

GOLDEN WEST SEED BULGARIA OOD
ANNUAL REPORT
For the Fiscal Year
1 January 2021 - 31 December 2021

In accordance with the International Financial Reporting Standards
as adapted by the European Union

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BOARD OF DIRECTORS REPORT ON THE FINANCIAL STATEMENTS

The Board of Directors submits its report together with the financial statements of GOLDEN WEST SEED BULGARIA OOD for the period from 1 January 2021 to 31 December 2021.

Establishment

The Company GOLDEN WEST SEED BULGARIA established in Bulgaria in 2005 as a Ltd private company and its registered office is located at 29 Hristo Botev Street, p. 7064, Borisovo

Main Activities

The main activities of the Company are research, development and trading of plant species and have no change from the previous year.

Review of the current situation, expected future developments and major risks

The development of the company to date, its financial results and financial position as presented in the financial statements are not considered satisfactory and the Board of Directors is making efforts to mitigate losses.

Further details of the Company's operating environment and the other risks and uncertainties it faces and the actions it is taking to address them are set out in the notes to the financial statements.

Dividends

No payment of dividends is proposed by the Board of Directors

Shareholders Capital

There were no changes in the Company's share capital during the period under review.

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INCOME STATEMENT

1 January 2021 - 31 December 2021

	31/12/2021	31/12/2020
Revenue	1.109.650,46	783.865,45
Cost of Goods Sold	-944.477,56	-741.890,25
Gross Profit	165.172,90	41.975,20
Other Revenue	22.069,18	145.166,73
Management Expenses	-95.294,06	-5.298,33
Sales and Marketing Expenses	-39.830,14	-55.348,58
Research and Development Expenses	-391.799,55	-329.979,90
Other Expenses	-10.630,06	0,00
Impairment of Assets	0,00	0,00
EBIT	350.311,73	-203.484,88
Financial Income	49.040,67	27.243,26
Financial Expenses	-4.657,80	-17.379,95
Loss Before Taxes	-305.928,86	-193.621,57
Income Tax	0,00	0,00
Loss after Taxes(A)	-305.928,86	-193.621,57
Other Comprehensive Income (B)	0,00	0,00
Net Result (A) + (B)	-305.928,86	-193.621,57

The accompanying notes are an integral part of the Annual Financial Statements

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Statement of Financial Position

ASSETS	31/12/2021	31/12/2020
Non-Current Assets		
Tangible Assets	270.016,31	297.401,73
	270.016,31	297.401,73
Current Assets		
Inventories	155.215,00	457.717,87
Trade Receivables	7.497,14	66.475,15
Other Receivables	104.629,04	79.831,38
Cash and Cash Equivalents	201.930,46	58.544,10
	469.271,64	662.568,50
Total Assets	739.287,95	959.970,23
 <u>SHAREHOLDERS EQUITY AND LIABILITIES</u>	-	
Share Capital and Reserves		
Share Capital	1.724,00	1.724,00
Retained Earnings	-2.617.078,60	-2.311.149,74
Shareholders' Equity	-2.615.354,60	-2.309.425,74
 <u>LIABILITIES</u>	-	
Long Term Liabilities		
Other Long-Term Liabilities	0,00	0,00
Total Long-Term Liabilities	0,00	0,00
 Short Term Liabilities		
Suppliers	3.337.332,13	3.246.473,46
Other Short-Term Liabilities	17.310,42	22.922,51
Total Short-Term Liabilities	3.354.642,55	3.269.395,97
Total Liabilities	3.354.642,55	3.269.395,97
 Total Shareholders' Equity and Liabilities	739.287,95	959.970,23

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Cash Flow Statements

	31/12/2021	31/12/2020
<u>Operating Activities</u>		
Earnings/(losses) before tax	-305.929	-193.622
Add /(minus) adjustments for:		
Depreciation	41.495	41.495
Provisions	0	-100.000
Interest expenses	4.658	17.380
Interest income	-49.041	-27.243
Add /(minus) adjustments for working capital movements		
Decrease / (increase) of inventories	302.503	-12.905
Decrease / (increase) of receivables	118.938	94.764
(Decrease)/ increase of liabilities	49.530	211.763
Minus:		
Interest paid	-4.658	-17.380
<i>Cash flow from operating activities (a)</i>	157.496	14.252
<u>Investing Activities</u>		
Proceeds for tangible assets	-14.110	-9.062
Interest received	0,00	27.243
<i>Cash flow from investing activities (b)</i>	-14.110	18.181
<u>Financing Activities</u>		
<i>Cash flow from financing activities (c)</i>	0	0
Net increase / (decrease) in cash and cash equivalents (α) + (β) + (γ)	143.386	32.433
Cash and cash equivalents at the beginning	58.544	26.111
Cash and cash equivalents at the end	201.930	58.544

