

SOPHARMA GROUP

Board of Directors:	Ognian Donev, PhD Vessela Stoeva Alexandar Tchaoushev Ognian Palaveev Ivan Badinski
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Auditor:	Baker Tilly Klitou and Partners OOD

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six-month period, ending on 30 June 2020

	Notes	<i>1 January - 30 June 2020</i> BGN'000	<i>1 January- 30 June 2019</i> BGN'000
Revenue from contracts with customers	3	678 997	611 937
Other operating income / (losses), net	4	5 237	6 074
Changes in inventories of finished goods and work in progress		5 808	289
Raw materials and consumables used	5	(48 348)	(43 367)
Hired services expense	6	(37 798)	(35 342)
Employee benefits expense	7	(65 979)	(63 512)
Depreciation and amortization expense	14,15	(21 765)	(21 231)
Carrying amount of goods sold		(486 250)	(423 227)
Other operating expenses	8	(3 156)	(3 490)
Profit from operations		26 746	28 131
Finance income	10	2 459	3 473
Finance costs	11	(9 447)	(6 056)
Finance income /(costs), net		(6 988)	(2 583)
Profit from associates and joint ventures, net	12	2 543	1 884
Profit before tax		22 301	27 432
Income tax expense		(3 590)	(3 224)
Net profit for the period		18 711	24 208
Other components of comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net change in the fair value of other long-term equity investments	13	(619)	(544)
		(619)	(544)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(1 611)	1 967
		(1 611)	1 967
Other comprehensive income for the period, net of tax	13	(2 230)	1 423
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		16 481	25 631
Net profit for the year attributable to:			
Equity holders of the parent		20 619	22 647
Non-controlling interests		(1 908)	1 561
Total comprehensive income for the year attributable to:			
Equity holders of the parent		19 075	23 134
Non-controlling interests		(2 594)	2 497

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

Procurator:

Simeon Donev

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

SOPHARMA GROUP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

for the six-month period, ending on 30 June 2020

	Notes	30 June 2020 BGN'000	31 December 2019 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	376 441	378 625
Intangible assets	15	40 212	42 829
Goodwill	15	15 724	15 909
Investment properties	16	11 277	10 856
Investments in associated and joint ventures	17	65 528	62 985
Other long - term equity investments	18	13 975	10 079
Long-term receivables from related parties	19	57 651	91 794
Other long-term receivables	20	11 014	10 674
Deferred tax assets		1 978	2 421
		593 800	626 172
Current assets			
Inventories	21	242 788	229 873
Commercial receivables	22	288 368	255 660
Receivables from related parties	23	5 382	7 112
Assets held for sale		1 462	1 462
Other short-term receivables and assets	24	31 782	27 480
Cash and cash equivalents	25	21 104	27 513
		590 886	549 100
TOTAL ASSETS		1 184 686	1 175 272
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134 798	134 798
Reserves		63 739	60 977
Retained earnings	26	368 255	360 656
		566 792	556 431
Non-controlling interests		15 875	19 341
TOTAL EQUITY	26	582 667	575 772
LIABILITIES			
Non-current liabilities			
Long-term bank loans	27	55 807	56 832
Deferred tax liabilities		7 409	8 196
Long-term liabilities to related parties	28	2 500	2 972
Long-term payables to personnel	29	6 662	6 626
Lease liabilities	30	26 558	25 840
Government grants	31	10 687	10 940
Other non-current liabilities		3 947	4 042
		113 570	115 448
Current liabilities			
Short-term bank loans	32	264 204	274 829
Short-term part of long-term bank loans	27	22 379	16 730
Trade payables	33	125 137	116 407
Payables to related parties	34	11 255	7 668
Factoring agreement liabilities	35	20 369	24 772
Short-term part of leasing liabilities	30	9 908	10 012
Payables to personnel and social security	36	15 988	15 418
Tax payables	37	6 554	7 217
Other current liabilities	38	12 655	10 999
		488 449	484 052
TOTAL LIABILITIES		602 019	599 500
TOTAL EQUITY AND LIABILITIES		1 184 686	1 175 272

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SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
for the six-month period, ending on 30 June 2020

