

## **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>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 Societe Generale Expressbank AD</b>
<b>Auditor:</b>	<b>Baker Tilly Klitou and Partners OOD</b>

**SOPHARMA GROUP**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the nine-month period, ending on 30 September 2021

	Notes	<i>1 January - 30 September 2021 BGN'000</i>	<i>1 January - 30 September 2020 BGN'000</i>
Revenue from contracts with customers	3	1 179 329	1 018 446
Other operating income / (losses), net	4	9 640	7 599
Changes in inventories of finished goods and work in progress		(4 494)	9 357
Raw materials and consumables used	5	(57 444)	(67 016)
Hired services expense	6	(50 823)	(55 823)
Employee benefits expense	7	(111 209)	(95 200)
Depreciation and amortization expense	15,16	(40 559)	(32 741)
Carrying amount of goods sold		(864 214)	(742 556)
Other operating expenses	8	(5 035)	(9 248)
<b>Profit from operations</b>		<b>55 191</b>	<b>32 818</b>
Impairment of non-current assets outside the scope of IFRS 9		(2 050)	(1 072)
Finance income	11	6 340	3 478
Finance costs	12	(9 631)	(15 553)
<b>Finance income /(costs), net</b>		<b>(3 291)</b>	<b>(12 075)</b>
Profit from associates and joint ventures, net	13	7 837	2 355
Profit from acquisition and disposal of subsidiaries		1 249	-
<b>Profit before tax</b>		<b>58 936</b>	<b>22 026</b>
Income tax expense		(5 439)	(4 512)
<b>Net profit for the period</b>		<b>53 497</b>	<b>17 514</b>
<b>Other components of comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Subsequent revaluations of property, plant and equipment		(68)	(37)
Net change in the fair value of other long-term equity investments	14	66	(647)
		<b>(2)</b>	<b>(684)</b>
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		1 963	(1 429)
		<b>1 963</b>	<b>(1 429)</b>
<b>Other comprehensive income for the period, net of tax</b>	14	<b>1 961</b>	<b>(2 113)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>55 458</b>	<b>15 401</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		50 528	21 873
Non-controlling interests		2 969	(4 359)
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		52 501	20 534
Non-controlling interests		2 957	(5 133)
Basic net profit per share		<b>BGN 0,40</b>	<b>0,17</b>

The notes on pages 5 to 147 are an integral part of the present consolidated financial statement.

**Executive Director:**
**Ognian Donev, PhD**
**Finance Director:**
**Boris Borisov**
**Preparer:**



**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**for the nine-month period, ending on 30 September 2021**

	Notes	30 September 2021 BGN'000	31 December 2020 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	377 543	395 872
Intangible assets	16	54 823	58 272
Goodwill	16	13 417	13 269
Investment properties	17	10 132	11 691
Investments in associated and joint ventures	18	77 385	62 811
Other long - term equity investments	19	14 745	14 294
Long-term receivables from related parties	20	51 277	59 726
Other long-term receivables	21	11 815	11 951
Deferred tax assets		182	2 049
		<b>611 319</b>	<b>629 935</b>
<b>Current assets</b>			
Inventories	22	274 270	287 569
Commercial receivables	23	273 310	250 707
Receivables from related parties	24	9 274	6 682
Other short-term receivables and assets	25	40 206	41 926
Cash and cash equivalents	26	22 192	25 293
		<b>619 252</b>	<b>612 177</b>
<b>TOTAL ASSETS</b>		<b>1 230 571</b>	<b>1 242 112</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		134 798	134 798
Reserves		56 444	57 701
Retained earnings		410 182	360 770
	27	<b>601 424</b>	<b>553 269</b>
<b>Non-controlling interests</b>		<b>13 901</b>	<b>13 326</b>
<b>TOTAL EQUITY</b>	27	<b>615 325</b>	<b>566 595</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	28	34 797	34 567
Deferred tax liabilities		6 184	7 937
Long-term liabilities to related parties	29	8 882	8 783
Long-term payables to personnel	30	7 453	7 339
Lease liabilities	31	45 250	49 593
Government grants	32	7 746	10 422
Other non-current liabilities	33	12 537	12 425
		<b>122 849</b>	<b>131 066</b>
<b>Current liabilities</b>			
Short-term bank loans	34	187 948	255 281
Short-term part of long-term bank loans	28	25 690	31 172
Trade payables	35	188 635	164 919
Payables to related parties	36	2 610	2 367
Factoring agreement liabilities	37	30 844	36 591
Short-term part of leasing liabilities	31	16 083	17 951
Payables to personnel and social security	38	18 276	17 996
Tax payables	39	8 006	6 590
Other current liabilities	40	14 305	11 584
		<b>492 397</b>	<b>544 451</b>
<b>TOTAL LIABILITIES</b>		<b>615 246</b>	<b>675 517</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 230 571</b>	<b>1 242 112</b>

