

**Company Name:**

**SOPHARMA AD**

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**Board of Directors:**

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

**Executive Director:**

**Ognian Donev, PhD**

**Finance Director:**

**Boris Borisov**

**Chief Accountant:**

**Yordanka Petkova**

**Head of Legal Department:**

**Alexander Yotov**

**Registered Office:**

**Sofia  
16, Iliensko Shousse St.**

**Lawyers:**

**Adriana Baleva  
Venelin Gachev  
Ventsislav Stoev  
Stefan Vachev**

**Servicing Banks:**

**Raiffeisenbank (Bulgaria) EAD  
DSK Bank AD  
Eurobank Bulgaria AD  
ING BANK N.V. - SOFIA BRANCH  
UniCredit Bulbank AD  
Citibank Europe AD, branch Bulgaria**

**Auditor:**

**Baker Tilly Klitou and Partners OOD**

**SOPHARMA AD**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2020**

	Notes	2020 BGN'000	2019 BGN'000
Revenue	3	206,737	230,691
Other operating income/(losses), net	4	4,188	4,134
Changes in inventories of finished goods and work in progress		5,376	(6,183)
Raw materials and consumables used	5	(70,114)	(75,486)
Hired services expense	6	(36,438)	(34,974)
Employee benefits expense	7	(49,804)	(49,203)
Depreciation and amortisation expense	15,16	(18,230)	(18,347)
Other operating expenses	8	(8,892)	(4,594)
<b>Profit from operations</b>		<b>32,823</b>	<b>46,038</b>
Impairment of non-current assets outside the scope of IFRS 9	10	(7,373)	(15,135)
Finance income	11	13,400	16,966
Finance costs	12	(7,085)	(2,611)
<b>Finance income/(costs), net</b>		<b>6,315</b>	<b>14,355</b>
<b>Profit before income tax</b>		<b>31,765</b>	<b>45,258</b>
Income tax expense	13	(3,101)	(4,876)
<b>Net profit for the year</b>		<b>28,664</b>	<b>40,382</b>
<b>Other comprehensive income:</b>			
<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	(637)	(60)
Remeasurement of defined benefit pension plans liabilities/assets	34	(158)	16
Remeasurement of property, plant and equipment	15	(41)	196
Income tax relating to items of other comprehensive income that will not be reclassified	13	4	(20)
<b>Other comprehensive income for the year, net of tax</b>	14	<b>(832)</b>	<b>132</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>27,832</b>	<b>40,514</b>
Base net earnings per share	28	0.23	0.32

The accompanying notes on pages 5 to 143 form an integral part of these separate financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

26.03.2021



This is a translation from Bulgarian of the separate financial statements of Sopharma AD for the year 2020

**SOPHARMA AD**  
**SEPARATE 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	15	211,681	224,654
Intangible assets	16	4,143	8,524
Investment property	17	44,759	39,329
Investments in subsidiaries	18	86,809	87,146
Investments in associates	19	6,062	6,062
Other long-term equity investments	20	11,607	9,621
Long-term receivables from related parties	21	59,725	91,794
Other long-term receivables	22	11,105	9,897
		<u>435,891</u>	<u>477,027</u>
<b>Current assets</b>			
Inventories	23	68,160	61,365
Receivables from related parties	24	114,169	97,014
Trade receivables	25	18,382	27,212
Loans granted to third parties	26 (a)	3,903	6,044
Other receivables and prepayments	26 (b)	6,057	6,144
Cash and cash equivalents	27	3,776	3,959
		<u>214,447</u>	<u>201,738</u>
<b>TOTAL ASSETS</b>		<u><b>650,338</b></u>	<u><b>678,765</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		134,798	134,798
Treasury shares		(33,656)	(34,142)
Reserves		408,807	382,549
Retained earnings		27,039	39,439
	28	<u>536,988</u>	<u>522,644</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	29	15	2,398
Deferred tax liabilities	30	5,358	6,209
Government grants	31	4,427	4,858
Lease liabilities to related parties	32	-	1,610
Lease liabilities to third parties	33	1,533	954
Retirement benefit obligations	34	4,758	4,638
		<u>16,091</u>	<u>20,667</u>
<b>Current liabilities</b>			
Short-term bank loans	35	73,335	100,359
Current portion of long-term bank loans	29	2,404	7,181
Trade payables	36	7,218	6,074
Payables to related parties	37	1,273	6,664
Tax payables	38	2,092	2,329
Payables to personnel and for social security	39	7,507	7,266
Other current liabilities	40	3,430	5,581
		<u>97,259</u>	<u>135,454</u>
<b>TOTAL LIABILITIES</b>		<u><b>113,350</b></u>	<u><b>156,121</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>650,338</b></u>	<u><b>678,765</b></u>

The accompanying notes on pages 5 to 143 form an integral part of these separate financial statements.

The separate financial statements on pages 1 to 143 were approved for issue by the Board of Directors and signed on 26 March 2021 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



This is a translation from Bulgarian of the separate financial statements of Sopharma AD for the year 2020.

