

Company Name:

SOPHARMA AD

Board of Directors:

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

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant:

Iordanka Petkova

Address of Management:

**Sofia
16, Iliensko Shousse Str.**

Lawyers:

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

Servicing Banks:

**Raiffeisenbank (Bulgaria) EAD
DSK Bank EAD
Eurobank and FG Bulgaria AD
ING Bank N.V.
Unicredit AD
Societe Generale Expressbank AD
Citibank N.A.
SI Bank EAD**

Auditor:

Backer Tilly Klitou and Partners OOD

SOPHARMA AD
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 September 2019

	Notes	2019 BGN'000	2018 ** BGN'000 <i>recalculated</i>
Revenues	3	156,637	153,188
Other operating revenue/(loss), net	4	3,595	3,714
Change of available stock of finished goods and work in progress		(222)	1,987
Materials	5	(55,130)	(54,322)
External services	6	(25,276)	(28,314)
Emoloyees	7	(36,968)	(38,617)
Amortization	13,14	(13,760)	(13,486)
Other operating expenses	8	(3,776)	(3,262)
Operating profit		25,100	20,888
Impairment of non-current assets	9	(677)	-
Financial income	10	13,824	10,511
Financial expenses	11	(1,682)	(1,513)
Financial income/(expenses), net		12,142	8,998
Profit before tax		36,565	29,886
Profit tax		(3,056)	(2,170)
Net profit for the year		33,509	27,716
Other components of the total income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Subsequent assessments of liabilities on defined benefit retirement plans		-	(3)
Net change in the fair value of other long-term equity investments	18	(299)	(1,441)
Other comprehensive income for the period net of tax	12	(299)	(1,444)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		33,210	26,272
Earnings per share	26	0.27	0.21

The notes on pages 5 to 121 are an integral part of the present financial statement.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Iordanka Petkova

**Modified retrospective application of IFRS 16 (Note 30)*

SOPHARMA AD
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
for the period ended 30 September 2019

	Notes	30 September 2019 BGN'000	31 December 2018 ** BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	227,673	226,956
Intangible assets	14	10,512	11,881
Investment properties	15	39,273	37,451
Investments in subsidiaries	16	89,620	89,945
Investments in associated companies	17	7,994	7,962
Other long - term equity investments	18	9,305	7,599
Long-term receivables from related parties	19	93,070	23,055
Other long-term receivables	20	8,565	5,760
		486,012	410,609
Current assets			
Inventory	21	69,713	68,499
Receivables from related companies	22	107,169	91,509
Commercial receivables	23	19,882	19,431
Loans granted to third parties	24 (a)	3,681	3,270
Other receivables and prepayments	24 (b)	6,519	5,937
Cash and cash equivalents	25	1,080	8,971
		208,044	197,617
TOTAL ASSETS		694,056	608,226
EQUITY AND LIABILITIES			
EQUITY			
Share capital		134,798	134,798
Treasury shares		(33,339)	(33,337)
Reserves		385,978	357,310
Retained earnings	26	34,990	30,448
		522,427	489,219
LIABILITIES			
Non-current liabilities			
Long-term bank loans	27	4,201	9,556
Deferred taxes	28	6,080	6,235
Government grants	29	4,992	5,397
Operating lease liabilities to related parties	30	1,857	-
Operating lease liabilities to third parties	31	2,326	-
Long-term payables to employees	32	4,813	4,418
		24,269	25,606
Current liabilities			
Short-term bank loans	33	118,930	65,652
Short-term part of long-term bank loans	27	7,173	7,168
Commercial payables	34	6,618	8,922
Payables to related companies	35	3,180	633
Tax payables	36	1,092	1,884
Payables to employees and social insurance	37	7,657	7,119
Other current liabilities	38	2,710	2,023
		147,360	93,401
TOTAL LIABILITIES		171,629	119,007
TOTAL EQUITY AND LIABILITIES		694,056	608,226

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Iordanka Petkova

**Modified retrospective application of IFRS 16 (Note 30)*

SOPHARMA AD
INDIVIDUAL STATEMENT OF CASH FLOWS
for the period ended 30 September 2019

	Notes	2019 BGN'000	2018 BGN'000 <i>recalculated *</i>
Cash flows from operating activities			
Income from customers		152,677	149,789
Payments to suppliers		(92,404)	(93,932)
Payments to employees and for social insurance		(34,303)	(34,935)
Taxes paid (profit tax excluded)		(5,939)	(6,046)
Taxes refunded (profit tax excluded)		1,346	1,838
(Paid) / refunded taxes on profit, net		(3,607)	(3,722)
Paid interest and bank fees on working capital loans		(1,179)	(729)
Exchange rate differences, net		(166)	(143)
Other proceeds/(payments), net		(900)	(842)
Net cash flows from/(used in) operating activities		15,525	11,278
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,703)	(7,275)
Proceeds from sale of property, plant and equipment		27	157
Purchase of intangible assets		-	(282)
Purchase of shares in associated companies		(192)	(197)
Proceeds from sale of shares in associated companies		370	7
Purchase of investment properties		(193)	-
Purchase of equity investments		(2,095)	(1,700)
Proceeds from sale of equity investments		88	818
Purchase of shares in subsidiaries		(974)	(125)
Proceeds from sale of shares in subsidiaries		1,522	-
Loans granted to related companies		(93,070)	(28,165)
Repaid loans, granted to related parties		25,126	21,058
Loans granted to third parties		(5,436)	(2,194)
Repaid loans, granted to third parties		2,397	382
Received interest on granted loans		955	792
Proceeds from dividends from other long-term equity investments		159	23
Proceeds from dividends from investments in subsidiaries		8,337	8,693
Other proceeds/(payments), net		-	(54)
Net cash flows used in investing activities		(69,682)	(8,062)
Cash flows from finance activities			
Proceeds from long-term bank loans		24	33
Payment of long-term bank loans		(5,405)	(5,601)
Proceeds / (Repayment) from / (of) short-term bank loans (overdraft), net		53,274	19,954
Paid interest and bank fees on investment purpose loans		(192)	(287)
Treasury shares		(2)	(641)
Dividends paid		(21)	(13,834)
Operating lease payments		(1,412)	-
Finance lease payments		-	(71)
Net financial cash flows used in financing activities		46,266	(447)
Net increase/(decrease) in cash and cash equivalents		(7,891)	2,769
Cash and cash equivalents at 1 January		8,971	5,764
Cash and cash equivalents at 30 September	25	1,080	8,533

The notes on pages 5 to 121 are an integral part of the present financial statement.

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INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2019

	Notes	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Reserve of financial assets at fair value through other comprehensive income	Additional reserves	Retained earnings	Total equity
		BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance as at 1 January 2018 (originally reported)		134,798	(33,834)	51,666	23,839	4,089	251,089	46,147	477,794
Effects from merger of a subsidiary	2.3	-	-	-	-	-	-	(316)	(316)
Effects of initial application of IFRS 9	2.4	-	-	-	-	-	-	(1,309)	(1,309)
Balance at 1 January 2018 (recalculated)		134,798	(33,834)	51,666	23,839	4,089	251,089	44,522	476,169
Changes in equity in 2018									
Effects from merger of a subsidiary		-	265	-	1,744	20	-	(2,029)	-
Effects of treasury shares including:		-	232	-	-	-	-	141	373
- share-based payments		-	1,082	-	-	-	-	142	1,224
- acquisition of treasury shares		-	(861)	-	-	-	-	-	(861)
- treasury shares sold		-	11	-	-	-	-	(1)	10
Distribution of profit for:		-	-	4,301	-	-	24,888	(49,295)	(20,106)
- reserves		-	-	4,301	-	-	24,888	(29,189)	-
- dividends from profit for 2017		-	-	-	-	-	-	(13,822)	(13,822)
- six-month dividends from profit for 2018		-	-	-	-	-	-	(6,284)	(6,284)
Total comprehensive income for the year incl.		-	-	-	307	(792)	-	33,268	32,783
- net profit for the year		-	-	-	-	-	-	33,298	33,298
- other components of comprehensive income, net of taxes		-	-	-	307	(792)	-	(30)	(515)
Transfer to retained earnings		-	-	-	(3,457)	(384)	-	3,841	-
Balance at 31 December 2018	26	134,798	(33,337)	55,967	22,433	2,933	275,977	30,448	489,219
Changes in equity in 2019									
Effects of treasury shares incl.:		-	(2)	-	-	-	-	-	(2)
- acquisition of treasury shares		-	(2)	-	-	-	-	-	(2)
- treasury shares sold		-	-	-	-	-	-	-	-
Distribution of profit for:		-	-	3,330	-	-	25,819	(29,149)	-
- reserves		-	-	3,330	-	-	25,819	(29,149)	-
Total comprehensive income for the year, incl.:		-	-	-	-	(299)	-	33,509	33,210
- net profit for the year		-	-	-	-	-	-	33,509	33,509
- other component of comprehensive income, net of taxes		-	-	-	-	(299)	-	-	(299)
Transfer to retained earnings		-	-	-	(181)	(1)	-	182	-
Balance at 30 September 2019	26	134,798	(33,339)	59,297	22,252	2,633	301,796	34,990	522,427

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