

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2020

	Notes	2020 BGN'000	2019 BGN'000
Revenue from contracts with customers	3	1 438 826	1 281 587
Other operating income/(losses), net	4	12 677	12 421
Changes in inventories of finished goods and work in progress		2 124	(3 479)
Raw materials and consumables used	5	(89 324)	(93 234)
Hired services expense	6	(80 869)	(75 239)
Employee benefits expense	7	(133 547)	(127 087)
Depreciation and amortization expense	16,17	(46 633)	(44 004)
Carrying amount of goods sold		(1 041 687)	(878 504)
Other operating expenses	8	(15 767)	(12 769)
<b>Profit from operations</b>		<b>45 800</b>	<b>59 692</b>
Impairment of non-current assets outside the scope of IFRS 9	10	(5 993)	(18 949)
Finance income	11	5 081	10 953
Finance costs	12	(19 099)	(12 391)
<b>Finance income / (costs), net</b>		<b>(14 018)</b>	<b>(1 438)</b>
Gain from associates and joint ventures, net	13,19	5 976	44 660
(Loss)/Gain on acquisition and disposal of subsidiaries	47	(323)	4 448
<b>Profit before income tax</b>		<b>31 442</b>	<b>88 413</b>
Income tax expense	14	(6 162)	(4 054)
<b>Net profit for the year</b>		<b>25 280</b>	<b>84 359</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of property, plant and equipment	15	(41)	196
Remeasurement of defined benefit pension plans	15,32	(214)	(32)
Net change in the fair value of other long-term equity investments	15	(637)	(60)
Income tax relating to items of other comprehensive income that will not be reclassified	15	4	(20)
		<b>(888)</b>	<b>84</b>
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations	15	(1 469)	4 176
Share of other comprehensive income of associates	15,19	(6 150)	-
		<b>(7 619)</b>	<b>4 176</b>
<b>Other comprehensive income for the year, net of tax</b>	15	<b>(8 507)</b>	<b>4 260</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>16 773</b>	<b>88 619</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		29 805	86 994
Non-controlling interests		(4 525)	(2 635)
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		22 177	90 327
Non-controlling interests		(5 404)	(1 708)
Basic earnings per share		<b>0,24</b>	<b>0,69</b>

The accompanying notes on pages 5 to 174 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova



**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2020

	Notes	31 December 2020 BGN'000	31 December 2019 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	395 872	378 625
Intangible assets	17	58 272	42 829
Goodwill	17	13 269	15 909
Investment property	18	11 691	10 856
Investments in associates and joint ventures	19	62 811	62 985
Other long-term equity investments	20	14 294	10 079
Long-term receivables from related parties	21	59 726	91 794
Other long-term receivables	22	11 951	10 674
Deferred tax assets	30	2 049	2 421
		<u>629 935</u>	<u>626 172</u>
<b>Current assets</b>			
Inventories	23	287 569	229 873
Trade receivables	24	250 707	255 660
Receivables from related parties	25	6 682	7 112
Assets held for sale		-	1 462
Other short-term receivables and assets	26	41 926	27 480
Cash and cash equivalents	27	25 293	27 513
		<u>612 177</u>	<u>549 100</u>
<b>TOTAL ASSETS</b>		<u><b>1 242 112</b></u>	<u><b>1 175 272</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		134 798	134 798
Reserves		57 701	60 977
Retained earnings	28	360 770	360 656
		<u>553 269</u>	<u>556 431</u>
<b>Non-controlling interests</b>			
		<u>13 326</u>	<u>19 341</u>
<b>TOTAL EQUITY</b>	28	<u><b>566 595</b></u>	<u><b>575 772</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	29	34 567	56 832
Deferred tax liabilities	30	7 937	8 196
Non-current liabilities to related parties	31	8 783	2 972
Retirement benefit obligations	32	7 339	6 626
Lease liabilities	33	49 593	25 840
Government grants	34	10 422	10 940
Other non-current liabilities	35	12 425	4 042
		<u>131 066</u>	<u>115 448</u>
<b>Current liabilities</b>			
Short-term bank loans	36	255 281	274 829
Current portion of long-term bank loans	29	31 172	16 730
Trade payables	37	164 919	116 407
Payables to related parties	38	2 367	7 668
Factoring agreement liabilities	39	36 591	24 772
Current portion of lease liabilities	33	17 951	10 012
Payables to personnel and for social security	40	17 996	15 418
Tax payables	41	6 590	7 217
Other current liabilities	42	11 584	10 999
		<u>544 451</u>	<u>484 052</u>
<b>TOTAL LIABILITIES</b>		<u><b>675 517</b></u>	<u><b>599 500</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1 242 112</b></u>	<u><b>1 175 272</b></u>