26.03.2021

## SOPHARMA AD

## SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 BGN'000	2019 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		207,344	232,058
Cash paid to suppliers		(118,969)	(122,956)
Cash paid to employees and for social security		(48,807)	(46,835)
Taxes paid (except income taxes)		(8,803)	(9,439)
Taxes refunded (except income taxes)		3,583	1,786
Income taxes paid, net		(4,268)	(4,570)
Interest and bank charges paid on working capital loans		(1,654)	(1,656)
Foreign currency exchange gains/(losses), net		(235)	(187)
Other payments, net		(923)	(610)
<b>Net cash flows from operating activities</b>		<b>27,268</b>	<b>47,591</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(7,570)	(8,817)
Proceeds from sales of property, plant and equipment		1,257	117
Purchases of intangible assets		(178)	-
Purchased of investment property		(5,417)	(193)
Purchases of shares in associates		-	(192)
Proceeds from sales of shares in associates		1	4,799
Purchases of equity investments		(2,708)	(2,170)
Proceeds from sales of equity investments		56	90
Purchases of stocks/shares in subsidiaries		(3,485)	(11,193)
Proceeds from sales of stocks/shares in subsidiaries		617	1,627
Dividends received from investments in subsidiaries		9,138	9,114
Proceeds from dividends from other long-term equity investments		302	160
Loans granted to related parties		(5,290)	(94,040)
Loan repayments by related parties		38,509	26,104
Loans granted to other companies		(978)	(8,523)
Loan repayments by other companies		1,840	2,405
Interest received on granted loans		2,045	3,264
<b>Net cash flows from/ (used in) investing activities</b>		<b>28,139</b>	<b>(77,448)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long-term loans		28	24
Repayment of long-term bank loans		(7,212)	(7,207)
(Repayment) / Proceeds from short-term bank loans (overdraft), net		(27,001)	34,685
Interest and charges paid under investment purpose loans		(117)	(240)
Proceeds from sales of treasury shares		805	-
Treasury shares		(463)	(805)
Dividends paid		(19,944)	(28)
Lease payments to related parties		-	(1,038)
Lease payments to third parties		(1,928)	(672)
Government grants received		242	126
<b>Net cash flows (used in)/from financing activities</b>		<b>(55,590)</b>	<b>24,845</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(183)</b>	<b>(5,012)</b>
Cash and cash equivalents at 1 January		3,959	8,971
<b>Cash and cash equivalents at 31 December</b>	27	<b>3,776</b>	<b>3,959</b>

The accompanying notes on pages 5 to 143 form an integral part of these separate financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Patkova



## SOPHARMA AD

## SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

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 at 1 January 2019	134,798	(33,337)	55,967	22,433	2,933	275,977	30,448	489,219
<b>Changes in equity for 2019</b>								
Effects of treasury shares, including	-	(805)	-	-	-	-	-	(805)
- acquisition of treasury shares	-	(805)	-	-	-	-	-	(805)
Distribution of profit for:	-	-	3,330	-	-	22,362	(31,976)	(6,284)
- reserves	-	-	3,330	-	-	22,362	(25,692)	-
- six-month dividends on 2019 profit	-	-	-	-	-	-	(6,284)	(6,284)
<b>Total comprehensive income for the year, including:</b>	-	-	-	176	(60)	-	40,398	40,514
- net profit for the year	-	-	-	176	(60)	-	40,382	40,382
- other comprehensive income, net of taxes	-	-	-	-	-	-	16	132
Transfer to retained earnings	-	-	-	(569)	-	-	569	-
Balance at 31 December 2019	134,798	(34,142)	59,297	22,040	2,873	298,339	39,439	522,644
<b>Changes in equity for 2020</b>								
Effects of treasury shares, including	-	486	-	-	-	-	(144)	342
- treasury shares sold	-	949	-	-	-	-	(144)	805
- acquisition of treasury shares	-	(463)	-	-	-	-	-	(463)
Distribution of profit for:	-	-	4,038	-	-	23,257	(41,125)	(13,830)
- reserves	-	-	4,038	-	-	23,257	(27,295)	-
- dividends on 2019 profit	-	-	-	-	-	-	(8,798)	(8,798)
- six-month dividends on 2020 profit	-	-	-	-	-	-	(5,032)	(5,032)
<b>Total comprehensive income for the year, including:</b>	-	-	-	(37)	(637)	-	28,506	27,832
- net profit for the year	-	-	-	(37)	(637)	-	28,664	28,664
- other comprehensive income, net of taxes	-	-	-	-	-	-	(158)	(832)
Transfer to retained earnings	-	-	-	(409)	46	-	363	-
Balance at 31 December 2020	134,798	(33,656)	63,335	21,594	2,282	321,596	27,039	536,988

The accompanying notes on pages 5 to 143 form an integral part of these separate financial statements.

Executive Director:

Ognian Dongov, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



ММММ  
26.03.2021

This is a translation from Bulgarian of the separate financial statements of Sopharma AD for the year 2020