

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 September 2019

	Notes	1 January - 30 September 2019 BGN'000	1 January - 30 September 2018 BGN'000
Revenue from contracts with customers	3	924,776	860,863
Other operating income / (loss), net	4	11,584	7,686
Change of available stock of finished goods and work in progress		(1,207)	4,435
Materials	5	(66,766)	(65,012)
External services	6	(54,290)	(53,841)
Emoloyees	7	(94,691)	(88,697)
Amortization	15,16	(32,614)	(24,770)
Carrying amount of goods sold		(639,664)	(600,237)
Other operating expenses	8	(6,139)	(6,258)
Operating profit		40,989	34,169
Impairment of non-current assets excluded from IFRS 9	10	(677)	-
Financial income	11	5,573	3,415
Financial expenses	12	(9,585)	(6,526)
Financial income/(expenses) net		(4,012)	(3,111)
Loss/(Profit) from associates and joint ventures, net	13	1,620	957
Profit from acquisition and disposal of subsidiaries		4,595	-
Profit before tax		42,515	32,015
Income tax expense		(5,648)	(3,645)
Net profit		36,867	28,370
Other components of comprehensive income:			
<i>Components not to be reclassified to profit or loss:</i>			
Subsequent estimates of defined benefit liabilities under retirement benefit plans		-	(3)
Net change in the fair value of other long-term equity investments	14	(299)	(1,441)
		(299)	(1,444)
<i>Components that may be reclassified to profit or loss:</i>			
Net change in the fair value of other long-term equity investments		4,267	39
		4,267	39
Other comprehensive income for the year, net of tax	14	3,968	(1,405)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		40,835	26,965
Net profit for the year attributable to:			
Equity holders of the parent		33,778	26,954
Non-controlling interests		3,089	1,416
Total comprehensive income for the year attributable to:			
Equity holders of the parent		36,463	26,063
Non-controlling interests		4,372	902

The notes on pages 5 to 136 are an integral part of the present consolidated financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Preparer:

Lyudmila Bondzhova

SOPHARMA GROUP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

for the period ended on 30 September 2019

	Notes	30 June 2019 BGN'000	31 December 2018 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	372,564	324,525
Intangible assets	16	59,209	62,195
Goodwill	16	19,548	23,516
Investment properties	17	10,442	10,427
Investments in associated and joint companies	18	21,877	20,383
Other long - term equity investments	19	9,758	8,598
Long-term receivables from related parties	20	93,070	23,055
Other long-term receivables	21	9,211	6,399
Deferred tax assets		1,784	1,590
		597,463	480,688
Current assets			
Inventories	22	235,195	235,763
Trade receivables	23	269,078	235,911
Receivables from related parties	24	6,299	9,942
Other short-term receivables and assets	25	25,510	22,717
Cash and cash equivalents	26	17,916	25,582
		553,998	529,915
TOTAL ASSETS		1,151,461	1,010,603
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134,798	134,798
Reserves		61,492	55,661
Retained earnings		316,132	285,101
	27	512,422	475,560
Non-controlling interests		23,621	32,969
TOTAL EQUITY	27	536,043	508,529
LIABILITIES			
Non-current liabilities			
Long-term bank loans	28	54,731	41,124
Deferred tax liabilities		10,996	11,781
Long-term liabilities to related parties	29	2,574	-
Long-term payables to personnel	30	6,468	6,015
Finance lease liabilities	31	26,848	2,486
Government grants	32	8,717	7,470
Other non-current liabilities		138	299
		110,472	69,175
Current liabilities			
Short-term bank loans	33	291,495	242,859
Short-term part of long-term bank loans	28	19,258	14,874
Trade payables	34	121,111	124,476
Payables to related parties	35	3,524	467
Factoring agreement liabilities	36	26,775	21,791
Short-term part of leasing obligations	31	9,832	-
Payables to personnel and social security	37	14,933	14,176
Tax payables	38	7,814	6,675
Other current liabilities	39	10,204	7,581
		504,946	432,899
TOTAL LIABILITIES		615,418	502,074
TOTAL EQUITY AND LIABILITIES		1,151,461	1,010,603

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Executive Director:

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

	Notes	1 January - 30 September 2019 BGN'000	1 January - 30 September 2018 BGN'000
Cash flows from operating activities			
Revenue from contracts with customers		864,074	885,922
Payments to suppliers		(829,300)	(847,828)
Payments for wages and social security		(88,303)	(81,448)
Taxes paid (profit tax excluded)		(51,742)	(48,284)
Taxes refunded (profit tax excluded)		5,032	7,004
Profit tax paid		(6,946)	(7,043)
Profit tax refunded		130	47
Paid interest and bank fees on working capital loans		(6,577)	(4,584)
Exchange rate differences, net		(87)	(942)
Other proceeds/(payments), net		(1,232)	(912)
Net cash flows used in operating activities		(114,951)	(98,068)
Cash flows from investing activities			
Purchase of property, plant and equipment		(25,274)	(17,574)
Proceeds from sale of property, plant and equipment		603	199
Purchases of investment properties		(193)	-
Purchases of intangible assets		(2,894)	(2,098)
Purchases of equity investments		(2,095)	(1,866)
Proceeds from sale of equity investments		642	818
Proceeds from dividends on equity investments		188	23
Payments for the acquisition of subsidiaries, net of received cash		(205)	(1,212)
Amounts exempted from subsidiaries, net of cash provided		4,713	-
Purchases of investments in associates and joint ventures		(192)	(197)
Proceeds from sale of investments in associates and joint ventures		370	7
Proceeds/(payments) on transactions with non-controlling interests, net		(4,316)	(1,000)
Loans granted to related parties		(89,690)	(27,186)
Repaid loans, granted to related parties		24,378	21,057
Loans granted to third parties		(5,531)	(2,212)
Repaid loans, granted to third parties		2,420	382
Received interest on granted loans and deposits		586	749
Other proceeds/(payments), net		-	(54)
Net cash flows used in investing activities		(96,490)	(30,164)
Cash flows from financial activities			
Proceeds from short-term bank loans (including overdrafts)		50,913	53,917
Settlement of short-term bank loans (including overdraft reduction)		(2,186)	(16,087)
Proceeds from long-term bank loans		28,042	5,177
Settlement of long-term bank loans		(10,597)	(10,782)
Loans received from related parties		6,000	-
Settlement of loans to related parties		(6,000)	-
Loans received from other parties		2,347	65
Settlement of loans to other parties		(847)	(187)
Proceeds from factoring		149,945	114,164
Interest and taxes for factoring paid		(342)	(219)
Paid interest and bank fees on investment purpose loans		(990)	(896)
Finance lease payments		(10,094)	(1,027)
Proceeds from non-controlling interest in the issue of capital in subsidiaries		294	209
Treasury shares		(2)	(641)
Dividends paid		(3,195)	(16,447)
Government grants		1,736	-
Net cash flows from financial activities		205,024	127,246
Net increase in cash and cash equivalents		(6,417)	(986)
Cash and cash equivalents at 1 January		24,129	22,614
Cash and cash equivalents at 30 September	26	17,712	21,628

