

SOPHARMA GROUP

Board of Directors:	Ognian Donev, PhD Vessela Stoeva Alexandar Tchaoushev Ognian Palaveev Ivan Badinski
Executive Director:	Ognian Donev, PhD
Procurators:	Simeon Donev Ivan Badinski
Finance Director:	Boris Borisov
Preparer:	Lyudmila Bondzhova
Head of Legal Department:	Alexandar Yotov
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 nine-month period, ending on 30 September 2020

	Notes	<i>1 January - 30 September 2020</i> BGN'000	<i>1 January - 30 September 2019</i> BGN'000
Revenue from contracts with customers	3	1 018 446	924 776
Other operating income / (losses), net	4	7 599	11 584
Changes in inventories of finished goods and work in progress		9 357	(1 207)
Raw materials and consumables used	5	(67 016)	(66 766)
Hired services expense	6	(55 823)	(54 290)
Employee benefits expense	7	(95 200)	(94 691)
Depreciation and amortization expense	15,16	(32 741)	(32 614)
Carrying amount of goods sold		(742 556)	(639 664)
Other operating expenses	8	(9 248)	(6 139)
Profit from operations		32 818	40 989
Impairment of non-current assets outside the scope of IFRS 9	10	(1 072)	(677)
Finance income	11	3 478	5 573
Finance costs	12	(15 553)	(9 585)
Finance income /(costs), net		(12 075)	(4 012)
Profit from associates and joint ventures, net	13	2 355	1 620
Gain on acquisition and disposal of subsidiaries		-	4 595
Profit before tax		22 026	42 515
Income tax expense		(4 512)	(5 648)
Net profit for the period		17 514	36 867
Other components of comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Subsequent revaluations of property, plant and equipment		(41)	-
Net change in the fair value of other long-term equity investments	14	(647)	(299)
Income tax relating to items of other comprehensive income that will not be reclassified		4	-
		(684)	(299)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(1 429)	4 267
		(1 429)	4 267
Other comprehensive income for the period, net of tax	14	(2 113)	3 968
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15 401	40 835
Net profit for the year attributable to:			
Equity holders of the parent		21 873	33 778
Non-controlling interests		(4 359)	3 089
Total comprehensive income for the year attributable to:			
Equity holders of the parent		20 534	36 463
Non-controlling interests		(5 133)	4 372

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

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

SOPHARMA GROUP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

for the nine-month period, ending on 30 September 2020

	Notes	30 September 2020 BGN'000	31 December 2019 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	361 548	378 625
Intangible assets	16	43 193	42 829
Goodwill	16	15 589	15 909
Investment properties	17	11 277	10 856
Investments in associated and joint ventures	18	65 340	62 985
Other long - term equity investments	19	13 810	10 079
Long-term receivables from related parties	20	59 241	91 794
Other long-term receivables	21	11 382	10 674
Deferred tax assets		1 686	2 421
		583 066	626 172
Current assets			
Inventories	22	241 683	229 873
Commercial receivables	23	285 088	255 660
Receivables from related parties	24	6 058	7 112
Assets held for sale		1 462	1 462
Other short-term receivables and assets	25	43 602	27 480
Cash and cash equivalents	26	21 966	27 513
		599 859	549 100
TOTAL ASSETS		1 182 925	1 175 272
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134 798	134 798
Reserves		64 199	60 977
Retained earnings	27	362 856	360 656
		561 853	556 431
Non-controlling interests		13 852	19 341
TOTAL EQUITY	27	575 705	575 772
LIABILITIES			
Non-current liabilities			
Long-term bank loans	28	38 523	56 832
Deferred tax liabilities		7 281	8 196
Long-term liabilities to related parties	29	-	2 972
Long-term liabilities to personnel	30	6 735	6 626
Lease liabilities	31	27 398	25 840
Government grants	32	10 558	10 940
Other non-current liabilities		3 933	4 042
		94 428	115 448
Current liabilities			
Short-term bank loans	33	256 366	274 829
Short-term part of long-term bank loans	28	32 563	16 730
Trade payables	34	135 139	116 407
Payables to related parties	35	4 644	7 668
Payables under factoring agreement	36	38 685	24 772
Short-term part of leasing liabilities	31	12 236	10 012
Payables to personnel and social security	37	14 858	15 418
Tax payables	38	7 330	7 217
Other current liabilities	39	10 971	10 999
		512 792	484 052
TOTAL LIABILITIES		607 220	599 500
TOTAL EQUITY AND LIABILITIES		1 182 925	1 175 272

