

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 30 June 2019

	Notes	1 January - 30 June 2019 BGN'000	1 January - 30 June 2018 BGN'000
Revenue from contracts with customers	3	611 937	569 762
Other operating income / (loss), net	4	6 074	4 684
Change of available stock of finished goods and work in progress		289	14 047
Materials	5	(43 367)	(44 583)
External services	6	(35 342)	(35 880)
Emoloyees	7	(63 512)	(59 892)
Amortization	14,15	(21 231)	(16 442)
Carrying amount of goods sold		(423 227)	(400 421)
Other operating expenses	8	(3 490)	(4 130)
Operating profit		28 131	27 145
Financial income	10	3 473	2 638
Financial expenses	11	(6 056)	(3 830)
Financial income/(expenses) net		(2 583)	(1 192)
Loss/(Profit) from associates and joint ventures, net	12	1 884	(292)
Profit before tax		27 432	25 661
Income tax expense		(3 224)	(3 202)
Net profit		24 208	22 459
Other components of comprehensive income:			
<i>Components not to be reclassified to profit or loss:</i>			
Net change in the fair value of other long-term equity investments	13	(544)	(943)
		(544)	(943)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		1 967	799
		1 967	799
Other comprehensive income for the year, net of tax	13	1 423	(144)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25 631	22 315
Net profit for the year attributable to:			
Equity holders of the parent		22 647	20 739
Non-controlling interests		1 561	1 720
Total comprehensive income for the year attributable to:			
Equity holders of the parent		23 134	20 322
Non-controlling interests		2 497	1 993

The notes on pages 5 to 132 are an integral part of the present consolidated financial statement.

Executive Director:

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SOPHARMA GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the period ended on 30 June 2019

	Notes	30 June 2019 BGN'000	31 December 2018 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	366 098	324 525
Intangible assets	15	62 106	62 195
Goodwill	15	20 063	23 516
Investment properties	16	10 442	10 427
Investments in associated and joint companies	17	22 176	20 383
Other long - term equity investments	18	9 615	8 598
Long-term receivables from related parties	19	92 312	23 055
Other long-term receivables	20	8 168	6 399
Deferred tax assets		1 686	1 590
		592 666	480 688
Current assets			
Inventories	21	234 094	235 763
Trade receivables	22	253 259	235 911
Receivables from related parties	23	6 449	9 942
Other short-term receivables and assets	24	21 748	22 717
Cash and cash equivalents	25	16 600	25 582
		532 150	529 915
TOTAL ASSETS		1 124 816	1 010 603
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134 798	134 798
Reserves		59 299	55 661
Retained earnings		305 948	285 101
	26	500 045	475 560
Non-controlling interests		21 220	32 969
TOTAL EQUITY	26	521 265	508 529
LIABILITIES			
Non-current liabilities			
Long-term bank loans	27	35 574	41 124
Deferred tax liabilities		11 619	11 781
Long-term payables to personnel	28	3 299	-
Finance lease liabilities	29	6 295	6 015
Government grants	30	28 072	2 486
Other non-current liabilities	31	8 880	7 470
		137	299
		93 876	69 175
Current liabilities			
Short-term bank loans	32	302 248	242 859
Short-term part of long-term bank loans	27	15 508	14 874
Trade payables	33	112 147	124 476
Payables to related parties	34	4 416	467
Factoring agreement liabilities	35	31 059	21 791
Short-term part of leasing obligations	30	10 838	-
Payables to personnel and social security	36	16 185	14 176
Tax payables	37	5 624	6 675
Other current liabilities	38	11 650	7 581
		509 675	432 899
TOTAL LIABILITIES		603 551	502 074
TOTAL EQUITY AND LIABILITIES		1 124 816	1 010 603

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SOPHARMA GROUP
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended on 30 June 2019

