

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Notes	2017 BGN'000	2016 BGN'000
Revenue	3	1 017 105	877 085
Other operating income/(losses), net	4	6 684	9 483
Changes in inventories of finished goods and work in progress		8 741	(994)
Raw materials and consumables used	5	(90 153)	(82 906)
Hired services expense	6	(63 546)	(56 408)
Employee benefits expense	7	(101 424)	(87 159)
Depreciation and amortization expense	16, 17	(30 108)	(28 705)
Carrying amount of goods sold		(679 951)	(571 132)
Other operating expenses	8	(11 512)	(14 313)
Profit from operations		55 836	44 951
Impairment of non-current assets	10	(671)	(967)
Finance income	11	8 369	7 014
Finance costs	12	(11 631)	(12 721)
Finance income / (costs), net		(3 262)	(5 707)
Gain/(loss) from associates and joint ventures	13	447	8 972
Gain on acquisition and disposal of subsidiaries	44.1, 45.1	-	14 860
Profit before income tax		52 350	62 109
Income tax expense	14	(6 578)	(7 207)
Net profit for the year		45 772	54 902
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Loss on revaluation of property, plant and equipment	15	(42)	11 802
Remeasurements of defined benefit pension plans	31	(597)	(128)
Income tax relating to items of other comprehensive income that will not be reclassified	14	4	(1 504)
		(635)	10 170
<i>Items that may be reclassified to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		1 277	1 466
Exchange differences on translating foreign operations		(899)	2 573
Income tax relating to items of other comprehensive income that may be reclassified		-	-
		378	4 039
Other comprehensive income for the year, net of tax	15	(257)	14 209
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		45 515	69 111
Net profit for the year attributable to:			
Equity holders of the parent		39 998	50 638
Non-controlling interests		5 774	4 264
Total comprehensive income for the year attributable to:			
Equity holders of the parent		41 093	63 147
Non-controlling interests		4 422	5 964
Earnings per share	28	BGN 0.31	0.39

The accompanying notes on pages 5 to 150 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova



Lyudmila Bondzhova
27.04.2018



SOPHARMA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Notes	31 December 2017 BGN'000	31 December 2016 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	317 620	321 215
Intangible assets	17	63 449	34 601
Goodwill	17	23 147	9 885
Investment property	18	9 811	9 483
Investments in associates and joint ventures	19	19 536	18 715
Available-for-sale investments	20	7 982	5 721
Long-term receivables from related parties	21	20 599	10 028
Other long-term receivables	22	4 883	4 149
Deferred tax assets	30	1 342	2 802
		<u>468 369</u>	<u>416 599</u>
Current assets			
Inventories	23	218 109	171 791
Trade receivables	24	231 278	215 583
Receivables from related parties	25	4 694	14 982
Other short-term receivables and assets	26	24 955	17 727
Cash and cash equivalents	27	33 328	22 539
		<u>512 364</u>	<u>442 622</u>
TOTAL ASSETS		<u>980 733</u>	<u>859 221</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134 798	134 798
Reserves		53 576	62 708
Retained earnings		281 509	259 984
	28	<u>469 883</u>	<u>457 490</u>
Non-controlling interests			
		<u>33 227</u>	<u>33 733</u>
TOTAL EQUITY	28	<u>503 110</u>	<u>491 223</u>
LIABILITIES			
Non-current liabilities			
Long-term bank loans	29	50 526	25 924
Deferred tax liabilities	30	13 704	11 752
Retirement benefit obligations	31	5 458	4 539
Finance lease liabilities	32	1 950	2 582
Government grants	33	8 250	9 011
Other non-current liabilities		173	34
		<u>80 061</u>	<u>53 842</u>
Current liabilities			
Short-term bank loans	34	194 165	170 842
Current portion of long-term bank loans	29	14 478	9 478
Trade payables	35	135 168	92 053
Payables to related parties	36	757	566
Factoring agreement liabilities	37	19 403	20 033
Payables to personnel and for social security	38	12 895	10 093
Tax payables	39	7 375	5 949
Other current liabilities	40	13 321	5 142
		<u>397 562</u>	<u>314 156</u>
TOTAL LIABILITIES		<u>477 623</u>	<u>367 998</u>
TOTAL EQUITY AND LIABILITIES		<u>980 733</u>	<u>859 221</u>

The accompanying notes on pages 5 to 150 form an integral part of the consolidated financial statements.

