

## **SOPHARMA GROUP**

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<b>Board of Directors:</b>	<b>Ognian Donev, PhD Vessela Stoeva Alexandar Tchaoushev Bissera Lazarova Ivan Badinski</b>
<b>Executive Director:</b>	<b>Ognian Donev, PhD</b>
<b>Procurators:</b>	<b>Simeon Donev Ivan Badinski</b>
<b>Finance Director:</b>	<b>Boris Borisov</b>
<b>Preparer:</b>	<b>Lyudmila Bondzhova</b>
<b>Head of Legal Department:</b>	<b>Alexandar Yotov</b>
<b>Address of Management:</b>	<b>Sofia 16, Iliensko Shosse Str.</b>
<b>Lawyers:</b>	<b>Law Firm "Gachev, Baleva, Partners" Ventsislav Stoev Stefan Yovkov</b>
<b>Servicing Banks:</b>	<b>Raiffeisenbank (Bulgaria) EAD DSK Bank EAD Eurobank Bulgaria AD ING Bank N.V. Unicredit Bulbank AD</b>
<b>Auditor:</b>	<b>Baker Tilly Klitou and Partners OOD</b>

**SOPHARMA GROUP**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**for the three-month period ending on 31 March 2022**

	Notes	<i>1 January - 31 March 2022</i>	<i>1 January - 31 March 2021</i>
		<i>BGN'000</i>	<i>BGN'000</i>
Revenue from contracts with customers	3	397 570	378 857
Other operating income / (losses), net	4	2 129	3 943
Changes in inventories of finished goods and work in progress		4 591	4 094
Raw materials and consumables used	5	(23 596)	(19 355)
Hired services expense	6	(14 766)	(16 198)
Employee benefits expense	7	(34 774)	(36 655)
Depreciation and amortization expense	14,15	(12 811)	(13 480)
Carrying amount of goods sold		(295 144)	(279 855)
Other operating expenses	8	<u>(1 372)</u>	<u>(1 427)</u>
<b>Profit from operations</b>		<b><u>21 827</u></b>	<b><u>19 924</u></b>
Finance income	10	1 072	2 205
Finance costs	11	<u>(1 897)</u>	<u>(3 288)</u>
<b>Finance income/(costs), net</b>		<b><u>(825)</u></b>	<b><u>(1 083)</u></b>
Profit from associates and joint ventures, net	12	4 026	1 446
Profit from acquisition and disposal of subsidiaries		-	1 368
<b>Profit before tax</b>		<b><u>25 028</u></b>	<b><u>21 655</u></b>
Income tax expense		<u>(2 468)</u>	<u>(2 207)</u>
<b>Net profit for the period</b>		<b><u>22 560</u></b>	<b><u>19 448</u></b>
<b>Other components of 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	13	<u>156</u>	<u>(57)</u>
		<b><u>156</u></b>	<b><u>(57)</u></b>
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(1 039)	229
Share of other comprehensive income of associates		<u>(1 228)</u>	<u>-</u>
		<b><u>(2 267)</u></b>	<b><u>229</u></b>
<b>Other comprehensive income for the period, net of tax</b>	13	<b><u>(2 111)</u></b>	<b><u>172</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u>20 449</u></b>	<b><u>19 620</u></b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		20 681	18 136
Non-controlling interests		1 879	1 312
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		18 580	18 312
Non-controlling interests		1 869	1 308
Basic net profit per share		<b>BGN 0,17</b>	<b>0,14</b>

The notes on pages 5 to 149 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 three-month period ending on 31 March 2022**