The accompanying notes on pages 5 to 174 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova



**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2020

	Notes	2020	2019
		BGN'000	BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1 376 047	1 215 433
Cash paid to suppliers		(1 341 304)	(1 143 957)
Cash paid to employees and for social security		(129 085)	(120 315)
Taxes paid (except income taxes)		(74 451)	(69 411)
Taxes refunded (except income taxes)		10 973	7 322
Income taxes paid		(7 947)	(8 673)
Income taxes refunded		78	135
Interest and bank charges paid on working capital loans		(9 195)	(7 988)
Foreign currency exchange gains/(losses), net		(2 271)	225
Other proceeds/(payments), net		(2 256)	(1 215)
<b>Net cash flows used in operating activities</b>		<b>(179 411)</b>	<b>(128 444)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(23 552)	(36 032)
Proceeds from sales of property, plant and equipment		1 770	918
Purchases of investment property		(429)	(332)
Purchases of intangible assets		(3 032)	(4 000)
Proceeds from sales of intangible assets		-	143
Purchases of equity investments		(5 262)	(2 170)
Proceeds from sales of equity investments		56	647
Proceeds from dividends on equity investments		325	190
Proceeds/(payments) on acquisition of subsidiaries, net of cash received		877	(199)
Proceeds from disposal of subsidiaries, net of the cash provided		71	7 530
Purchases of investments in associates and joint ventures		-	(192)
Proceeds from sale of investments in associates and joint ventures		1	4 799
Proceeds/(payments) on transactions with non-controlling interests, net		(4 715)	(5 680)
Loans granted to related parties		(4 532)	(90 660)
Loan repayments by related parties		37 151	24 379
Loans granted to third parties		(1 145)	(8 636)
Loan repayments by third parties		2 091	2 431
Interest received on loans and deposits		1 820	2 662
<b>Net cash flows from/(used in) investing activities</b>		<b>1 495</b>	<b>(104 202)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term bank loans (including increases in overdrafts)		14 407	39 387
Repayment of short-term bank loans (including decreases in overdrafts)		(35 683)	(7 172)
Proceeds from long-term bank loans		13 576	35 251
Repayment of long-term bank loans		(20 241)	(17 998)
Loans received from related parties		-	6 000
Repayment of loans to related parties		-	(6 000)
Loans received from third parties		273	2 431
Repayment of loans to third parties		(365)	(2 619)
Proceeds under factoring agreement		243 935	200 845
Interest and charges paid under factoring agreement		(428)	(449)
Interest and charges paid under investment purpose loans		(1 732)	(1 412)
Lease payments		(16 790)	(13 095)
Proceeds from non-controlling interest for issue of shares in subsidiaries		38	655
Purchases of treasury shares		(463)	(805)
Proceeds from sales of treasury shares		805	-
Dividends paid		(22 643)	(3 495)
Government grants		1 004	4 355
<b>Net cash flows from financing activities</b>		<b>175 693</b>	<b>235 879</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2 223)</b>	<b>3 233</b>
Cash and cash equivalents at 1 January		27 302	24 129
<b>Cash and cash equivalents at 31 December</b>		<b>25 139</b>	<b>27 362</b>

The accompanying notes on pages 5 to 174 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