The consolidated financial statements on pages 1 to 150 were approved for issue by the Board of Directors of Sopharma AD and signed on 26 April 2018 by:

Executive Director:

Ognian Donchev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

ЖССС
27.07.2018



This is a translation from Bulgarian of the consolidated financial statements of Sopharma Group for year 2017

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2017

	Notes	2017 BGN'000	2016 BGN'000
Cash flows from operating activities			
Cash receipts from customers		1 058 642	906 890
Cash paid to suppliers		(950 645)	(819 238)
Cash paid to employees and for social security		(94 348)	(81 499)
Taxes paid (except income taxes)		(65 040)	(62 780)
Taxes refunded (except income taxes)		7 829	4 478
Income taxes paid		(6 228)	(5 600)
Income taxes refunded		92	49
Interest and bank charges paid on working capital loans		(5 363)	(7 188)
Foreign currency exchange gains/(losses), net		(1 308)	(543)
Other proceeds/(payments), net		(1 975)	(3 337)
Net cash flows used in operating activities		(58 344)	(68 768)
Cash flows from investing activities			
Purchases of property, plant and equipment		(19 991)	(14 217)
Proceeds from sales of property, plant and equipment		5 186	733
Purchases of investment property		(8)	-
Purchases of intangible assets		(2 541)	(4 010)
Purchases of available-for-sale investments		(1 645)	(2 194)
Proceeds from sale of available-for-sale investments		731	2 543
Proceeds from dividends from available-for-sale investments		148	56
Consideration paid on acquisition of subsidiaries, net of cash received		(44 211)	(6 110)
Proceeds from disposal of subsidiaries, net of cash granted		-	20 484
Purchases of investments in associates and joint ventures		(1 424)	(2 531)
Proceeds/(payments) on transactions with non-controlling interests, net		(9 762)	(21 935)
Loans granted to related parties		(102 761)	(1 903)
Loan repayments by related parties		100 773	20 274
Loans granted to third parties		(2 631)	(1 187)
Loan repayments by third parties		164	741
Interest received on loans and deposits		1 218	2 486
Other proceeds/(payments), net		(53)	(92)
Net cash flows used in investing activities		(76 807)	(6 862)
Cash flows from financing activities			
Proceeds from short-term bank loans (including increases in overdrafts)		18 920	32 201
Repayment of short-term bank loans (including decreases in overdrafts)		(7 354)	(58 790)
Proceeds from long-term bank loans		39 288	2 694
Repayment of long-term bank loans		(12 261)	(15 838)
Loans received from third parties		233	779
Repayment of loans to third parties		(710)	(190)
Proceeds under factoring agreement		131 269	132 375
Interest and charges paid under factoring agreement		(347)	(923)
Interest and charges paid under investment purpose loans		(2 564)	(2 304)
Payment of finance lease liabilities		(1 745)	(2 212)
Proceeds from non-controlling interest in the issue of equity in subsidiaries		675	-
Purchases of treasury shares		(17 026)	(852)
Proceeds from sales of treasury shares		2 526	-
Dividends paid		(15 478)	(12 085)
Net cash flows from financing activities	29	135 426	74 855
Net increase/(decrease) in cash and cash equivalents		275	(775)
Cash and cash equivalents at 1 January		22 339	23 114
Cash and cash equivalents at 31 December	27	22 614	22 339

The accompanying notes on pages 5 to 150 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Dones, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova



Жеелев
27.04.2018

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

Notes	Share capital		Treasury shares		Statutory reserves		Revaluation reserve - property, plant and equipment		Attributable to equity holders of the parent		Translation of foreign operations reserve		Retained earnings		Total		Non-controlling interests		Total equity		
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
28	134 798	(18 613)	45 256	23 445	1 330	(2 563)	222 238	405 891	51 749	457 640											
Balance at 1 January 2016																					
<i>Changes in equity for 2016</i>																					
Effect of treasury shares acquisition																					
		(888)	-	-	-	-	-	-	-	-	-	-	-	52	-	(836)	-	-	-	-	(836)
Effects of restructuring																					
		-	-	-	-	-	-	-	-	-	-	-	-	25	-	25	-	-	-	-	25
Distribution of profit for:																					
		-	2 585	-	-	-	-	-	-	-	-	-	-	(11 630)	-	(9 045)	-	-	-	-	(9 045)
		-	2 585	-	-	-	-	-	-	-	-	-	-	(2 585)	-	(9 045)	-	-	-	-	(9 045)
		-	-	-	-	-	-	-	-	-	-	-	-	(9 045)	-	(9 045)	-	-	-	-	(9 045)
Effects assumed by non-controlling interests on:																					
		-	-	-	-	-	-	-	-	-	-	-	-	(1 692)	-	(1 692)	-	(23 980)	-	(25 672)	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3 233)	-	(3 233)	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3 212)	-	(3 212)	
		-	-	-	-	-	-	-	-	-	-	-	-	(1 772)	-	(1 772)	-	(17 643)	-	(19 415)	
		-	-	-	-	-	-	-	-	-	-	-	-	80	-	80	-	108	-	188	
Total comprehensive income for the year, including:																					
		-	9 313	-	9 313	1 478	1 846	50 510	50 510	1 478	1 846	50 510	50 510	4 264	54 902	5 964	60 111	5 964	66 075	69 111	
		-	9 313	-	9 313	1 478	1 846	50 510	50 510	1 478	1 846	50 510	50 510	4 264	54 902	5 964	60 111	5 964	66 075	69 111	
		-	(481)	-	(481)	-	-	-	-	-	-	-	-	481	-	-	-	-	-	-	-
Transfer to retained earnings																					
28	134 798	(19 501)	47 841	32 277	2 808	(717)	259 984	457 490	33 733	491 223											
Balance at 31 December 2016																					
<i>Changes in equity for 2017</i>																					
Effect of treasury shares acquisition																					
		-	-	-	-	-	-	-	-	-	-	-	-	479	-	(14 456)	-	-	-	-	(14 456)
Effects of restructuring																					
		-	602	-	-	-	-	-	-	-	-	-	-	60	-	662	-	-	-	-	662
Distribution of profit for:																					
		-	3 825	-	-	-	-	-	-	-	-	-	-	(16 731)	-	(12 906)	-	-	-	-	(12 906)
		-	3 825	-	-	-	-	-	-	-	-	-	-	(3 825)	-	(12 906)	-	-	-	-	(12 906)
		-	-	-	-	-	-	-	-	-	-	-	-	(12 906)	-	(12 906)	-	-	-	-	(12 906)
Effects assumed by non-controlling interests on:																					
		-	-	-	-	-	-	-	-	-	-	-	-	(2 000)	-	(2 000)	-	(4 141)	-	(6 141)	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 919	-	1 919	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2 712)	-	(2 712)	
		-	-	-	-	-	-	-	-	-	-	-	-	(1 235)	-	(1 235)	-	5 543	-	4 308	
		-	-	-	-	-	-	-	-	-	-	-	-	(1 041)	-	(1 041)	-	(9 120)	-	(10 161)	
		-	-	-	-	-	-	-	-	-	-	-	-	276	-	276	-	229	-	505	
Total comprehensive income for the year, including:																					
		-	(38)	-	(38)	1 301	407	39 423	39 423	1 301	407	39 423	39 423	5 774	45 515	4 422	49 937	4 422	54 359	58 781	
		-	(38)	-	(38)	1 301	407	39 423	39 423	1 301	407	39 423	39 423	5 774	45 515	4 422	49 937	4 422	54 359	58 781	
		-	(294)	-	(294)	-	-	-	-	-	-	-	-	(575)	-	(1 095)	-	(1 352)	-	(257)	
Transfer to retained earnings																					
28	134 798	(33 814)	51 666	31 945	4 109	(310)	281 509	469 883	33 227	503 110											
Balance at 31 December 2017																					

The accompanying notes on pages 5 to 150 form an integral part of the consolidated financial statements.

Executive Director:

Finance Director:

Preparer:

Ognian Dolev, P.E.

Lyudmila Bondzheva

Lyudmila Bondzheva



27.04.2018