

SOPHARMA AD

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2018

	Notes	2018 BGN'000	2017** BGN'000 <i>restated*</i>
Revenue	3	212,418	219,079
Other operating income/(losses), net	4	4,910	3,080
Changes in inventories of finished goods and work in progress		2,016	6,439
Raw materials and consumables used	5	(75,752)	(76,906)
Expenses for hired services	6	(38,654)	(33,921)
Employee benefits expense	7	(50,147)	(49,233)
Depreciation and amortisation expense	15,16	(17,414)	(18,447)
Other operating expenses	8	(9,579)	(7,225)
Profit from operations		27,798	42,866
Impairment of non-current assets out of the scope of IFRS 9	10	(76)	(3,956)
Finance income	11	10,520	11,684
Finance costs	12	(1,709)	(2,102)
Finance income/(costs), net		8,811	9,582
Profit before income tax		36,533	48,492
Income tax expense	13	(3,235)	(4,264)
Net profit for the year		33,298	44,228
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Subsequent revaluation of property, plant and equipment	15	341	(42)
Net change in the fair value of other long-term equity investments	20	(792)	-
Subsequent estimates of defined benefit pension plans	32	(30)	(564)
Income tax relating to items of other comprehensive income that will not be reclassified	13	(34)	4
		(515)	(602)
<i>Items that may be reclassified to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		-	1,298
		-	1,298
Other comprehensive income for the year, net of tax	14	(515)	696
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,783	44,924
Net earnings per share in BGN	28	0.26	0.34

The accompanying notes on pages 5 to 162 form an integral part of the separate financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

* Combined indicators (Note 40)

** Modified retrospective application of IFRS 9 and IFRS 15 (Note 44)

26.03.2019



SOPHARMA AD
SEPARATE STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Notes	31 December 2018 BGN'000	31 December 2017 * BGN'000 <i>restated*</i>	1 January 2017 BGN'000 <i>restated*</i>
ASSETS				
Non-current assets				
Property, plant and equipment	15	226,956	239,721	242,605
Intangible assets	16	11,881	12,457	12,825
Investment property	17	37,451	24,799	22,840
Investments in subsidiaries	18	89,945	89,729	88,751
Investments in associates	19	7,962	7,740	5,219
Other long-term equity investments	20	7,599	7,552	5,293
Long-term receivables from related parties	21	23,055	21,583	11,047
Other long-term receivables	22	5,760	4,210	3,714
		<u>410,609</u>	<u>407,791</u>	<u>392,294</u>
Current assets				
Inventories	23	68,499	69,018	64,314
Receivables from related parties	24	91,509	77,218	75,779
Trade receivables	25	19,431	23,258	26,832
Loans granted to third parties	26 (a)	3,270	3,201	2,445
Other receivables and prepayments	26 (b)	5,937	4,901	5,581
Cash and cash equivalents	27	8,971	5,764	11,146
		<u>197,617</u>	<u>183,360</u>	<u>186,097</u>
TOTAL ASSETS		<u>608,226</u>	<u>591,151</u>	<u>578,391</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		134,798	134,798	134,798
Treasury shares		(33,337)	(33,834)	(19,136)
Reserves		357,310	330,683	304,403
Retained earnings		30,448	45,831	45,358
	28	<u>489,219</u>	<u>477,478</u>	<u>465,423</u>
LIABILITIES				
Non-current liabilities				
Long-term bank loans	29	9,556	16,691	24,064
Deferred tax liabilities	30	6,235	7,153	7,239
Government grants	31	5,397	5,930	6,516
Long-term payables to employees	32	4,418	4,139	3,349
		<u>25,606</u>	<u>33,913</u>	<u>41,168</u>
Current liabilities				
Short-term bank loans	33	65,652	53,088	48,291
Current portion of long-term bank loans	29	7,168	7,392	7,461
Trade payables	34	8,922	7,713	6,275
Payables to related parties	35	633	818	299
Tax payables	36	1,884	1,525	1,070
Payables to personnel and for social security	37	7,119	7,828	6,377
Other current liabilities	38	2,023	1,396	2,027
		<u>93,401</u>	<u>79,760</u>	<u>71,800</u>
TOTAL LIABILITIES		<u>119,007</u>	<u>113,673</u>	<u>112,968</u>
TOTAL EQUITY AND LIABILITIES		<u>608,226</u>	<u>591,151</u>	<u>578,391</u>

The accompanying notes on pages 5 to 162 form an integral part of the separate financial statements.

The financial statements on pages 1 to 162 were approved for issue by the Board of Directors and signed on its behalf on 26 March 2019 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



Handwritten signature and date:
 26.03.2019

* Combined indicators (Note 40)

** Modified retrospective application of IFRS 9 and IFRS 15 (Note 44)

This is a translation from Bulgarian of the separate financial statements of Sopharma AD for year 2018.