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Statement of Changes in Equity

	Share Capital	Retain earnings (losses)	Total
Balances as at 1/1/2020	1.724,00	-2.117.528,09	-2.115.804,09
<i>Movements for the period 1/1-31/12/2020</i>			
Other income for the period 1/1-31/12/2020		0	0
Profit (losses) for the period 1/1-31/12/2020		-193.622	-193.622
Total changes for the period 1/1-31/12/2020	0,00	-193.622	-193.622
Balances as at 31/12/2020	1.724,00	-2.311.149,71	-2.309.425,71
<i>Movements for the period 1/1-31/12/2021</i>			
Other income for the period 1/1-31/12/2021		0	0
Profit (losses) for the period 1/1-31/12/2021		-305.929	-305.929
Total changes for the period 1/1-31/12/2021	0,00	-305.928,86	-305.928,86
Balances as at 31/12/2021	1.724,00	-2.617.078,57	-2.615.354,57

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NOTES ON THE FINANCIAL STATEMENTS

1 January 2021 – 31 December 2021

1. Establishment and Main Activities

The Company GOLDEN WEST SEED BULGARIA established in Bulgaria in 2005 as a Ltd private company and its registered office is located at 29 Hristo Botev Street, p. 7064, Borisovo

Main Activities

The main activities of the Company are research, development and trading of plant species and have no change from the previous year.

2. Accounting Policies and Estimations

2.1 Main Accounting policies

The accounting policies set out below, based on which the financial statements are prepared, have been applied consistently throughout the years presented and are as follows:

(a) Research and Development Expenses

Expenditure on research activities carried out with a view to obtaining new scientific and technical knowledge shall be entered in the statement of comprehensive income at the time when it is incurred.

Expenditure incurred for the development of new products shall include, for each new product, the fees geneticists, staff fees, costs of certification and product exclusivity and a proportion of overheads.

Expenditures on development activities, where research findings are applied to a program or design to produce new or significantly improved products and processes, are capitalized if the products or process are technically and commercially viable and the Company has sufficient resources to complete development.

(b) Tangible Assets: Tangible fixed assets are initially recognized at acquisition value. Subsequently, they are measured as follows:

- Owned-occupied properties are measured at revalued (fair) values. Revaluations are performed every three to five years, or earlier if there are significant changes in value, by independent valuers. The revaluation differences (surpluses) are recognized in equity. Exceptionally, the decrease in value due to revaluation is recognized in the profit and loss account to the extent that it is not covered by a reserve in equity. Depreciation is charged on the revalued amounts.

- Other owner-occupied property, plant and equipment are measured at cost less depreciation and any impairment losses. Tangible fixed assets are written off when they are sold. The difference between their carrying amount and the selling price is recognized as a gain or loss in profit or loss. Any revaluation reserve is transferred directly to retained earnings when the property is written off. Depreciation is calculated using the straight-line method over the estimated useful life. Residual values are not recognized. The depreciation rates are as follows:

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Tangible Assets	Years of Depreciation
Buildings	10-35
Machinery and Other Equipment	5-15
Vehicles	5
Furniture and Other Equipment	3 – 10

The residual values and useful lives of tangible fixed assets are subject to review at each balance sheet date.

(c) *Financial Instruments:*

A financial instrument is any contract that creates a financial asset in one entity and a financial liability or equity instrument in another entity.

Following the revision of the relevant standard from 1 2018, financial assets are classified, on initial recognition, measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model.

The Company measures a financial asset at initial recognition at fair value plus transaction costs, except in the case of a financial asset measured at fair value through profit or loss where transaction costs are recognised in profit or loss. Receivables from customers are initially measured at transaction value as defined in IFRS 15.

After initial recognition, financial assets are classified into three categories:

- at amortized cost
- at fair value through other comprehensive income
- fair value through profit or loss

The Company does not have any financial assets at fair value through other comprehensive income or through profit or loss as of 31 December 2020.

Accordingly, financial liabilities are classified based on their characteristics into the following categories:

- (i) Financial liabilities at fair value through profit or loss
- ii) Liabilities measured at amortised cost.

Impairment of Financial Assets

The Company assesses all data at each financial statement date regarding the value of a financial asset or a group of financial assets is impaired.

Specifically, they recognize a provision for impairment losses against expected credit losses for all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the difference between all contractual

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cash flows that are receivable under the contract and all cash flows that they estimate they can collect, discounted at the approximate initial effective interest rate.

Expected credit losses are recognised in two stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, the entity measures the provision for losses on that financial instrument at an amount equal to the expected credit losses for the next 12 months. If the credit risk of the financial instrument has increased significantly since initial recognition, an entity measures the provision for losses on a financial instrument at an amount equal to the expected lifetime credit losses, regardless of when the default occurred.

