	25 562

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Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December

	Note	2021 BGN'000	2020 BGN'000
Sales revenue	20	47 476	36 864
Other income	21	222	456
Gain on sale of non-current assets		-	5
Cost of materials	22	(1 532)	(1 099)
Hired services expenses	23	(4 747)	(3 940)
Employee benefits expenses	16.1	(7 505)	(6 186)
Depreciation and amortization of non-financial assets	8, 9	(1 982)	(1 699)
Cost of goods sold and other current assets		(22 689)	(17 748)
Other expenses	24	(1 348)	(930)
Operating profit		**7 895**	**5 723**
(Loss)/Gain on investments accounted for using the equity method	6	(2)	5
Finance costs	25	(242)	(216)
Finance income	25	22	58
Other finance items	26	(3)	(7)
Profit before tax		**7 670**	**5 563**
Income tax expense	27	(781)	(541)
Profit for the year		**6 889**	**5 022**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences from recalculation of foreign activities		29	5
Other comprehensive income for the year		**29**	**5**
Total comprehensive income for the year		**6 918**	**5 027**
Profit for the year, attributed to:			
Non-controlling interest		-	-
Owners of the parent		6 889	5 022
Total comprehensive income for the year, attributed to:			
Non-controlling interest		-	-
Owners of the parent		6 918	5 027
Earnings per share		**BGN**	**BGN**
Basic earnings per share	28.1	1.94	3.35

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Consolidated statement of change in equity for the year ended 31 December

All amounts are presented in BGN'000	Share capital	Share premium	Other reserves	Retained earnings	Total equity attributed to owners of parent	Non-controlling interest	Total equity
Balance at 1 January 2021	**1 500**	**-**	**1 399**	**12 281**	**15 180**	**3**	**15 183**
Issue of share capital	8 810	5 549	-	(8 500)	5 859	-	5 859
Dividends	-	-	-	(554)	(554)	-	(554)
Transactions with owners	**8 810**	**5 549**	**-**	**(9 054)**	**5 305**	**-**	**5 305**
Profit for the year	-	-	-	6 889	6 889	-	6 889
Other comprehensive income	-	-	29	-	29	-	29
Total comprehensive income for the year	**-**	**-**	**29**	**6 889**	**6 918**	**-**	**6 918**
Transfer of retained earnings to other reserves	-	-	437	(437)	-	-	-
Balance at 31 December 2021	**10 310**	**5 549**	**1 865**	**9 679**	**27 403**	**3**	**27 406**

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Consolidated statement of change in equity for the year ended 31 December (continued)

All amounts are presented in BGN'000	Share capital	Other reserves	Retained earnings	Total equity attributed to owners of parent	Non-controlling interest	Total equity
Balance at 1 January 2020	**1 500**	**884**	**8 111**	**10 495**	**3**	**10 498**
Dividends	-	-	(600)	(600)	-	(600)
Transactions with owners	**-**	**-**	**(600)**	**(600)**	**-**	**(600)**
Profit for the year	-	-	5 022	5 022	-	5 022
Other comprehensive income	-	5	-	5	-	5
Total comprehensive income for the year	**-**	**5**	**5 022**	**5 027**	**-**	**5 027**
Transfer of retained earnings to other reserves	-	252	(252)	-	-	-
Other changes	-	258	-	258	-	258
Balance at 31 December 2020	**1 500**	**1 399**	**12 281**	**15 180**	**3**	**15 183**

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Consolidated statement of cash flows for the year ended 31 December

	Note	2021 BGN'000	2020 BGN'000
Operating activities			
Cash receipts from customers		49 688	40 155
Cash paid to suppliers		(34 862)	(25 173)
Cash paid to employees and social security institutions		(7 063)	(5 843)
Income taxes paid		(797)	(633)
Other tax payments		(1 472)	(1 349)
Other payments for operating activities		(723)	(338)
Net cash flow from operating activities		4 771	6 819
Investing activities			
Purchase of property, plant and equipment		(3 739)	(2 734)
Proceeds from disposals of property, plant and equipment		-	4
Purchase of intangible assets		(4)	(21)
Loans granted		-	(25)
Loan repayments received		-	15
Dividends received		-	29
Net cash flow used in investing activities		(3 743)	(2 732)
Financing activities			
Repayments of bank borrowings, net		(1 269)	(2 081)
Payment of principal element of lease liabilities		(704)	(663)
Interest and taxes paid		(230)	(208)
Proceeds from issue of share capital		5 859	-
Dividends paid		(554)	(600)
Net cash flow from / (used in) financing activities		3 102	(3 552)
Net change in cash and cash equivalents		4 130	535
Cash and cash equivalents, beginning of year		3 917	3 385
Exchange losses on cash and cash equivalents		(3)	(3)
Cash and cash equivalents, end of year	14	8 044	3 917

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