	Notes	31 March 2022 BGN'000	31 March 2021 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	359 557	362 393
Intangible assets	15	52 436	54 421
Goodwill	15	13 337	13 420
Investment properties	16	9 446	9 446
Investments in associated and joint ventures	17	130 815	127 320
Other long - term equity investments	18	5 848	5 778
Long-term receivables from related parties	19	51 563	49 696
Other long-term receivables	20	10 296	10 222
Deferred tax assets		983	1 050
		<b>634 281</b>	<b>633 746</b>
<b>Current assets</b>			
Inventories	21	256 267	255 949
Commercial receivables	22	242 361	227 832
Receivables from related parties	23	14 820	14 479
Other short-term receivables and assets	24	30 554	35 250
Cash and cash equivalents	25	20 465	37 722
		<b>564 467</b>	<b>571 232</b>
<b>TOTAL ASSETS</b>		<b>1 198 748</b>	<b>1 204 978</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		134 798	134 798
Reserves		52 746	55 031
Other capital components (reserve for issued warrants)		12 510	12 512
Retained earnings	26	465 602	444 634
		<b>665 656</b>	<b>646 975</b>
<b>Non-controlling interests</b>		<b>13 762</b>	<b>11 893</b>
<b>TOTAL EQUITY</b>	26	<b>679 418</b>	<b>658 868</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	27	47 599	42 907
Deferred tax liabilities		7 915	8 472
Long-term liabilities to related parties	28	11 320	10 210
Long-term payables to personnel	29	8 061	7 622
Lease liabilities	30	37 961	38 589
Government grants	31	6 670	6 783
Other non-current liabilities	32	7 626	7 635
		<b>127 152</b>	<b>122 218</b>
<b>Current liabilities</b>			
Short-term bank loans	33	182 691	217 392
Short-term part of long-term bank loans	27	9 547	9 467
Trade payables	34	146 597	143 480
Payables to related parties	35	5 111	3 700
Factoring agreement liabilities	36	1 681	6 370
Short-term part of leasing liabilities	30	11 666	11 583
Payables to personnel and social security	37	18 037	17 888
Tax payables	38	8 962	7 039
Other current liabilities	39	7 886	6 973
		<b>392 178</b>	<b>423 892</b>
<b>TOTAL LIABILITIES</b>		<b>519 330</b>	<b>546 110</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 198 748</b>	<b>1 204 978</b>

The notes on pages 5 to 149 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 three-month period ending on 31 March 2022

	Notes	<i>1 January- 31 March 2022 BGN'000</i>	<i>1 January- 31 March 2021 BGN'000</i>
<b>Cash flows from operating activities</b>			
Revenue from contracts with customers		441 710	388 441
Payments to suppliers		(374 971)	(353 887)
Payments for wages and social security		(33 383)	(35 276)
Taxes paid (profit tax excluded)		(17 303)	(17 820)
Taxes refunded (profit tax excluded)		2 315	2 962
Income taxes paid		(63)	(44)
Interest and bank charges paid on working capital loans		(1 484)	(2 256)
Exchange rate differences, net		(556)	(180)
Other proceeds/(payments), net		(216)	(53)
<b>Net cash flows used in operating activities</b>		<b>16 049</b>	<b>(18 113)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(3 770)	(5 335)
Proceeds from sales of property, plant and equipment		873	437
Purchases of intangible assets		(1 148)	(1 310)
Purchases of equity investments		(341)	(1 302)
Proceeds from sales of equity investments		426	7
Proceeds from the exemption of subsidiaries, net of cash provided		200	799
Purchases of investments in associates and joint ventures		(692)	(52)
Proceeds from the sale of investments in associates and joint ventures		-	64
Loans granted to related parties		(1 500)	(620)
Loan repayments by related parties		-	14
Interest received on loans and deposits granted		25	80
<b>Net cash flows used in investment activities</b>		<b>(5 927)</b>	<b>(7 218)</b>
<b>Cash flows from financial activities</b>			
Proceeds from short-term bank loans (including increases in overdrafts)		-	622
Repayment of short-term bank loans (including decreases in overdrafts)		(34 204)	(16 026)
Proceeds from long-term bank loans		11 356	1 325
Repayment of long-term bank loans		(6 520)	(5 514)
Loans received from related parties		-	-
Loans received from other parties		-	41
Repayment of loans to other parties		-	(49)
Proceeds under factoring agreement		6 500	48 244
Interest paid under factoring agreement		(15)	(159)
Interest and charges paid under investment purpose loans		(93)	(366)
Lease payments		(4 504)	(5 723)
Treasury shares		-	-
Dividends paid		(4)	(4)
Government grants		4	4
Proceeds / (payments), net, related to other capital components (warrants)		101	-
<b>Net cash flows from financial activities</b>		<b>(27 379)</b>	<b>22 395</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17 257)</b>	<b>(2 936)</b>
Cash and cash equivalents at 1 January		37 717	25 139
<b>Cash and cash equivalents at 31 December</b>	25	<b>20 460</b>	<b>22 203</b>