The notes on pages 5 to 147 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 2021**

	Notes	<i>1 January - 30 September 2021 BGN'000</i>	<i>1 January - 30 September 2020 BGN'000</i>
<b>Cash flows from operating activities</b>			
Revenue from contracts with customers		1 187 535	950 167
Payments to suppliers		(1 087 152)	(940 052)
Payments for wages and social security		(108 355)	(90 114)
Taxes paid (profit tax excluded)		(58 026)	(53 768)
Taxes refunded (profit tax excluded)		8 517	9 855
Income taxes paid		(6 233)	(6 354)
Income taxes refunded		39	78
Interest and bank charges paid on working capital loans		(5 604)	(6 962)
Exchange rate differences, net		537	(1 813)
Other proceeds/(payments), net		(1 699)	(2 114)
<b>Net cash flows used in operating activities</b>		<b>(70 441)</b>	<b>(141 077)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(15 093)	(24 643)
Proceeds from sale of property, plant and equipment		486	1 676
Purchase of investment properties		-	(379)
Purchases of intangible assets		1 073	-
Purchases of equity investments		(4 079)	(1 832)
Proceeds from sale of equity investments		(2 085)	(4 810)
Proceeds from dividends on equity investments		2 008	53
Payments for the acquisition of subsidiaries, net of cash received		451	61
Proceeds from the exemption of subsidiaries, net of cash provided		454	-
Purchases of investments in associates and joint ventures		(3 100)	-
Proceeds from the sale of investments in associates and joint ventures		213	1
Proceeds/(payments) on transactions with non-controlling interests, net		(313)	(4 746)
Loans granted to related parties		(3 200)	(3 681)
Repaid loans, granted to related parties		9 088	37 152
Loans granted to other parties		(1 367)	(1 151)
Repaid loans, granted to other parties		3 713	1 619
Interest received on loans and deposits		2 411	1 717
Proceeds from fees under guarantees		21	-
<b>Net cash flows used in investing activities</b>		<b>(9 319)</b>	<b>1 037</b>
<b>Cash flows from financial activities</b>			
Proceeds from short-term bank loans (including increases in overdrafts)		193	9 182
Repayment of short-term bank loans (including decreases in overdrafts)		(68 626)	(22 679)
Proceeds from long-term bank loans		14 736	13 761
Repayment of long-term bank loans		(16 881)	(14 878)
Loans received from other parties		122	208
Repayment of loans to other parties		(136)	(294)
Proceeds under factoring agreement		169 542	178 341
Interest and charges paid under factoring agreement		(433)	(317)
Interest and charges paid under investment purpose loans		(1 706)	(1 255)
Lease payments		(15 957)	(11 363)
Proceeds from non-controlling interest in the issue of equity in subsidiaries		-	37
Purchases of treasury shares		(4 079)	(262)
Proceeds from sales of treasury shares		-	805
Dividends paid		(32)	(17 646)
Government grants		64	849
<b>Net cash flows from financing activities</b>		<b>76 807</b>	<b>134 489</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(2 953)</b>	<b>(5 551)</b>
Cash and cash equivalents at 1 January		25 139	27 362
<b>Cash and cash equivalents at 30 September</b>	27	<b>22 186</b>	<b>21 811</b>

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