

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

for the period ended 31 December 2019

	Notes	2019 BGN'000	2018 * BGN'000
Revenues	3	230 691	212 418
Other operating revenue/(loss), net	4	4 118	4 910
Change of available stock of finished goods and work in progress		(6 192)	2 016
Materials	5	(75 476)	(75 752)
External services	6	(34 860)	(38 654)
Emoloyees	7	(49 158)	(50 147)
Amortization	15,16	(18 382)	(17 414)
Other operating expenses	8,9	(4 822)	(9 579)
Operating profit		45 919	27 798
Impairment of non-current assets excluded from IFRS 9	10	(15 132)	(76)
Financial income	11	17 012	10 520
Financial expenses	12	(2 905)	(1 709)
Financial income/(expenses), net		14 107	8 811
Profit before tax		44 894	36 533
Profit tax	13	(4 704)	(3 235)
Net profit for the year		40 190	33 298
Other components of the total 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	20	(34)	(792)
Subsequent assessments of liabilities on defined benefit retirement plans	34	16	(30)
Subsequent revaluation of property, plant and equipment	15	-	341
Income tax related to components of other comprehensive income that will not be reclassified	13	-	(34)
Other comprehensive income for the period net of tax	14	(18)	(515)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		40 172	32 783
Earnings per share	28	0,32	0,26

The notes on pages 5 to 140 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 32, 33)*

SOPHARMA AD
PRELIMINARY INDIVIDUAL STATEMENT OF FINANCIAL POSITION
for the period ended 31 December 2019

	Notes	31 December 2019 BGN'000	31 December 2018 * BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	225 919	226 956
Intangible assets	16	8 485	11 881
Investment properties	17	39 325	37 451
Investments in subsidiaries	18	87 146	89 945
Investments in associated companies	19	6 062	7 962
Other long - term equity investments	20	9 644	7 599
Long-term receivables from related parties	21	91 767	23 055
Other long-term receivables	22	9 573	5 760
		477 921	410 609
Current assets			
Inventory	23	61 336	68 499
Receivables from related companies	24	97 447	91 509
Commercial receivables	25	27 185	19 431
Loans granted to third parties	26 (a)	5 665	3 270
Other receivables and prepayments	26 (b)	6 100	5 937
Cash and cash equivalents	27	3 959	8 971
		201 692	197 617
TOTAL ASSETS		679 613	608 226
EQUITY AND LIABILITIES			
EQUITY			
Share capital		134 798	134 798
Treasury shares		(34 142)	(33 337)
Reserves		382 397	357 310
Retained earnings		39 249	30 448
	28	522 302	489 219
LIABILITIES			
Non-current liabilities			
Long-term bank loans	29	2 397	9 556
Deferred taxes	30	5 972	6 235
Government grants	31	4 858	5 397
Operating lease liabilities to related parties	32	1 610	-
Operating lease liabilities to third parties	33	2 369	-
Long-term payables to employees	34	4 638	4 418
		21 844	25 606
Current liabilities			
Short-term bank loans	35	100 377	65 652
Short-term part of long-term bank loans	29	7 181	7 168
Commercial payables	36	5 814	8 922
Payables to related companies	37	6 618	633
Tax payables	38	2 381	1 884
Payables to employees and social insurance	39	7 249	7 119
Other current liabilities	40	5 847	2 023
		135 467	93 401
TOTAL LIABILITIES		157 311	119 007
TOTAL EQUITY AND LIABILITIES		679 613	608 226

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SOPHARMA AD
PRELIMINARY INDIVIDUAL STATEMENT OF CASH FLOWS
for the period ended 31 December 2019

	Notes	2019 BGN'000	2018 * BGN'000
Cash flows from operating activities			
Income from customers		232 064	220 302
Payments to suppliers		(122 743)	(128 291)
Payments to employees and for social insurance		(46 834)	(47 343)
Taxes paid (profit tax excluded)		(9 433)	(8 184)
Taxes refunded (profit tax excluded)		1 786	1 998
(Paid) / refunded taxes on profit, net		(4 570)	(4 062)
Paid interest and bank fees on working capital loans		(1 656)	(1 090)
Exchange rate differences, net		(180)	(165)
Other proceeds/(payments), net		(624)	(848)
Net cash flows from/(used in) operating activities		47 810	32 317
Cash flows from investing activities			
Purchase of property, plant and equipment		(8 817)	(10 607)
Proceeds from sale of property, plant and equipment		111	272
Purchase of intangible assets		-	(282)
Purchase of investments property		(193)	-
Purchase of shares in associated companies		(192)	(227)
Proceeds from sale of shares in associated companies		4 799	7
Purchase of equity investments		(2 170)	(1 744)
Proceeds from sale of equity investments		90	907
Purchase of shares in subsidiaries		(11 193)	(257)
Proceeds from sale of shares in subsidiaries		1 627	-
Proceeds from dividends from investments in subsidiaries		9 114	8 693
Proceeds from dividends from other long-term equity investments		160	96
Loans granted to related companies		(94 040)	(31 268)
Repaid loans, granted to related parties		26 104	22 676
Loans granted to third parties		(8 523)	(7 442)
Repaid loans, granted to third parties		2 405	5 134
Received interest on granted loans		3 264	1 064
Other proceeds/(payments), net		-	(54)
Net cash flows used in investing activities		(77 454)	(13 032)
Cash flows from finance activities			
Proceeds from long-term bank loans		24	33
Payment of long-term bank loans		(7 207)	(7 413)
Proceeds / (Repayment) from / (of) short-term bank loans (overdraft), net		34 685	12 588
Paid interest and bank fees on investment purpose loans		(240)	(365)
Proceeds from sale of treasury shares		-	11
Treasury shares		(805)	(861)
Dividends paid		(28)	(20 000)
Operating lease payments		(1 923)	(71)
Finance lease payments		126	-
Net financial cash flows used in financing activities		24 632	(16 078)
Net decrease in cash and cash equivalents		(5 012)	3 207
Cash and cash equivalents at 1 January		8 971	5 764
Cash and cash equivalents at 31 December	27	3 959	8 971

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**Modified retrospective application of IFRS 16 (Note 32, 33)*

SOPHARMA AD

PRELIMINARY INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 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	28	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.:		-	(805)	-	-	-	-	-	(805)
- acquisition of treasury shares		-	(805)	-	-	-	-	-	(805)
- treasury shares sold		-	-	-	-	-	-	-	-
Distribution of profit for:		-	-	3 330	-	-	22 362	(31 976)	(6 284)
- reserves		-	-	3 330	-	-	22 362	(25 692)	-
- six-month dividends from profit for 2019		-	-	-	-	-	-	(6 284)	-
Total comprehensive income for the year, incl.:		-	-	-	-	(34)	-	40 206	40 172
- net profit for the year		-	-	-	-	-	-	40 190	40 190
- other component of comprehensive income, net of taxes		-	-	-	-	(34)	-	16	(18)
Transfer to retained earnings		-	-	-	(569)	(2)	-	571	-
Balance at 31 December 2019	28	134 798	(34 142)	59 297	21 864	2 897	298 339	39 249	522 302

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