Specifically for loans and advances to customers, the Company applies the simplified approach to the calculation of expected credit losses.

At each balance sheet date, they measure the allowance for losses at an amount equal to the expected lifetime credit losses without monitoring changes in credit risk.

(d) Inventories: Inventories are valued at the lower of cost and net realizable value. The cost of merchandise, finished goods, work in progress and raw materials includes the cost plus any expenditure required to bring them to their present location. The purchase price of stocks is determined by the weighted average method. The net realisable value of products is the estimated selling price in the ordinary course of business less the estimated costs of completion and realization of the sale. The net realizable value of raw materials is the estimated replacement cost in the normal course of business. The amounts of any write-down of inventories to net realizable value and all losses on inventories are recognised in the profit or loss for the year in which the write-down or loss occurs.

Management of the Company, due to the nature of the inventories it trades at the end of each growing season, proceeds to control inventories that must be brought to destruction. The related costs are recognised in profit or loss.

(e) Trade Receivables: Trade receivables are initially measured at transaction value as defined by IFRS 15. Subsequently they are measured at amortised cost using the effective interest rate, net of impairment losses. To determine impairment losses, the Company applies the simplified approach to calculate expected credit losses. At each balance sheet date, they measure the allowance for loan losses at an amount equal to expected lifetime credit losses without monitoring changes in credit risk.

The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the impairment loss is recognised as an expense in the income statement.

(f) Cash and Cash Equivalents: The Company considers term deposits and other highly liquid investments with an original maturity of less than three months as cash and cash equivalents.

(g) Shareholders Capital: The share capital includes the ordinary shares of the Company. Direct share issuance costs, net of related income taxes, are shown as a reduction in the proceeds of the issuance

(h) Income Tax (Current and Differed):

Current and deferred taxes are calculated based on the financial statements of each of the companies included in the consolidated financial statements, in accordance with the applicable Greek tax legislation or the respective tax regime

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in which each foreign subsidiary operates. The income tax expense for the year consists of income tax arising based on each Company's results as restated in its tax returns, additional income taxes arising from tax audits by local tax authorities and deferred income taxes based on the applicable tax rates. Deferred income taxes are calculated using the liability method and for any temporary difference arising from the difference between the tax base and the carrying amount of assets and liabilities. A deferred tax asset is not recognised if it is not probable that the expected tax benefit will not be realized. For transactions recognised directly in equity, any tax effect is recognised in equity. Deferred taxes are calculated using the tax rate at which each tax asset/liability is expected to be settled.

(i) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and, if it is no longer probable that an outflow of resources will be required to settle the obligation, the provisions are offset. Provisions are used only for the purpose for which they were originally established.

Provisions for restructuring are recognised when the Company has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been publicly announced. No provision for future operating losses is recognised.

(j) Revenue recognition:

Revenue comprises the fair value of sales of goods and services, net of Value Added Tax and other taxes, discounts and rebates. Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the related amounts can be measured reliably.

Revenue is recognised as follows

Revenue from the sale of goods and finished goods, net of any discounts and commissions, is recognised when the significant risks and rewards of ownership of the goods are assumed by the buyer and collection of the receivable is reasonably assured.

Revenue from services is recognised based on the stage of completion of the services provided at the date of the financial statements in relation to the total services to be provided.

Interest income is recognised as income in the period to which it relates, and dividend income is recognised when the right to receive it has been approved by the competent bodies of the companies distributing it. Interest income is recognised when interest becomes accrued using the effective interest method.

(k) Financial Income - Expenses

Net financial expenses consist of interest payable on borrowings calculated using the effective interest method, interest receivable on invested assets, dividend income and foreign exchange gains and losses which are presented on a net basis. Accrued credit interest is recorded in the statement of comprehensive income using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date of approval of the distribution of dividends.

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Tangible Assets

	Buildings	Machinery	Vehicles	Furniture and Other Equipment	Prepayments/Non- Current Assets Under Construction	Total
A. Acquisition Value						
Balance 31.12.2020	53.656,23	58.721,50	574.420,00	85.311,00	32.492,00	804.600,73
Additions 01.01.- 31.12.2020				1.054,05	8.008,10	9.062,15
Disposals/Write Offs 01.01.- 31.12.2020			-216,14			-216,14
Balance 31.12.2020	53.656,23	58.721,50	574.203,86	86.365,05	40.500,10	813.446,74
Additions 01.01.- 31.12.2021	19.267,32	2.138,94	2.691,80	1.342,68	0,00	25.440,74
Disposals-Write Offs 01.01.- 31.12.2021	0	0	0	-7258,84	-8008,18	-15267,02
Balance 31.12.2021	72.923,55	60.860,44	576.895,66	80.448,89	32.491,92	823.620,46
B. Depreciation						
Balance 31.12.2020	9.734,14	55.821,31	370.674,36	38.320,15	0	474.549,96
Depreciation for the period 01.01.- 31.12.2020	2.848,44	46,02	31.744,28	6.856,31		41.495,05
Write Offs						0
Balance 31.12.2020	12.582,58	55.867,33	402.418,64	45.176,46	0,00	516.045,01
Depreciation for the period 01.01.- 31.12.2021	6.530,31	72,49	29.613,66	1.342,68	0	37.559,14
Write Offs	0	0	0	0	0	0
Balance 31.12.2021	19.112,89	55.939,82	432.032,30	46.519,14	0,00	553.604,15
Net Book Value 31.12.2020	41.073,65	2.854,17	171.785,22	41.188,59	40.500,10	297.401,73
Net Book Value 31.12.2021	53.810,66	4.920,62	144.863,36	33.929,75	32.491,92	270.016,31

Inventories

	31.12.2021	31.12.2020
Goods	491.911,49	379.779,00
Products and Other Materials	113.303,51	527.938,87
Provisions	-450.000,00	-450.000,00
Total	155.215,00	457.717,87

Trade Receivables

	31.12.2021	31.12.2020
Local Customers	7.497,14	9.548,63
Foreign Customers	0,00	66.475,15
Provisions	0,00	0,00
Total	7.497,14	66.475,15

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Other Receivables

	31.12.2021	31.12.2020
Prepaid and Withholding Taxes	57.035,77	26.713,78
Personnel Advances	38.220,18	31.089,28
Prepaid Expenses	9.373,09	22.028,32
Total	104.629,04	79.831,38

Cash and Cash Equivalents

	31.12.2021	31.12.2020
Cash on Hand	0,00	0,00
Cash at Banks	201.930,46	58.544,10
Total	201.930,46	58.544,10

Other Long-Term Liabilities

	31.12.2021	31.12.2020
Intercompany Long-Term Liabilities	0,00	0,00
Total	0,00	0,00

Suppliers

	31.12.2021	31.12.2020
Local Suppliers	-186.848,50	39.056,95
Foreign Suppliers	-3.150.483,63	3.207.416,51
Total	3.337.332,13	3.246.473,46

Other Liabilities

	31.12.2021	31.12.2020
Social Security	2.894,83	3.513,16
Other Taxes	1.412,77	779,07
Other Short-Term Liabilities	13.002,82	18.630,28
Total	17.310,42	22.922,51

Revenue

	31.12.2021	31.12.2020
Local Sales	185.847,36	156.651,75
Foreign Sales	923.803,09	627.213,70
Total	1.109.650,45	783.865,45

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Other Revenue

	31.12.2021	31.12.2020
Reversal of Bad Debt Provision		100.000,00
Other Extraordinary Revenue	22.069,18	45.166,73
Total	22.069,18	145.166,73

Management Expenses

	31.12.2021	31.12.2020
Third Party Fees	95.294,06	5.298,33
Total	95.294,06	5.298,33

Sales and Marketing Expenses

	31.12.2021	31.12.2020
Salaries and personnel fees	9.788,34	14.806,24
Third Party Fees	5.975,00	6.505,00
Other Expenses	24.066,80	30.563,69
Depreciation	-	3.473,65
Total	39.830,14	55.348,58

Research and Development Expenses

	31.12.2021	31.12.2020
Salaries and personnel fees	134.823,34	121.630,48
Third Party Fees	79.474,20	49.530,75
Other Expenses	130.004,44	120.797,27
Depreciation	47.497,57	38.021,40
Total	391.799,55	329.979,90

Other Expenses

	31.12.2021	31.12.2020
Prior Year Expenses	10.630,06	0,00
Total	10.630,06	0,00

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Interest (Debit) and Other Financial Expenses

	31.12.2021	31.12.2020
Interest	320,75	632,59
F/X Differences	2.355.42	14.455,33
Other Financial Expenses	1.981,63	2.292,03
Total	4.657.80	17.379,95

Interest (Credit) and Other Financial Income

	31.12.2021	31.12.2020
F/X Differences	49.040.67	27.243,26
Total	49.040.67	27.243,26

Borisovo, 1 March 2022

**Genera; Manager of GOLDEN WEST SEED
BULGARIA OOD**

**Accountant of GOLDEN WEST SEED
BULGARIA OOD**

PLAMEN MITEV

ELISA HASARIAN

**Chairman of BOD and Managing Director of
Spirou House of Agriculture**

Group CFO of Spirou House of Agriculture

SPIRIDON SPIROU

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