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**Boris Borisov**

**Preparer:**

**Lyudmila Bondzhova**

## SOPHARMA GROUP

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three-month period ending on 31 March 2022

Notes	Attributable to owners of the parent company							Non-controlling		Total	
	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	Other capital components (reserve for issued warrants)	Retained earnings	Total		
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	
<b>Balance at 1 January 2021</b>	<b>134 798</b>	<b>(33 656)</b>	<b>63 335</b>	<b>28 425</b>	<b>2 282</b>	<b>(2 685)</b>	<b>-</b>	<b>360 770</b>	<b>553 269</b>	<b>13 326</b>	<b>566 595</b>
<b>Changes in equity for 2021</b>											
Effect of treasury shares acquisition	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit for:	-	-	-	-	-	-	-	-	-	-	-
* statutory reserves	-	-	-	-	-	-	-	-	-	-	-
* dividends	-	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	-	(107)	(107)	(1 223)	(1 330)
* acquisition/(disposal) of subsidiaries	-	-	-	-	-	-	-	-	-	(1 182)	(1 182)
* distribution of dividends	-	-	-	-	-	-	-	-	-	-	-
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
* increase in the interest in subsidiaries	-	-	-	-	-	-	-	(107)	(107)	(41)	(148)
* decrease in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year, including:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(57)</b>	<b>233</b>	<b>-</b>	<b>18 136</b>	<b>18 312</b>	<b>1 308</b>	<b>19 620</b>
* net profit for the year	-	-	-	-	-	-	-	18 136	18 136	1 312	19 448
* other comprehensive income, net of taxes	-	-	-	-	(57)	233	-	-	176	(4)	172
Transfer to retained earnings	-	-	-	(410)	(3)	-	-	413	-	-	-
<b>Balance at 31 December 2021</b>	<b>134 798</b>	<b>(33 656)</b>	<b>63 335</b>	<b>28 015</b>	<b>2 222</b>	<b>(2 452)</b>	<b>-</b>	<b>379 212</b>	<b>571 474</b>	<b>13 411</b>	<b>584 885</b>
<b>Balance at 1 January 2022</b>	<b>134 798</b>	<b>(50 284)</b>	<b>66 201</b>	<b>36 788</b>	<b>1 644</b>	<b>682</b>	<b>12 512</b>	<b>444 634</b>	<b>646 975</b>	<b>11 893</b>	<b>658 868</b>
<b>Changes in equity for 2022</b>											
Effect of treasury shares acquisition	-	-	-	-	-	-	-	-	-	-	-
Effects of rights sold under issued warrants	-	-	-	-	-	-	(2)	103	101	-	101
Distribution of profit for:	-	-	-	-	-	-	-	-	-	-	-
* statutory reserves	-	-	-	-	-	-	-	-	-	-	-
* dividends	-	-	-	-	-	-	-	-	-	-	-
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	-	-	-	-	-
* acquisition/(disposal) of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
* distribution of dividends	-	-	-	-	-	-	-	-	-	-	-
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
* increase in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
* decrease in the interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year, incl:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156</b>	<b>(2 257)</b>	<b>-</b>	<b>20 681</b>	<b>18 580</b>	<b>1 869</b>	<b>20 449</b>
* net profit for the year	-	-	-	-	-	-	-	20 681	20 681	1 879	22 560
* other comprehensive income, net of taxes	-	-	-	-	156	(2 257)	-	-	(2 101)	(10)	(2 111)
Transfer to retained earnings	-	-	-	(150)	(34)	-	-	184	-	-	-
<b>Balance at 31 March 2022</b>	<b>134 798</b>	<b>(50 284)</b>	<b>66 201</b>	<b>36 638</b>	<b>1 766</b>	<b>(1 575)</b>	<b>12 510</b>	<b>465 602</b>	<b>665 656</b>	<b>13 762</b>	<b>679 418</b>

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Lyudmila Bondzhova