	Notes	<i>1 January - 30 June 2020 BGN'000</i>	<i>1 January - 30 June 2019 BGN'000</i>
Cash flows from operating activities			
Revenue from contracts with customers		631 981	582 323
Payments to suppliers		(639 453)	(559 712)
Payments for wages and social security		(63 221)	(59 017)
Taxes paid (profit tax excluded)		(35 669)	(35 481)
Taxes refunded (profit tax excluded)		7 677	3 681
Income taxes paid		(4 718)	(5 144)
Income taxes refunded		-	130
Interest and bank charges paid on working capital loans		(4 951)	(4 074)
Exchange rate differences, net		(922)	(159)
Other proceeds/(payments), net		(729)	(766)
Net cash flows used in operating activities		(110 005)	(78 219)
Cash flows from investing activities			
Purchase of property, plant and equipment		(11 059)	(13 050)
Proceeds from sale of property, plant and equipment		657	423
Purchase of investment properties		(2 231)	(193)
Purchases of intangible assets		(826)	(2 353)
Purchases of equity investments		(4 658)	(1 615)
Proceeds from sale of equity investments		35	88
Proceeds from dividends on equity investments		-	64
Payments for the acquisition of subsidiaries, net of cash received		-	(47)
Purchases of investments in associates and joint ventures		-	(134)
Proceeds from the sale of investments in associates and joint ventures		1	140
Proceeds/(payments) on transactions with non-controlling interests, net		(1 595)	(1 500)
Loans granted to related parties		(1 617)	(89 090)
Repaid loans, granted to related parties		37 152	23 570
Loans granted to other parties		(1 023)	(4 178)
Repaid loans, granted to other parties		578	2 409
Interest received on loans and deposits		1 524	557
Net cash flows used in investing activities		16 938	(84 909)
Cash flows from financial activities			
Proceeds from short-term bank loans (including increases in overdrafts)		8 611	59 847
Repayment of short-term bank loans (including decreases in overdrafts)		(16 814)	(1 293)
Proceeds from long-term bank loans		13 987	748
Repayment of long-term bank loans		(8 465)	(5 793)
Loans received from related parties		-	6 000
Repayment of loans to related parties		-	(6 000)
Loans received from other parties		141	2 000
Repayment of loans to other parties		(215)	(346)
Proceeds under factoring agreement		102 822	105 104
Interest and charges paid under factoring agreement		(170)	(221)
Interest and charges paid under investment purpose loans		(697)	(729)
Lease payments		(7 419)	(5 860)
Proceeds from non-controlling interest in the issue of equity in subsidiaries		41	293
Purchases of treasury shares		(262)	(2)
Proceeds from sales of treasury shares		548	-
Dividends paid		(6 302)	(432)
Government grants		849	1 736
Net cash flows from financing activities		86 655	155 052
Net (decrease)/ increase in cash and cash equivalents		(6 412)	(8 076)
Cash and cash equivalents at 1 January		27 362	24 129
Cash and cash equivalents at 30 June	25	20 950	16 053

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SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six-month period, ending on 30 June 2020

Notes	Attributable to owners of the parent								Non-controlling interests	Total equity	
	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Reserve from financial assets at fair value through other comprehensive income	Translation of foreign operations reserve	Retained earnings	Total			
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000			BGN'000
Balance at 1 January 2019	26	134 798	(33 337)	55 967	29 264	2 933	834	285 101	475 560	32 969	508 529
Changes in equity for 2019											
Effect of treasury shares acquisition, incl.:											
* acquisition of treasury shares		-	(2)	-	-	-	-	-	(2)	-	(2)
Effects of restructuring		-	(2)	-	-	-	-	-	(2)	-	(2)
Distribution of profit for:											
* statutory reserves		-	-	3 330	-	-	-	(3 330)	-	-	-
* dividends		-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:											
* acquisition/(disposal) of subsidiaries		-	-	-	-	-	-	-	-	(1 182)	(1 182)
* distribution of dividends		-	-	-	-	-	-	-	-	(3 541)	(3 541)
* issue of equity in subsidiaries		-	-	-	-	-	-	(223)	(223)	968	745
* increase in the interest in subsidiaries		-	-	-	-	-	-	1 515	1 515	(11 593)	(10 078)
* decrease in the interest in subsidiaries		-	-	-	-	-	-	61	61	1 102	1 163
Total comprehensive income for the year, including:											
* net profit for the year		-	-	-	-	(544)	1 031	22 647	23 134	2 497	25 631
* other comprehensive income, net of taxes		-	-	-	-	(544)	1 031	22 647	22 647	1 561	24 208
Transfer to retained earnings		-	-	-	(178)	1	-	177	-	-	-
Balance at 30 June 2019	26	134 798	(33 339)	59 297	29 086	2 390	1 865	305 948	500 045	21 220	521 265
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 for 2020											
Effect of treasury shares acquisition, incl.:											
* acquisition of treasury shares		-	380	-	-	-	-	(94)	286	-	286
* sale of treasury shares		-	(262)	-	-	-	-	-	(262)	-	(262)
Distribution of profit for:											
* statutory reserves		-	-	4 038	-	-	-	(4 038)	-	-	-
* dividends		-	-	-	-	-	-	(8 798)	(8 798)	-	(8 798)
Effects assumed by non-controlling interests on:											
* acquisition of subsidiaries		-	-	-	-	-	-	-	-	(202)	(1 074)
* distribution of dividends		-	-	-	-	-	-	-	-	2 091	2 091
* issue of equity in subsidiaries		-	-	-	-	-	-	-	-	(2 799)	(2 799)
* increase in the interest in subsidiaries		-	-	-	-	-	-	-	-	-	-
* decrease in the interest in subsidiaries		-	-	-	-	-	-	(278)	(278)	(167)	(445)
Total comprehensive income for the year, including:											
* net profit for the year		-	-	-	-	(619)	(925)	20 619	19 075	(2 594)	16 481
* other comprehensive income, net of taxes		-	-	-	-	(619)	(925)	20 619	20 619	(1 908)	18 711
Transfer to retained earnings		-	-	-	(189)	77	-	112	-	(686)	(2 230)
Balance at 30 June 2020	26	134 798	(33 762)	63 335	28 682	2 331	3 153	368 255	566 792	15 875	582 667

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