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Preparer:

Lyudmila Bondzhova



**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2020

Notes	Attributable to owners of the parent							Non-controlling interests		Total equity	
	Share capital	Treasury shares	Statutory reserves	Reserve - revalue of 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
28	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
	134 798	(33 337)	55 967	29 264	2 933	834	285 101	475 560	32 969	508 529	
<b>Balance at 1 January 2019</b>	-	(805)	-	-	-	-	(9 614)	(805)	-	(805)	
<b>Changes in equity for 2019</b>	-	-	3 330	-	-	-	(3 330)	(6 284)	-	(6 284)	
Effect of treasury shares acquisition	-	-	3 330	-	-	-	(6 284)	(6 284)	-	(6 284)	
Distribution of profit for:	-	-	-	-	-	-	(2 367)	(2 367)	(11 920)	(14 287)	
* statutory reserves	-	-	-	-	-	-	-	-	(1 022)	(1 022)	
* distribution of 6-month dividends on 2019 profit	-	-	-	-	-	-	-	-	(3 975)	(3 975)	
* acquisition/disposal of subsidiaries	-	-	-	-	-	-	-	(386)	4 007	3 621	
* distribution of dividends	-	-	-	-	-	-	(2 084)	(2 084)	(12 356)	(14 440)	
* issue of equity in subsidiaries	-	-	-	-	-	-	163	163	1 426	1 529	
* increase in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	
* decrease in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive income for the year, including:</b>	-	-	176	(569)	(60)	3 244	86 967	90 327	(1 708)	88 619	
* net profit for the year	-	-	176	(569)	(60)	3 244	86 967	84 359	(2 635)	84 359	
* other comprehensive income, net of taxes	-	-	-	-	-	-	(27)	3 333	927	4 260	
Transfer to retained earnings	-	-	-	-	-	-	569	-	-	-	
<b>Balance at 31 December 2019</b>	134 798	(34 142)	59 297	28 871	2 873	4 078	360 656	556 431	19 341	575 772	
<b>Balance at 1 January 2020</b>	134 798	(34 142)	59 297	28 871	2 873	4 078	360 656	556 431	19 341	575 772	
<b>Changes in equity for 2020</b>	-	-	-	-	-	-	-	-	-	-	
Effect of treasury shares acquisition	-	-	-	-	-	-	-	-	-	-	
Distribution of profit for:	-	-	4 038	-	-	-	(17 868)	(13 830)	-	(13 830)	
* statutory reserves	-	-	4 038	-	-	-	(4 038)	-	-	-	
* distribution of dividends on 2019 profit	-	-	-	-	-	-	(8 798)	(8 798)	-	(8 798)	
* distribution of 6-month dividends on 2020 profit	-	-	-	-	-	-	(5 032)	(5 032)	-	(5 032)	
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	-	-	(611)	(611)	
* acquisition/disposal of subsidiaries	-	-	-	-	-	-	(11 851)	(11 851)	(598)	(12 462)	
* distribution of dividends	-	-	-	-	-	-	(6 617)	(6 617)	6 530	(6 617)	
* increase in the interest in subsidiaries	-	-	-	-	-	-	42	42	74	116	
* decrease in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive income for the year, including:</b>	-	-	(37)	(37)	(637)	(6 763)	29 614	22 177	(5 404)	16 773	
* net profit for the year	-	-	-	(37)	(637)	(6 763)	29 805	29 805	(4 525)	25 280	
* other comprehensive income, net of taxes	-	-	-	-	-	-	(191)	(7 628)	(879)	(8 507)	
Transfer to retained earnings	-	-	-	-	46	-	363	-	-	-	
<b>Balance at 31 December 2020</b>	134 798	(33 656)	63 335	28 425	2 282	(2 685)	360 770	553 269	13 326	566 595	

The accompanying notes on pages 5 to 154 form an integral part of the consolidated financial statements.

Executive Director:

Finance Director:

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Удостоверение  
28.04.2021



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