The notes on pages 5 to 136 are an integral part of the present consolidated financial statement.

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Boris Borisov

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Lyudmila Bondzhova

SOPHARMA GROUP
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended on 30 September 2019

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			
Balance at 1 January 2018	134,798	(33,834)	51,666	31,945	4,109	(310)	281,509	469,883	33,227	503,110
Effects of initial application of IFRS 9, net of tax							(2,253)	(2,253)	(695)	(2,948)
Balance at 1 January 2018 (recalculated)	134,798	(33,834)	51,666	31,945	4,109	(310)	279,256	467,630	32,532	500,162
Changes in equity in 2018										
Effect of treasury shares	-	(641)	-	-	-	-	-	(641)	-	(641)
<i>Effects of restructuring</i>	-	265	-	775	-	-	(734)	306	(306)	-
Share-based payment	-	1,080	-	-	-	-	141	1,221	-	1,221
Distribution of profit for:	-	-	4,301	-	-	-	(18,123)	(13,822)	-	(13,822)
* <i>Statutory reserves</i>	-	-	4,301	-	-	-	(4,301)	-	-	-
* <i>Dividends</i>	-	-	-	-	-	-	(13,822)	(13,822)	-	(13,822)
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	(7,506)	(7,506)	(1,628)	(9,134)
* <i>acquisition/(disposal) of subsidiaries and joint ventures</i>	-	-	-	-	-	-	-	-	170	170
* <i>distribution of dividends</i>	-	-	-	-	-	-	-	-	(2,716)	(2,716)
* <i>distribution of six-month dividends on profit</i>	-	-	-	-	-	-	(6,284)	(6,284)	-	(6,284)
* <i>capital issue in subsidiaries</i>	-	-	-	-	-	-	(728)	(728)	1,275	547
* <i>increase in the interest in subsidiaries</i>	-	-	-	-	-	-	(543)	(543)	(362)	(905)
* <i>decrease in the interest in subsidiaries</i>	-	-	-	-	-	-	49	49	5	54
Total comprehensive income for the year, incl.:	-	-	-	-	(1,441)	553	26,951	26,063	902	26,965
* <i>net profit for the year</i>	-	-	-	-	-	-	26,954	26,954	1,416	28,370
* <i>other components of comprehensive income, net of taxes</i>	-	-	-	-	(1,441)	553	(3)	(891)	(514)	(1,405)
Transfer to retained earnings	-	-	-	(631)	-	-	631	-	-	-
Balance at 30 June 2018	134,798	(33,130)	55,967	32,089	2,668	243	280,616	473,251	31,500	504,751
Balance at 1 January 2019	134,798	(33,337)	55,967	29,264	2,933	834	285,101	475,560	32,969	508,529
Changes in equity in 2019										
Effect of treasury shares	-	(2)	-	-	-	-	-	(2)	-	(2)
Distribution of profit for:	-	-	3,330	-	-	-	(3,330)	-	-	-
* <i>Statutory reserves</i>	-	-	3,330	-	-	-	(3,330)	-	-	-
* <i>Dividends</i>	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	401	401	(13,720)	(13,319)
* <i>acquisition of subsidiaries and joint ventures</i>	-	-	-	-	-	-	-	-	(1,680)	(1,680)
* <i>distribution of dividends</i>	-	-	-	-	-	-	-	-	(3,541)	(3,541)
* <i>capital issue in subsidiaries</i>	-	-	-	-	-	-	(223)	(223)	968	745
* <i>increase in the interest in subsidiaries</i>	-	-	-	-	-	-	562	562	(10,841)	(10,279)
* <i>decrease in the interest in subsidiaries</i>	-	-	-	-	-	-	62	62	1,374	1,436
Total comprehensive income for the period, incl.:	-	-	-	-	(299)	2,984	33,778	36,463	4,372	40,835
* <i>net profit for the year</i>	-	-	-	-	-	-	33,778	33,778	3,089	36,867
* <i>other components of comprehensive income, net of taxes</i>	-	-	-	-	(299)	2,984	-	2,685	1,283	3,968
Transfer to retained earnings	-	-	-	(181)	(1)	-	182	-	-	-
Balance at 30 September 2019	134,798	(33,339)	59,297	29,083	2,633	3,818	316,132	512,422	23,621	536,043

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