	Notes	1 January - 30 June 2019 BGN'000	1 January - 30 June 2018 BGN'000
Cash flows from operating activities			
Revenue from contracts with customers		582 323	583 142
Payments to suppliers		(559 712)	(570 681)
Payments for wages and social security		(59 017)	(54 202)
Taxes paid (profit tax excluded)		(35 481)	(33 362)
Taxes refunded (profit tax excluded)		3 681	5 188
Profit tax paid		(5 144)	(5 315)
Profit tax refunded		130	47
Paid interest and bank fees on working capital loans		(4 074)	(2 272)
Exchange rate differences, net		(159)	(463)
Other proceeds/(payments), net		(766)	(588)
Net cash flows used in operating activities		(78 219)	(78 506)
Cash flows from investing activities			
Purchase of property, plant and equipment		(13 050)	(7 831)
Proceeds from sale of property, plant and equipment		423	387
Purchases of investment properties		(193)	-
Purchases of intangible assets		(2 353)	(529)
Purchases of equity investments		(1 615)	(901)
Proceeds from sale of equity investments		88	751
Proceeds from dividends on equity investments		64	2
Payments for the acquisition of subsidiaries, net of received cash		(47)	-
Purchases of investments in associates and joint ventures		(134)	(92)
Proceeds from sale of investments in associates and joint ventures		140	3
Proceeds/(payments) on transactions with non-controlling interests, net		(1 500)	(901)
Loans granted to related parties		(89 090)	(18 985)
Repaid loans, granted to related parties		23 570	15 799
Loans granted to third parties		(4 178)	(1 019)
Repaid loans, granted to third parties		2 409	295
Received interest on granted loans and deposits		557	649
Other proceeds/(payments), net		-	(11)
Net cash flows used in investing activities		(84 909)	(12 383)
Cash flows from financial activities			
Proceeds from short-term bank loans (including overdrafts)		59 847	36 333
Settlement of short-term bank loans (including overdraft reduction)		(1 293)	(19 353)
Proceeds from long-term bank loans		748	2 943
Settlement of long-term bank loans		(5 793)	(7 314)
Loans received from related parties		6 000	-
Settlement of loans to related parties		(6 000)	-
Loans received from other parties		2 000	-
Settlement of loans to other parties		(346)	(149)
Proceeds from factoring		105 104	78 550
Interest and taxes for factoring paid		(221)	(146)
Paid interest and bank fees on investment purpose loans		(729)	(1 286)
Finance lease payments		(5 860)	(762)
Proceeds from non-controlling interest in the issue of capital in subsidiaries		293	206
Treasury shares		(2)	(457)
Dividends paid		(432)	(10)
Government grants		1 736	-
Net cash flows from financial activities		155 052	88 555
Net increase in cash and cash equivalents		(8 076)	(2 334)
Cash and cash equivalents at 1 January		24 129	22 614
Cash and cash equivalents at 30 June	25	16 053	20 280

The notes on pages 5 to 132 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 30 June 2019

Notes	Referring to the owners of the equity of the parent company								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	Total		
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000		
	134 798	(33 834)	51 666	31 945	4 109	(310)	281 509	469 883	33 227	503 110
26							(2 253)	(2 253)	(695)	(2 948)
	134 798	(33 834)	51 666	31 945	4 109	(310)	279 256	467 630	32 532	500 162
	-	(457)	-	-	-	-	-	(457)	-	(457)
	-	265	-	775	-	-	(734)	306	(306)	-
	-	-	4 301	-	-	-	(18 122)	(13 821)	-	(13 821)
	-	-	4 301	-	-	-	(4 301)	-	-	-
	-	-	-	-	-	-	(13 821)	(13 821)	-	(13 821)
	-	-	-	-	-	-	(1 023)	(1 023)	(3 480)	(4 503)
	-	-	-	-	-	-	-	-	(1 613)	(1 613)
	-	-	-	-	-	-	-	-	(2 712)	(2 712)
	-	-	-	-	-	-	-	-	1 254	1 254
	-	-	-	-	-	-	(1 071)	(1 071)	(409)	(1 480)
	-	-	-	-	-	-	48	48	-	48
	-	-	-	-	(943)	526	20 739	20 322	1 993	22 315
	-	-	-	-	-	-	20 739	20 739	1 720	22 459
	-	-	-	-	(943)	526	-	(417)	273	(144)
	-	-	-	(550)	-	-	550	-	-	-
26	134 798	(34 026)	55 967	32 170	3 166	216	280 666	472 957	30 739	503 696
	134 798	(33 337)	55 967	29 264	2 933	834	285 101	475 560	32 969	508 529
	-	(2)	-	-	-	-	-	(2)	-	(2)
	-	-	3 330	-	-	-	(3 330)	-	-	-
	-	-	3 330	-	-	-	(3 330)	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1 353	1 353	(14 246)	(12 893)
	-	-	-	-	-	-	-	-	(1 182)	(1 182)
	-	-	-	-	-	-	-	-	(3 541)	(3 541)
	-	-	-	-	-	-	(223)	(223)	968	745
	-	-	-	-	-	-	1 515	1 515	(11 593)	(10 078)
	-	-	-	-	-	-	61	61	1 102	1 163
	-	-	-	-	(544)	1 031	22 647	23 134	2 497	25 631
	-	-	-	-	-	-	22 647	22 647	1 561	24 208
	-	-	-	-	(544)	1 031	-	487	936	1 423
	-	-	-	(178)	1	-	177	-	-	-
26	134 798	(33 339)	59 297	29 086	2 390	1 865	305 948	500 045	21 220	521 265

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