

SOPHARMA GROUP

Board of Directors:	Ognian Donev, PhD Vessela Stoeva Alexander Tchaushev Ognian Palaveev Ivan Badinski
Executive Director:	Ognian Donev, PhD
Finance Director:	Boris Borisov
Preparer:	Lyudmila Bondzhova
Head of Legal Department:	Galina Angelova
Address of Management:	Sofia 16, Iliensko Shousse Str.
Lawyers:	Law Firm "Gachev, Baleva, Partners" Ventsislav Stoev Stefan Yovkov
Servicing Banks:	Raiffeisenbank (Bulgaria) EAD DSK Bank EAD Eurobank Bulgaria AD ING Bank N.V. Unicredit Bulbank AD Societe Generale Expressbank AD
Auditor:	Baker Tilly Klitou and Partners OOD

SOPHARMA GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended on 31 March 2020

	Notes	1 January - 31 March 2020 BGN'000	1 January - 31 March 2019 BGN'000
Revenue from contracts with customers	3	366 045	313 376
Other operating income / (loss), net	4	1 336	2 955
Change of available stock of finished goods and work in progress		985	3 605
Materials	5	(22 790)	(22 951)
External services	6	(19 648)	(17 782)
Emoloyees	7	(32 771)	(30 738)
Amortization	14,15	(10 800)	(10 595)
Carrying amount of goods sold		(264 335)	(218 400)
Other operating expenses	8	(1 644)	(1 951)
Operating profit		16 378	17 519
Financial income	10	1 338	2 059
Financial expenses	11	(7 360)	(2 885)
Financial income/(expenses) net		(6 022)	(826)
Loss/(Profit) from associates and joint ventures, net	12	547	2 473
Profit before tax		10 903	19 166
Income tax expense		(2 485)	(1 940)
Net profit		8 418	17 226
Other components of comprehensive income:			
<i>Components not to be reclassified to profit or loss:</i>			
Net change in the fair value of equity investments designated for fair value measurement through other comprehensive income	13	(875)	55
		(875)	55
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(1 046)	1 171
		(1 046)	1 171
Other comprehensive income for the year, net of tax	13	(1 921)	1 226
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6 497	18 452
Net profit for the year attributable to:			
Equity holders of the parent		10 797	15 432
Non-controlling interests		(2 379)	1 794
Total comprehensive income for the year attributable to:			
Equity holders of the parent		9 506	16 116
Non-controlling interests		(3 009)	2 336

The notes on pages 5 to 133 are an integral part of the present consolidated financial statement.

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Lyudmila Bondzhova

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the period ended on 31 March 2020

	Notes	31 March 2020 BGN'000	31 December 2020 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	377 184	378 625
Intangible assets	15	41 468	42 829
Goodwill	15	15 681	15 909
Investment properties	16	11 277	10 856
Investments in associated and joint companies	17	63 532	62 985
Other long - term equity investments	18	12 978	10 079
Long-term receivables from related parties	19	92 686	91 794
Other long-term receivables	20	11 224	10 674
Deferred tax assets		1 949	2 421
		627 979	626 172
Current assets			
Inventories	21	231 248	229 873
Commercial receivables	22	284 862	255 660
Receivables from related parties	23	7 859	7 112
Assets held for sale		1 462	1 462
Other short-term receivables and assets	24	34 241	27 480
Cash and cash equivalents	25	26 624	27 513
		586 296	549 100
TOTAL ASSETS		1 214 275	1 175 272
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134 798	134 798
Reserves		59 577	60 977
Retained earnings		371 639	360 656
	26	566 014	556 431
Non-controlling interests		19 219	19 341
TOTAL EQUITY	26	585 233	575 772
LIABILITIES			
Non-current liabilities			
Long-term bank loans	27	59 339	56 832
Deferred tax liabilities		8 093	8 196
Long-term liabilities to related parties	28	2 504	2 972
Long-term payables to personnel	29	6 396	6 626
Finance lease liabilities	30	25 167	25 840
Government grants	31	10 409	10 940
Other non-current liabilities		3 933	4 042
		115 841	115 448
Current liabilities			
Short-term bank loans	32	281 198	274 829
Short-term part of long-term bank loans	27	17 832	16 730
Trade payables	33	144 531	116 407
Payables to related parties	34	8 822	7 668
Factoring agreement liabilities	35	13 534	24 772
Short-term part of leasing liabilities	30	10 213	10 012
Payables to personnel and social security	36	16 117	15 418
Tax payables	37	10 693	7 217
Other current liabilities	38	10 261	10 999
		513 201	484 052
TOTAL LIABILITIES		629 042	599 500
TOTAL EQUITY AND LIABILITIES		1 214 275	1 175 272

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PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended on 31 March 2020

