

SOPHARMA GROUP

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

SOPHARMA GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year, ending on 31 December 2020

	Notes	2020 BGN'000	2019 BGN'000
Revenue from contracts with customers	3	1 439 879	1 281 587
Other operating income / (losses), net	4	10 212	12 421
Changes in inventories of finished goods and work in progress		1 907	(3 479)
Raw materials and consumables used	5	(89 254)	(93 234)
Hired services expense	6	(80 476)	(75 239)
Employee benefits expense	7	(133 102)	(127 087)
Depreciation and amortization expense	15,16	(46 607)	(44 004)
Carrying amount of goods sold		(1 043 102)	(878 504)
Other operating expenses	8	(15 457)	(12 769)
Profit from operations		44 000	59 692
Impairment of non-current assets outside the scope of IFRS 9	10	(4 461)	(18 949)
Finance income	11	5 095	10 953
Finance costs	12	(19 078)	(12 391)
Finance income /(costs), net		(13 983)	(1 438)
Profit from associates and joint ventures, net	13	152	44 660
Gain on acquisition and disposal of subsidiaries		(320)	4 448
Profit before tax		25 388	88 413
Income tax expense		(5 411)	(4 054)
Net profit for the period		19 977	84 359
Other components of comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Subsequent revaluations of property, plant and equipment		(41)	196
Net change in the fair value of other long-term equity investments		(187)	(32)
Income tax relating to items of other comprehensive income that will not be reclassified	14	(637)	(60)
		4	(20)
<i>Items that may be reclassified to profit or loss:</i>		(861)	84
Exchange differences on translating foreign operations		(1 551)	4 176
Other comprehensive income for the period, net of tax		(1 551)	4 176
	14	(2 412)	4 260
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		17 565	88 619
Net profit for the year attributable to:			
Equity holders of the parent			
Non-controlling interests		24 976	86 994
		(4 999)	(2 635)
Total comprehensive income for the year attributable to:			
Equity holders of the parent			
Non-controlling interests		23 415	90 327
		(5 850)	(1 708)

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 year, ending on 31 December 2020

	Notes	31 December 2020 BGN'000	31 December 2019 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	395 781	378 625
Intangible assets	16	59 783	42 829
Goodwill	16	13 767	15 909
Investment properties	17	11 690	10 856
Investments in associated and joint ventures	18	63 137	62 985
Other long - term equity investments	19	14 294	10 079
Long-term receivables from related parties	20	59 726	91 794
Other long-term receivables	21	12 006	10 674
Deferred tax assets		3 175	2 421
		633 359	626 172
Current assets			
Inventories	22	287 973	229 873
Commercial receivables	23	249 659	255 660
Receivables from related parties	24	6 682	7 112
Assets held for sale		-	1 462
Other short-term receivables and assets	25	42 112	27 480
Cash and cash equivalents	26	25 494	27 513
		611 920	549 100
TOTAL ASSETS		1 245 279	1 175 272
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		134 798	134 798
Reserves		63 758	60 977
Retained earnings	27	355 205	360 656
		553 761	556 431
Non-controlling interests		14 022	19 341
TOTAL EQUITY	27	567 783	575 772
LIABILITIES			
Non-current liabilities			
Long-term bank loans	28	34 567	56 832
Deferred tax liabilities		9 236	8 196
Long-term liabilities to related parties	29	8 632	2 972
Long-term liabilities to personnel	30	7 149	6 626
Lease liabilities	31	49 462	25 840
Government grants	32	10 128	10 940
Other non-current liabilities	33	14 725	4 042
		133 899	115 448
Current liabilities			
Short-term bank loans	34	255 273	274 829
Short-term part of long-term bank loans	28	31 174	16 730
Trade payables	35	163 870	116 407
Payables to related parties	36	2 344	7 668
Payables under factoring agreement	37	36 591	24 772
Short-term part of leasing liabilities	31	18 079	10 012
Payables to personnel and social security	38	17 951	15 418
Tax payables	39	6 039	7 217
Other current liabilities	40	12 276	10 999
		543 597	484 052
TOTAL LIABILITIES		677 496	599 500
TOTAL EQUITY AND LIABILITIES		1 245 279	1 175 272

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SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year, ending on 31 December 2020

	Notes	2020 BGN'000	2019 BGN'000
Cash flows from operating activities			
Revenue from customers		1 375 573	1 215 433
Payments to suppliers		(1 341 037)	(1 143 957)
Payments for wages and social security		(129 159)	(120 315)
Taxes paid (profit tax excluded)		(74 348)	(69 411)
Taxes refunded (profit tax excluded)		10 973	7 322
Income taxes paid		(7 979)	(8 673)
Income taxes refunded		78	135
Interest and bank charges paid on working capital loans		(9 072)	(7 988)
Exchange rate differences, net		(2 268)	225
Other proceeds/(payments), net		(1 988)	(1 215)
Net cash flows used in operating activities		(179 227)	(128 444)
Cash flows from investing activities			
Purchase of property, plant and equipment		(23 396)	(36 032)
Proceeds from sale of property, plant and equipment		1 773	918
Purchase of investment properties		(429)	(332)
Purchases of intangible assets		(3 032)	(4 000)
Proceeds from sale of intangible assets		-	143
Purchases of equity investments		(5 262)	(2 170)
Proceeds from sale of equity investments		56	647
Proceeds from dividends on equity investments		325	190
Payments for the acquisition of subsidiaries, net of cash received		877	(199)
Amounts from disposal of subsidiaries, net of cash received		71	7 530
Purchases of investments in associates and joint ventures		-	(192)
Proceeds from the sale of investments in associates and joint ventures		1	4 799
Proceeds/(payments) on transactions with non-controlling interests, net		(4 848)	(5 680)
Loans granted to related parties		(4 532)	(90 660)
Repaid loans, granted to related parties		37 152	24 379
Loans granted to other parties		(1 145)	(8 636)
Repaid loans, granted to other parties		2 091	2 431
Interest received on loans and deposits		1 820	2 662
Net cash flows used in investing activities		1 522	(104 202)
Cash flows from financial activities			
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 other parties		273	2 431
Repayment of loans to other parties		(365)	(2 619)
Proceeds under factoring agreement		243 935	200 845
Interest and charges paid under factoring agreement		(428)	(449)
Lease payments		(1 701)	(1 412)
Proceeds from non-controlling interest in the issue of equity in subsidiaries		(16 831)	(13 095)
Purchases of treasury shares		38	655
Proceeds from sales of treasury shares		(463)	(805)
Dividends paid		805	-
Government grants		(22 643)	(3 495)
Net cash flows from financing activities		1 004	4 355
Net (decrease)/ increase in cash and cash equivalents		(3 544)	107 435
Cash and cash equivalents at 1 January		27 362	24 129
Cash and cash equivalents at 31 December		23 818	131 564

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The notes on pages 5 to 149 are an integral part of the present consolidated financial statement.

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SOPHARMA GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year, ending on 31 December 2020

Notes	Attributable to owners of the parent								Non-controlling interests	Total equity	
	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	Retained earnings	Total			
	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	
Balance at 1 January 2019											
Changes in equity for 2019											
Effect of treasury shares acquisition, incl.:	-	(805)	-	-	-	-	-	(805)	-	(805)	
* acquisition of treasury shares											
Effects of restructuring	-	-	3 330	-	-	-	(3 330)	-	-	-	
Distribution of profit for:	-	-	-	-	-	-	(6 284)	(6 284)	-	(6 284)	
* statutory reserves											
* dividends							(2 367)	(2 367)	(11 920)	(14 287)	
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	-	-	(1 022)	(1 022)	
* acquisition/(disposal) of subsidiaries	-	-	-	-	-	-	-	-	(3 975)	(3 975)	
* distribution of dividends	-	-	-	-	-	-	(386)	(386)	4 007	3 621	
* issue of equity in subsidiaries	-	-	-	-	-	-	(2 084)	(2 084)	(12 356)	(14 440)	
* increase in the interest in subsidiaries	-	-	-	-	-	-	103	103	1 426	1 529	
* decrease in the interest in subsidiaries	-	-	-	176	(60)	3 244	86 967	90 327	(1 708)	88 619	
Total comprehensive income for the year, including:	-	-	-	176	(60)	3 244	86 994	86 994	(2 635)	84 359	
* net profit for the year							(27)	3 333	927	4 260	
* other comprehensive income, net of taxes				(569)	-	-	569	-	-	-	
Transfer to retained earnings	27	134 798	(34 142)	59 297	28 871	2 873	4 078	360 656	556 431	19 341	575 772
Balance at 31 December 2019		134 798	(34 142)	59 297	28 871	2 873	4 078	360 656	556 431	19 341	575 772
Balance at 1 January 2020		-	486	-	-	-	-	(144)	342	-	342
Changes in equity for 2020											
Effect of treasury shares acquisition, incl.:	-	-	4 038	-	-	-	(17 868)	(13 830)	-	(13 830)	
* acquisition of treasury shares			4 038				(4 038)	-	-	-	
* sale of treasury shares							(8 798)	(8 798)	-	(8 798)	
Distribution of profit for:	-	-	-	-	-	-	(5 032)	(5 032)	-	(5 032)	
* statutory reserves											
* dividends for profit for 2019							(12 597)	(12 597)	531	(12 066)	
* distribution of 6-month dividends on 2020 profit							-	-	(205)	(205)	
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	-	-	(6 617)	(6 617)	
* acquisition of subsidiaries	-	-	-	-	-	-	(12 625)	(12 625)	7 265	(5 360)	
* distribution of dividends	-	-	-	-	-	-	28	28	88	116	
* issue of equity in subsidiaries	-	-	-	(37)	(637)	(706)	24 795	23 415	(5 850)	17 565	
* increase in the interest in subsidiaries	-	-	-	-	-	-	24 976	24 976	(4 999)	19 977	
* decrease in the interest in subsidiaries	-	-	-	(37)	(637)	(706)	(181)	(1 561)	(851)	(2 412)	
Total comprehensive income for the year, including:	-	-	-	(409)	46	-	363	-	-	-	
* net profit for the year	27	134 798	(33 656)	63 335	28 425	2 282	3 372	355 205	553 761	14 022	567 783
* other comprehensive income, net of taxes				(37)	(647)	(655)	-	(1 339)	(774)	(2 113)	
Transfer to retained earnings	-	-	-	(210)	46	-	164	-	-	-	
Balance at 31 December 2020	27	134 798	486	4 038	(210)	46	(17 820)	(13 460)	88	(13 372)	

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