SOPHARMA AD
SEPARATE STATEMENT OF CASH FLOWS
for the year ended 31 December 2018

	Notes	2018 BGN'000	2017 BGN'000 <i>restated*</i>
Cash flows from operating activities			
Cash receipts from customers		220,302	231,653
Cash paid to suppliers		(128,291)	(126,572)
Cash paid to employees and for social security		(47,343)	(45,733)
Taxes paid (except income taxes)		(8,184)	(8,585)
Taxes refunded (except income taxes)		1,998	2,000
Income taxes (paid)/refunded, net		(4,062)	(3,332)
Interest and bank charges paid on working capital loans		(1,090)	(999)
Foreign currency exchange gains/(losses), net		(165)	(309)
Other proceeds/(payments), net		(848)	(1,186)
Net cash flows from operating activities		32,317	46,937
Cash flows from investing activities			
Purchases of property, plant and equipment		(10,607)	(13,823)
Proceeds from sales of property, plant and equipment		272	417
Purchases of intangible assets		(282)	(29)
Purchases of shares in associates		(227)	(4,052)
Proceeds from sales of shares in associates		7	3,080
Purchases of equity investments		(1,744)	(1,645)
Proceeds from sales of equity investments		907	731
Purchases of shares in subsidiaries		(257)	(10,390)
Proceeds from sales of shares in subsidiaries		-	1
Proceeds from liquidation shares in subsidiaries		-	12
Dividends received from investments in subsidiaries		8,693	7,168
Dividends received from other long-term equity investments		96	146
Loans granted to related parties		(31,268)	(108,465)
Loan repayments by related parties		22,676	104,655
Loans granted to other companies		(7,442)	(2,568)
Loan repayments by other companies		5,134	-
Interest received on granted loans		1,064	3,340
Other proceeds/(payments), net		(54)	(65)
Net cash flows (used in) investing activities		(13,032)	(21,487)
Cash flows from financing activities			
Proceeds from long-term bank loans		33	-
Repayment of long-term bank loans		(7,413)	(7,463)
Proceeds from short-term bank loans (overdraft), net		12,588	4,823
Interest and charges paid under investment purpose loans		(365)	(555)
Proceeds from sales of treasury shares		11	2,526
Treasury shares		(861)	(17,026)
Dividends paid		(20,000)	(12,872)
Payments of finance lease liabilities		(71)	(275)
Net cash flows used in financing activities		(16,078)	(30,842)
Net (decrease) / increase in cash and cash equivalents		3,207	(5,392)
Cash and cash equivalents at 1 January		5,764	11,156
Cash and cash equivalents at 31 December	27	8,971	5,764

The accompanying notes on pages 5 to 162 form an integral part of the separate financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

* Combined indicators (Note 40)

This is a translation from Bulgarian of the separate financial statements of Sopharma AD for year 2018.

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SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

Notes	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Financial assets reserve at fair value through other comprehensive income	Additional reserves	Retained earnings	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
	134,798	(18,809)	47,841	24,171	2,805	229,586	42,483	462,875
40	-	(327)	-	-	-	-	2,875 *	2,548
	134,798	(19,136)	47,841	24,171	2,805	229,586	45,358	465,423
28	-	602	-	-	-	-	(602)	-
	-	(15,627)	-	-	-	-	479	(15,148)
	-	(17,026)	-	-	-	-	-	(17,026)
	-	1,399	-	-	-	-	479	1,878
	-	-	3,825	-	-	21,503	(38,249)	(12,921)
	-	-	3,825	-	-	21,503	(25,328)	-
	-	-	-	-	-	-	(12,921)	(12,921)
	-	-	-	(38)	1,284	-	41,742	42,988
28,40	-	-	-	-	14	-	1,922	1,936
	-	-	-	(38)	1,298	-	43,664	44,924
	-	-	-	-	-	-	44,228	44,228
	-	-	-	(38)	1,298	-	(564)	696
28,40	-	327	-	-	(14)	-	(5,113) *	(4,800)
	-	-	-	(294)	-	-	294	-
28	134,798	(33,834)	51,666	23,839	4,089	251,089	46,147	477,794
40	-	-	-	-	-	-	(316) *	(316)
28,40	134,798	(33,834)	51,666	23,839	4,089	251,089	45,831	477,478
44	-	-	-	-	-	-	(1,309) **	(1,309)
	134,798	(33,834)	51,666	23,839	4,089	251,089	44,522	476,169
28,40	-	265	-	1,744	20	-	(2,029)	-
	-	232	-	-	-	-	141	373
	-	1,082	-	-	-	-	142	1,224
	-	(861)	-	-	-	-	-	(861)
	-	11	-	-	-	-	(1)	10
	-	-	4,301	-	-	24,888	(49,295)	(20,106)
	-	-	4,301	-	-	24,888	(29,189)	-
	-	-	-	-	-	-	(13,822)	(13,822)
	-	-	-	-	-	-	(6,284)	(6,284)
	-	-	-	307	(792)	-	33,268	32,783
	-	-	-	-	-	-	33,298	33,298
	-	-	-	307	(792)	-	(30)	(315)
	-	-	-	(3,457)	(384)	-	3,841	-
28	134,798	(33,337)	55,967	22,433	2,933	275,977	30,448	489,219

The accompanying notes on pages 5 to 162 form an integral part of the separate financial statements.

Executive Director:

Ognian Donev, (MID)

Finance Director:
Borislav Borisov

Chief Accountant (preparer):

Yordanka Petkova



Yordanka Petkova
26.03.2019

* Combined indicators (Note 40)

** Modified retrospective application of IFRS 9 and IFRS 15 (Note 44)

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