	Notes	1 January - 31 March 2020 BGN'000	1 January - 31 March 2019 BGN'000
Cash flows from operating activities			
Revenue from contracts with customers		322 205	321 394
Payments to suppliers		(310 947)	(301 467)
Payments for wages and social security		(31 132)	(28 487)
Taxes paid (profit tax excluded)		(17 317)	(17 337)
Taxes refunded (profit tax excluded)		3 415	1 456
Profit tax paid		(679)	(1 354)
Profit tax refunded		-	108
Paid interest and bank fees on working capital loans		(2 038)	(2 260)
Exchange rate differences, net		(1 830)	(76)
Other proceeds/(payments), net		(6 261)	(481)
Net cash flows used in operating activities		(44 584)	(28 504)
Cash flows from investing activities			
Purchase of property, plant and equipment		(7 299)	(5 702)
Proceeds from sale of property, plant and equipment		154	130
Purchase of investment properties		(2 129)	-
Purchases of intangible assets		(486)	(814)
Purchases of equity investments		(4 209)	(1 447)
Proceeds from sale of equity investments		26	87
Proceeds from dividends on equity investments		-	99
Payments for the acquisition of subsidiaries, net of received cash		(2)	(47)
Purchases of investments in associates and joint ventures		-	(135)
Proceeds from the sale of investments in associates and joint ventures		1	-
Proceeds/(payments) on transactions with non-controlling interests, net		(156)	(1 214)
Loans granted to related parties		(1 047)	(69 580)
Repaid loans, granted to related parties		-	11 217
Loans granted to third parties		(643)	(1 082)
Repaid loans, granted to third parties		454	2 386
Received interest on granted loans and deposits		88	193
Net cash flows used in investing activities		(15 248)	(65 909)
Cash flows from financial activities			
Proceeds from short-term bank loans (including overdrafts)		13 207	48 354
Settlement of short-term bank loans (including overdraft reduction)		(3 594)	(8 962)
Proceeds from long-term bank loans		9 196	724
Settlement of long-term bank loans		(3 881)	(3 273)
Loans received from related parties		-	6 000
Loans received from other parties		65	1 455
Settlement of loans to other parties		(173)	(90)
Proceeds from factoring		48 450	49 330
Interest and taxes for factoring paid		(91)	(107)
Paid interest and bank fees on investment purpose loans		(304)	(301)
Finance lease payments		(3 675)	(2 963)
Proceeds from non-controlling interest in the issue of capital in subsidiaries		-	(2)
Treasury shares		(512)	(29)
Dividends paid		253	-
Net cash flows from financial activities		58 941	90 136
Net increase in cash and cash equivalents		(891)	(4 277)
Cash and cash equivalents at 1 January		24 129	22 614
Cash and cash equivalents at 31 March	25	23 238	18 337

The notes on pages 5 to 133 are an integral part of the present consolidated financial statement.

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SOPHARMA GROUP
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended on 31 March 2020

Notes	Referring to the owners of the equity of the parent company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Reserve of financial assets at fair value through other comprehensive income	Reserve from recalculation in the currency of presentation of foreign operations	Retained earnings			
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000			
	134 798	(33 337)	55 967	29 264	2 933	834	285 101	475 560	32 969	508 529
Balance at 1 January 2019										
Changes in equity in 2019										
Effect of treasury shares	-	(2)	-	-	-	-	-	(2)	-	(2)
Effects of restructuring	-	-	-	-	-	-	-	-	-	-
Distribution of profit for:	-	-	-	-	-	-	-	-	-	-
* Statutory reserves	-	-	-	-	-	-	-	-	-	-
* Dividends	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:							2 309	2 309	(10 135)	(7 826)
* acquisition/(disposal) of subsidiaries and joint ventures	-	-	-	-	-	-	-	-	(484)	(484)
* distribution of dividends	-	-	-	-	-	-	(10)	(10)	(676)	(686)
* capital issue in subsidiaries	-	-	-	-	-	-	(223)	(223)	687	464
* increase in the interest in subsidiaries	-	-	-	-	-	-	2 477	2 477	(10 744)	(8 267)
* decrease in the interest in subsidiaries	-	-	-	-	-	-	65	65	1 082	1 147
Total comprehensive income for the year, incl.:					55	629	15 432	16 116	2 336	18 452
* net profit for the year	-	-	-	-	-	-	15 432	15 432	1 794	17 226
* other components of comprehensive income, net of taxes	-	-	-	-	55	629	-	684	542	1 226
Transfer to retained earnings	-	-	-	(175)	-	-	175	-	-	-
Balance at 31 March 2019	134 798	(33 339)	55 967	29 089	2 988	1 463	303 017	493 983	25 170	519 153
Balance at 1 January 2020	134 798	(34 142)	59 297	28 871	2 873	4 078	360 656	556 431	19 341	575 772
Changes in equity in 2020										
Effect of treasury shares	-	-	-	-	-	-	-	-	-	-
Distribution of profit for:	-	-	-	-	-	-	-	-	-	-
* Statutory reserves	-	-	-	-	-	-	-	-	-	-
* Dividends	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:							77	77	2 887	2 964
* acquisition of subsidiaries and joint ventures	-	-	-	-	-	-	-	-	2 929	2 929
* distribution of dividends	-	-	-	-	-	-	-	-	(42)	(42)
* capital issue in subsidiaries	-	-	-	-	-	-	-	-	-	-
* increase in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-
* decrease in the interest in subsidiaries	-	-	-	-	-	-	77	77	-	77
Total comprehensive income for the period, incl.:					(875)	(416)	10 797	9 506	(3 009)	6 497
* net profit for the year	-	-	-	-	-	-	10 797	10 797	(2 379)	8 418
* other components of comprehensive income, net of taxes	-	-	-	-	(875)	(416)	-	(1 291)	(630)	(1 921)
Transfer to retained earnings	-	-	-	(189)	80	-	109	-	-	-
Balance at 31 March 2020	134 798	(34 142)	59 297	28 682	2 078	3 662	371 639	566 014	19 219	585 233

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