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

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

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

	Notes	<i>1 January - 30 September 2020 BGN'000</i>	<i>1 January - 30 September 2019 BGN'000</i>
Cash flows from operating activities			
Revenue from customers		950 167	864 074
Payments to suppliers		(940 052)	(829 300)
Payments for wages and social security		(90 114)	(88 303)
Taxes paid (profit tax excluded)		(53 768)	(51 742)
Taxes refunded (profit tax excluded)		9 855	5 032
Income taxes paid		(6 354)	(6 946)
Income taxes refunded		78	130
Interest and bank charges paid on working capital loans		(6 962)	(6 577)
Exchange rate differences, net		(1 813)	(87)
Other proceeds/(payments), net		(2 114)	(1 232)
Net cash flows used in operating activities		(141 077)	(114 951)
Cash flows from investing activities			
Purchase of property, plant and equipment		(22 598)	(25 274)
Proceeds from sale of property, plant and equipment		1 676	603
Purchase of investment properties		(2 424)	(193)
Purchases of intangible assets		(1 832)	(2 894)
Purchases of equity investments		(4 810)	(2 095)
Proceeds from sale of equity investments		53	642
Proceeds from dividends on equity investments		61	188
Payments for the acquisition of subsidiaries, net of cash received		-	(205)
Amounts from disposal of subsidiaries, net of cash received		-	4 713
Purchases of investments in associates and joint ventures		-	(192)
Proceeds from the sale of investments in associates and joint ventures		1	370
Proceeds/(payments) on transactions with non-controlling interests, net		(4 746)	(4 316)
Loans granted to related parties		(3 681)	(89 690)
Repaid loans, granted to related parties		37 152	24 378
Loans granted to other parties		(1 151)	(5 531)
Repaid loans, granted to other parties		1 619	2 420
Interest received on loans and deposits		1 717	586
Net cash flows used in investing activities		1 037	(96 490)
Cash flows from financial activities			
Proceeds from short-term bank loans (including increases in overdrafts)		9 182	50 913
Repayment of short-term bank loans (including decreases in overdrafts)		(22 679)	(2 186)
Proceeds from long-term bank loans		13 761	28 042
Repayment of long-term bank loans		(14 878)	(10 597)
Loans received from related parties		-	6 000
Repayment of loans to related parties		-	(6 000)
Loans received from other parties		208	2 347
Repayment of loans to other parties		(294)	(847)
Proceeds under factoring agreement		178 341	149 945
Interest and charges paid under factoring agreement		(317)	(342)
Interest and charges paid under investment purpose loans		(1 255)	(990)
Lease payments		(11 363)	(10 094)
Proceeds from non-controlling interest in the issue of equity in subsidiaries		37	294
Purchases of treasury shares		(262)	(2)
Proceeds from sales of treasury shares		805	-
Dividends paid		(17 646)	(3 195)
Government grants		849	1 736
Net cash flows from financing activities		134 489	205 024
Net (decrease)/ increase in cash and cash equivalents		(5 551)	(6 417)
Cash and cash equivalents at 1 January		27 362	24 129
Cash and cash equivalents at 30 September	26	21 811	17 712

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

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine-month period, ending on 30 September 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		
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 for 2019										
Effect of treasury shares acquisition, incl.:	-	(2)	-	-	-	-	-	(2)	-	(2)
* acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)	-	(2)
Effects of restructuring	-	-	-	-	-	-	-	-	-	-
Distribution of profit for:	-	-	3 330	-	-	-	(3 330)	-	-	-
* statutory reserves	-	-	3 330	-	-	-	(3 330)	-	-	-
* dividends	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	401	401	(13 720)	(13 319)
* acquisition/(disposal) of subsidiaries	-	-	-	-	-	-	-	-	(1 680)	(1 680)
* distribution of dividends	-	-	-	-	-	-	-	-	(3 541)	(3 541)
* issue of equity in subsidiaries	-	-	-	-	-	-	(223)	(223)	968	745
* increase in the interest in subsidiaries	-	-	-	-	-	-	562	562	(10 841)	(10 279)
* decrease in the interest in subsidiaries	-	-	-	-	-	-	62	62	1 374	1 436
Total comprehensive income for the year, including:	-	-	-	-	(299)	2 984	33 778	36 463	4 372	40 835
* net profit for the year	-	-	-	-	-	-	33 778	33 778	3 089	36 867
* other comprehensive income, net of taxes	-	-	-	-	(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
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.:	-	687	-	-	-	-	(144)	543	-	543
* acquisition of treasury shares	-	(262)	-	-	-	-	-	(262)	-	(262)
* sale of treasury shares	-	949	-	-	-	-	(144)	805	-	805
Distribution of profit for:	-	-	4 038	-	-	-	(17 870)	(13 832)	-	(13 832)
* statutory reserves	-	-	4 038	-	-	-	(4 038)	-	-	-
* dividends for profit for 2019	-	-	-	-	-	-	(8 798)	(8 798)	-	(8 798)
* distribution of 6-month dividends on 2020 profit	-	-	-	-	-	-	(5 034)	(5 034)	-	(5 034)
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	(1 823)	(1 823)	(356)	(2 179)
* acquisition of subsidiaries	-	-	-	-	-	-	-	-	3 797	3 797
* distribution of dividends	-	-	-	-	-	-	-	-	(2 799)	(2 799)
* issue of equity in subsidiaries	-	-	-	-	-	-	-	-	-	-
* increase in the interest in subsidiaries	-	-	-	-	-	-	(1 911)	(1 911)	(1 344)	(3 255)
* decrease in the interest in subsidiaries	-	-	-	-	-	-	88	88	(10)	78
Total comprehensive income for the year, including:	-	-	-	(37)	(647)	(655)	21 873	20 534	(5 133)	15 401
* net profit for the year	-	-	-	-	-	-	21 873	21 873	(4 359)	17 514
* other comprehensive income, net of taxes	-	-	-	(37)	(647)	(655)	-	(1 339)	(774)	(2 113)
Transfer to retained earnings	-	-	-	(210)	46	-	164	-	-	-
Balance at 30 September 2020	134 798	(33 455)	63 335	28 624	2 272	3 423	362 856	561 853	13 852	575 705

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

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova