

**Company:**

**"SOPHARMA" AD**

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**Board of Directors:**

**Ognian Donev, PhD  
Vessela Stoeva  
Alexander Chaushev  
Ognian Palaveev  
Ivan Badinski**

**Executive Director:**

**Ognian Donev, PhD**

**Finance Director:**

**Boris Borisov**

**Chief Accountant:**

**Jordanka Petkova**

**Registered Office:**

**Sofia  
16, Iliensko Shousse Str.**

**Lawyers:**

**Adriana Baleva  
Venelin Gachev  
Ventsislav Stoev  
Boiko Botev  
Elena Golemanova  
Petar Kalpakchiev**

**Servicing Banks:**

**Raiffeisenbank (Bulgaria) EAD  
DSK Bank EAD  
Eurobank Bulgaria AD  
ING Bank N.V. - Sofia Branch  
UniCredit Bulbank AD  
Expressbank AD  
Citibank N.A.  
Cibank EAD**

**Auditors:**

**Baker Tilly Clitou and Partners OOD**

**"SOPHARMA" AD****INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

for the period ended on 30 June 2020

	Notes	2020 BGN'000	2019 BGN'000
Revenue	3	101 801	100 951
Other operating income/(losses), net	4	1 960	2 040
Changes in inventories of production and work in progress		6 665	1 355
Raw materials and consumables used	5	(38 574)	(35 553)
Hired services expense	6	(17 470)	(16 107)
Employee benefits expense	7	(27 287)	(25 532)
Depreciation and amortisation expense	13,14	(9 104)	(9 134)
Other operating expenses	8,9	(2 346)	(1 049)
<b>Profit from operations</b>		<b>15 645</b>	<b>16 971</b>
Finance income	10	10 961	10 887
Finance costs	11	(4 392)	(870)
<b>Finance income / (costs), net</b>		<b>6 569</b>	<b>10 017</b>
<b>Profit before income tax</b>		<b>22 214</b>	<b>26 988</b>
Income tax expense		(1 706)	(2 007)
<b>Net profit for the year</b>		<b>20 508</b>	<b>24 981</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Net change in the fair value of other long-term equity investments	18	(619)	(544)
<b>Other comprehensive income for the year, net of tax</b>	12	<b>(619)</b>	<b>(544)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>19 889</b>	<b>24 437</b>
Basic net earnings per share	26	<b>0,16</b>	<b>0,20</b>

*The accompanying notes on pages 5 to 124 form an integral part of the individual financial statements.*

*Executive Director:*

*Ognian Donev, PhD*

*Finance Director:*

*Boris Borisov*

*Chief Accountant: :*

*Jordanka Petkova*

**"SOPHARMA" AD****INDIVIDUAL STATEMENT OF FINANCIAL POSITION**

as at 30 June 2020

	Notes	30 June 2020 BGN'000	31 December 2019 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	222 434	224 654
Intangible assets	14	8 028	8 524
Investment property	15	41 219	39 329
Investments in subsidiaries	16	87 616	87 146
Investments in associates	17	6 062	6 062
Other long-term equity investments	18	10 873	9 621
Long-term receivables from related parties	19	57 651	91 794
Other long-term receivables	20	10 443	9 897
		<b>444 326</b>	<b>477 027</b>
<b>Current assets</b>			
Inventories	21	70 033	61 365
Receivables from related parties	22	121 204	97 014
Trade receivables	23	32 343	27 212
Loans granted to third parties	24 (a)	5 782	6 044
Other receivables and prepayments	24 (b)	7 565	6 144
Cash and cash equivalents	25	3 117	3 959
		<b>240 044</b>	<b>201 738</b>
<b>TOTAL ASSETS</b>		<b>684 370</b>	<b>678 765</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		134 798	134 798
Treasury shares		(33 762)	(34 142)
Reserves		409 113	382 549
Retained earnings	26	23 872	39 439
		<b>534 021</b>	<b>522 644</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	27	22	2 398
Deferred tax liabilities	28	5 664	6 209
Government grants	29	4 638	4 858
Lease liabilities to related parties	30	1 142	1 610
Lease liabilities to third parties	31	1 650	954
Retirement benefit obligations	32	4 785	4 638
		<b>17 901</b>	<b>20 667</b>
<b>Current liabilities</b>			
Short-term bank loans	33	94 171	100 359
Current portion of long-term bank loans	27	5 975	7 181
Trade payables	34	6 709	6 074
Payables to related parties	35	9 203	6 664
Tax payables	36	926	2 329
Payables to personnel and for social security	37	8 769	7 266
Other current liabilities	38	6 695	5 581
		<b>132 448</b>	<b>135 454</b>
<b>TOTAL LIABILITIES</b>		<b>150 349</b>	<b>156 121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>684 370</b>	<b>678 765</b>

*The accompanying notes on pages 5 to 124 form an integral part of the individual financial statements.*

**Executive Director:**

**Ognian Donev, PhD**

**Finance Director:**

**Boris Borisov**

**Chief Accountant: :**

**Jordanka Petkova**

**"SOPHARMA" AD****INDIVIDUAL STATEMENT OF CASH FLOWS**

for the period ended on 30 June 2020

	Notes	2020 BGN'000	2019 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		81 174	109 025
Cash paid to suppliers		(62 922)	(58 332)
Cash paid to employees and for social security		(25 259)	(22 703)
Taxes paid (except income taxes)		(5 183)	(4 378)
Taxes refunded (except income taxes)		2 338	891
(Paid) / refunded income taxes, net		(2 518)	(2 557)
Interest and bank charges paid on working capital loans		(745)	(728)
Foreign currency exchange gains/(losses), net		(95)	(101)
Other proceeds/(payments), net		(286)	(535)
<b>Net cash flows from operating activities</b>		<b>(13 496)</b>	<b>20 582</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(4 069)	(4 293)
Proceeds from sales of property, plant and equipment		281	9
Purchases of intangible assets		(35)	-
Purchased of investment property		(1 852)	(193)
Purchases of shares in associates		-	(134)
Proceeds from sales of shares in associates		1	140
Purchases of equity investments		(1 906)	(1 615)
Proceeds from sales of equity investments		35	88
Purchases of stocks/shares in subsidiaries		(482)	(698)
Proceeds from sales of stocks/shares in subsidiaries		-	1 222
Loans granted to related parties		(2 375)	(91 890)
Loan repayments by related parties		38 383	23 570
Loans granted to other companies		(861)	(4 165)
Loan repayments by other companies		335	2 386
Interest received on granted loans		1 476	910
Dividend proceeds from investments in subsidiaries		342	266
<b>Net cash flows used in investing activities</b>		<b>29 273</b>	<b>(74 397)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long - term bank loans		28	24
Repayment of long-term bank loans		(3 602)	(3 599)
Proceeds/ (Repayment) from / (on) short-term bank loans (overdraft), net		(6 179)	50 921
Interest and charges paid under investment purpose loans		(73)	(135)
Treasury shares		(262)	(2)
Proceeds from sales of treasury shares		548	-
Dividends paid		(6 202)	(14)
Lease payments to related parties		(523)	(524)
Lease payments to third parties		(441)	(170)
Government grants		87	-
<b>Net cash flows from financing activities</b>		<b>(16 619)</b>	<b>46 501</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(842)</b>	<b>(7 314)</b>
Cash and cash equivalents at 1 January		3 959	8 971
<b>Cash and cash equivalents at 30 June 2020</b>	25	<b>3 117</b>	<b>1 657</b>

*The accompanying notes on pages 5 to 124 form an integral part of the individual financial statements.*

*Finance Director:*

*Ognian Donev, PhD*

*Finance Director:*

*Boris Borisov*

*Chief Accountant:*

*Jordanka Petkova*

"SOPHARMA" AD

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

for the period ended on 30 June 2020

	Notes	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	Retained earnings	Total
		BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Balance at 1 January 2019</b>	26	<b>134 798</b>	<b>(33 337)</b>	<b>55 967</b>	<b>22 433</b>	<b>2 933</b>	<b>275 977</b>	<b>30 448</b>	<b>489 219</b>
<b>Changes in equity for 2019</b>									
Effect of pay back treasury shares incl:		-	(805)	-	-	-	-	-	(805)
- acquisition of treasury shares		-	(805)	-	-	-	-	-	(805)
Distribution of profit for:		-	-	3 330	-	-	22 362	(31 976)	(6 284)
- reserves		-	-	3 330	-	-	22 362	(25 692)	-
- 6-month dividends on 2019 profit		-	-	-	-	-	-	(6 284)	(6 284)
<b>Total comprehensive income for the year, including:</b>		-	-	-	<b>176</b>	<b>(60)</b>	-	<b>40 398</b>	<b>40 514</b>
- net profit for the year		-	-	-	-	-	-	40 382	40 382
- other comprehensive income, net of taxes		-	-	-	176	(60)	-	16	132
Transfer to retained earnings		-	-	-	(569)	-	-	569	-
<b>Balance at 31 December 2019</b>	26	<b>134 798</b>	<b>(34 142)</b>	<b>59 297</b>	<b>22 040</b>	<b>2 873</b>	<b>298 339</b>	<b>39 439</b>	<b>522 644</b>
<b>Changes in equity for 2020</b>									
Effect of pay back treasury shares incl:		-	380	-	-	-	-	(94)	286
- acquisition of treasury shares		-	(262)	-	-	-	-	-	(262)
- sale of treasury shares		-	642	-	-	-	-	(94)	548
Distribution of profit for:		-	-	4 038	-	-	23 257	(36 093)	(8 798)
- reserves		-	-	4 038	-	-	23 257	(27 295)	-
- dividends from profit for 2019		-	-	-	-	-	-	(8 798)	(6 284)
<b>Total comprehensive income for the year, including:</b>		-	-	-	-	<b>(619)</b>	-	<b>20 508</b>	<b>19 889</b>
- net profit for the year		-	-	-	-	-	-	20 508	20 508
- other comprehensive income, net of taxes		-	-	-	-	(619)	-	-	(619)
Transfer to retained earnings		-	-	-	(189)	77	-	112	-
<b>Balance at 30 June 2020</b>	26	<b>134 798</b>	<b>(33 762)</b>	<b>63 335</b>	<b>21 851</b>	<b>2 331</b>	<b>321 596</b>	<b>23 872</b>	<b>534 021</b>

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