

**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

**Registered Office:** Sofia  
16, Iliensko Shousse St.

**Lawyers:** Adriana Baleva  
Venelin Gachev  
Ventsislav Stoev  
Boiko Botev  
Elena Golemanova  
Petar Kalpakchiev

**Servicing Banks:** Raiffeisenbank (Bulgaria) EAD  
DSK Bank EAD  
Eurobank EFG Bulgaria AD  
ING Bank N.V.  
Unicredit AD  
Expressbank AD  
Citibank N.A.  
Cibank EAD

**Auditor:** Baker Tilly Klitou and Partners OOD

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2019**

	Notes	2019 BGN'000	2018 BGN'000
<b>Revenue</b>			
Revenue	3	230,691	212,418
Other operating income/(losses), net	4	4,134	4,910
Changes in inventories of production and work in progress		(6,183)	2,016
Raw materials and consumables used	5	(75,486)	(75,752)
Hired services expense	6	(34,974)	(38,654)
Employee benefits expense	7	(49,203)	(50,147)
Depreciation and amortisation expense	15,16	(18,347)	(17,414)
Other operating expenses	8	(4,594)	(9,579)
<b>Profit from operations</b>		<b>46,038</b>	<b>27,798</b>
Impairment of non-current assets outside the scope of IFRS 9	10	(15,135)	(76)
Finance income	11	16,966	10,520
Finance costs	12	(2,611)	(1,709)
<b>Finance income/(costs), net</b>		<b>14,355</b>	<b>8,811</b>
<b>Profit before income tax</b>		<b>45,258</b>	<b>36,533</b>
Income tax expense	13	(4,876)	(3,235)
<b>Net profit for the year</b>		<b>40,382</b>	<b>33,298</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	(60)	(792)
Remeasurement of defined benefit pension plans liabilities/assets	34	16	(30)
Remeasurement of property, plant and equipment	15	196	341
Income tax relating to items of other comprehensive income that will not be reclassified	13	(20)	(34)
<b>Other comprehensive income for the year, net of tax</b>	14	<b>132</b>	<b>(515)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>40,514</b>	<b>32,783</b>
Base net earnings per share	28	0.32	0.26

The accompanying notes on pages 5 to 148 form an integral part of these separate financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

*Melle*

16.03.2020



**SOPHARMA AD**  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2019**

	Notes	31 December 2019 BGN'000	31 December 2018 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	224,654	226,956
Intangible assets	16	8,524	11,881
Investment property	17	39,329	37,451
Investments in subsidiaries	18	87,146	89,945
Investments in associates	19	6,062	7,962
Other long-term equity investments	20	9,621	7,599
Long-term receivables from related parties	21	91,794	23,055
Other long-term receivables	22	9,897	5,760
		<b>477,027</b>	<b>410,609</b>
<b>Current assets</b>			
Inventories	23	61,365	68,499
Receivables from related parties	24	97,014	91,509
Trade receivables	25	27,212	19,431
Loans granted to third parties	26 (a)	6,044	3,270
Other receivables and prepayments	26 (b)	6,144	5,937
Cash and cash equivalents	27	3,959	8,971
		<b>201,738</b>	<b>197,617</b>
<b>TOTAL ASSETS</b>		<b>678,765</b>	<b>608,226</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		134,798	134,798
Treasury shares		(34,142)	(33,337)
Reserves		382,549	357,310
Retained earnings		39,439	30,448
	28	<b>522,644</b>	<b>489,219</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	29	2,398	9,556
Deferred tax liabilities	30	6,209	6,235
Government grants	31	4,858	5,397
Lease liabilities to related parties	32	1,610	-
Lease liabilities to third parties	33	954	-
Retirement benefit obligations	34	4,638	4,418
		<b>20,667</b>	<b>25,606</b>
<b>Current liabilities</b>			
Short-term bank loans	35	100,359	65,652
Current portion of long-term bank loans	29	7,181	7,168
Trade payables	36	6,074	8,922
Payables to related parties	37	6,664	633
Tax payables	38	2,329	1,884
Payables to personnel and for social security	39	7,266	7,119
Other current liabilities	40	5,581	2,023
		<b>135,454</b>	<b>93,401</b>
<b>TOTAL LIABILITIES</b>		<b>156,121</b>	<b>119,007</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>678,765</b>	<b>608,226</b>

The accompanying notes on pages 5 to 148 form an integral part of these separate financial statements.

The separate financial statements on pages 1 to 148 were approved for issue by the Board of Directors and signed on 16 March 2020 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant:

Yordanka Petkova



## SOPHARMA AD

## SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 BGN'000	2018 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		232,058	220,302
Cash paid to suppliers		(122,956)	(128,291)
Cash paid to employees and for social security		(46,835)	(47,343)
Taxes paid (except income taxes)		(9,439)	(8,184)
Taxes refunded (except income taxes)		1,786	1,998
Income taxes (paid)/refunded, net		(4,570)	(4,062)
Interest and bank charges paid on working capital loans		(1,656)	(1,090)
Foreign currency exchange gains/(losses), net		(187)	(165)
Other proceeds/(payments), net		(610)	(848)
<b>Net cash flows from operating activities</b>		<b>47,591</b>	<b>32,317</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(8,817)	(10,607)
Proceeds from sales of property, plant and equipment		117	272
Purchases of intangible assets		-	(282)
Purchased of investment property		(193)	-
Purchases of shares in associates		(192)	(227)
Proceeds from sales of shares in associates		4,799	7
Purchases of equity investments		(2,170)	(1,744)
Proceeds from sales of equity investments		90	907
Purchases of stocks/shares in subsidiaries		(11,193)	(257)
Proceeds from sales of stocks/shares in subsidiaries		1,627	-
Dividends received from investments in subsidiaries		9,114	8,693
Proceeds from dividends from other long-term equity investments		160	96
Loans granted to related parties		(94,040)	(31,268)
Loan repayments by related parties		26,104	22,676
Loans granted to other companies		(8,523)	(7,442)
Loan repayments by other companies		2,405	5,134
Interest received on granted loans		3,264	1,064
Other proceeds/(payments), net		-	(54)
<b>Net cash flows (used in) investing activities</b>		<b>(77,448)</b>	<b>(13,032)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long-term loans		24	33
Repayment of long-term bank loans		(7,207)	(7,413)
Proceeds from short-term bank loans (overdraft), net		34,685	12,588
Interest and charges paid under investment purpose loans		(240)	(365)
Proceeds from sales of treasury shares		-	11
Treasury shares		(805)	(861)
Dividends paid		(28)	(20,000)
Lease payments to related parties		(1,038)	(71)
Lease payments to third parties		(672)	-
Government grants received		126	-
<b>Net cash flows from/(used in) financing activities</b>		<b>24,845</b>	<b>(16,078)</b>
<b>Net decreased in cash and cash equivalents</b>		<b>(5,012)</b>	<b>3,207</b>
Cash and cash equivalents at 1 January		8,971	5,764
<b>Cash and cash equivalents at 31 December</b>	27	<b>3,959</b>	<b>8,971</b>

The accompanying notes on pages 5 to 148 form an integral part of these separate financial statements.

Executive Director:

Ognian Donchev, PhD

Finance Director:

Boris Borisov

Chief Accountant:

Yordanka Petkova



## SOPHARMA AD

## SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	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	Общо собствен капитал
		BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2018 (originally stated)		134,798	(33,834)	51,666	23,839	4,089	251,089	46,147	477,794
Effects of a subsidiary merger		-	-	-	-	-	-	(316)	(316)
Effects of initial application of IFRS 16	2.4	-	-	-	-	-	-	(1,309)	(1,309)
Balance at 1 January 2018 (restated)		134,798	(33,834)	51,666	23,839	4,089	251,089	44,522	476,169
Changes in equity for 2018									
Effects of a subsidiary merger	28	-	265	-	1,744	20	-	(2,029)	-
Effects of treasury shares, including		-	232	-	-	-	-	141	-
- share-based payments		-	1,082	-	-	-	-	-	373
- acquisition of treasury shares		-	(861)	-	-	-	-	142	1,224
- treasury shares sold		-	11	-	-	-	-	-	(861)
Distribution of profit for:		-	-	-	-	-	-	(1)	10
- reserves		-	-	4,301	-	-	24,888	(49,295)	(20,106)
- dividends on 2017 profit		-	-	4,301	-	-	24,888	(29,189)	-
- six-month dividends on 2018 profit		-	-	-	-	-	-	(13,822)	(13,822)
Total comprehensive income for the year (restated), including:		-	-	-	307	(792)	-	(6,284)	(6,284)
- net profit for the year		-	-	-	-	-	-	33,268	32,783
- other comprehensive income, net of taxes		-	-	-	-	-	-	-	33,298
Transfer to retained earnings		-	-	-	307	(792)	-	(30)	(515)
Balance at 31 December 2018	28	134,798	(33,337)	55,967	22,433	2,933	275,977	30,448	489,219
Changes in equity for 2019									
Effects of treasury shares, including		-	(805)	-	-	-	-	-	(805)
- treasury shares		-	(805)	-	-	-	-	-	(805)
Distribution of profit for:		-	-	-	-	-	-	-	(805)
- reserves		-	-	3,330	-	-	22,362	(31,976)	(6,284)
- 6-month dividends on 2019 profit		-	-	3,330	-	-	22,362	(25,692)	-
Total comprehensive income for the year, including:		-	-	-	176	(60)	-	40,398	40,514
- net profit for the year		-	-	-	-	-	-	40,382	40,382
- other comprehensive income, net of taxes		-	-	-	176	(60)	-	16	132
Transfer to retained earnings		-	-	-	(569)	-	-	569	-
Balance at 31 December 2019	28	134,798	(34,142)	59,297	22,040	2,873	298,339	39,439	522,644

The accompanying notes on pages 5 to 148 form an integral part of these separate financial statements.

Executive Director:

Ognyan Donev, PhD



Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



16.03.2020