

SOPHARMA AD

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Notes	2016 BGN'000	2015 BGN'000	
Revenue	3	163,827	173,803	
Other operating income/(losses), net	4	4,193	3,651	
Changes in inventories of finished goods and work in progress		360	6,667	
Raw materials and consumables used	5	(55,172)	(61,619)	
Hired services expense	6	(33,297)	(41,275)	
Employee benefits expense	7	(34,414)	(35,331)	
Depreciation and amortisation expense	15,16	(13,919)	(14,549)	
Other operating expenses	8,9	(5,244)	(6,210)	
Profit from operations		26,334	25,137	
Impairment of non-current assets	10	(5,627)	(8,567)	
Finance income	11	24,158	17,922	
Finance costs	12	(3,176)	(6,312)	
Finance income/(costs), net		20,982	11,610	
Profit before income tax		41,689	28,180	
Income tax expense	13	(3,919)	(2,826)	
Net profit for the year		37,770	25,354	
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Gain on revaluation of property, plant and equipment, net	14,15	2,629	-	
Remeasurements of defined benefit pension plans	32	(120)	(51)	
Income tax relating to items of other comprehensive income that will not be reclassified	13	(263)	-	
		2,246	(51)	
<i>Items that may be reclassified to profit or loss:</i>				
Net change in fair value of available-for-sale financial assets		1,515	193	
		1,515	193	
Other comprehensive income for the year, net of tax	14	3,761	142	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		41,531	25,496	
Net earnings per share	BGN	28	0.29	0.20

The accompanying notes on pages 5 to 104 form an integral part of these financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

AUDITED BY AEA
27/03/2017

SOPHARMA AD

SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Notes	31 December 2016 BGN'000	31 December 2015 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	209,326	211,943
Intangible assets	16	2,177	2,507
Investment property	17	22,840	22,160
Investments in subsidiaries	18	147,583	132,899
Investments in associates	19	5,219	-
Available-for-sale investments	20	5,229	5,510
Long-term receivables from related parties	21	11,011	20,505
Other long-term receivables	22	3,714	3,257
		407,099	398,781
Current assets			
Inventories	23	56,807	61,701
Receivables from related parties	24	71,076	78,035
Trade receivables	25	22,479	21,466
Loans granted to third parties	26 (a)	2,445	2,481
Other receivables and prepayments	26 (b)	4,859	4,400
Cash and cash equivalents	27	4,343	3,745
		162,009	171,828
TOTAL ASSETS		569,108	570,609
EQUITY AND LIABILITIES			
EQUITY			
Share capital		134,798	134,798
Treasury shares		(18,809)	(17,597)
Reserves		304,403	284,227
Retained earnings		42,483	30,198
	28	462,875	431,626
LIABILITIES			
Non-current liabilities			
Long-term bank loans	29	23,844	30,819
Deferred tax liabilities	30	5,703	4,697
Government grants	31	5,866	6,371
Retirement benefit obligations	32	2,649	2,426
Finance lease liabilities	33	-	3
		38,062	44,316
Current liabilities			
Short-term bank loans	34	48,291	68,961
Current portion of long-term bank loans	29	7,185	7,380
Trade payables	35	4,712	8,014
Payables to related parties	36	497	3,070
Tax payables	37	609	965
Payables to personnel and for social security	38	5,363	4,769
Other current liabilities	39	1,514	1,508
		68,171	94,667
TOTAL LIABILITIES		106,233	138,983
TOTAL EQUITY AND LIABILITIES		569,108	570,609

The accompanying notes on pages 5 to 104 form an integral part of these financial statements.

The financial statements on pages 1 to 104 were approved for issue by the Board of Directors and signed on its behalf on 27 March 2017 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

AUDITED BY AIA
27/03/2017

SOPHARMA AD

SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	Notes	2016 BGN'000	2015 BGN'000
Cash flows from operating activities			
Cash receipts from customers		175,838	185,756
Cash paid to suppliers		(106,733)	(119,466)
Cash paid to employees and for social security		(32,713)	(34,090)
Taxes paid (except income taxes)		(5,958)	(5,892)
Taxes refunded (except income taxes)		2,031	4,727
Income taxes (paid)/refunded, net		(3,230)	(758)
Interest and bank charges paid on working capital loans		(1,525)	(2,519)
Foreign currency exchange gains/(losses), net		(211)	45
Other proceeds/(payments), net		(863)	595
Net cash flows from operating activities		26,636	28,398
Cash flows from investing activities			
Purchases of property, plant and equipment		(5,640)	(9,126)
Proceeds from sales of property, plant and equipment		441	134
Purchases of intangible assets		(95)	(29)
Proceeds from sales of intangible assets		15	-
Purchases of shares in associates		(2,058)	(14,818)
Purchases of available-for-sale investments		(2,080)	(1,451)
Proceeds from sales of available-for-sale investments		741	474
Purchases of shares in subsidiaries		(25,631)	(2,673)
Proceeds from sales of shares in subsidiaries		18,466	3,399
Loans granted to related parties		(5,958)	(14,297)
Loan repayments by related parties		23,362	28,787
Loans granted to other companies		(784)	(2,232)
Loan repayments by other companies		281	856
Dividends received from investments in subsidiaries		9,110	7,831
Dividends received from available-for-sale investments		51	8
Interest received on granted loans		2,777	2,727
Other proceeds/(payments), net		(107)	-
Net cash flows from/(used in) investing activities		12,891	(410)
Cash flows from financing activities			
Repayment of long-term bank loans		(7,186)	(7,226)
Proceeds from short-term bank loans (overdraft), net		13,884	3,361
Repayment of short-term bank loans (overdraft), net		(34,495)	(25,175)
Interest and charges paid under investment purpose loans		(873)	(1,208)
Government grants received		-	3,000
Treasury shares		(1,212)	(394)
Dividends paid		(9,026)	(10)
Payments of finance lease liabilities		(21)	(69)
Net cash flows used in financing activities		(38,929)	(27,721)
Net increase in cash and cash equivalents		598	267
Cash and cash equivalents at 1 January		3,745	3,478
Cash and cash equivalents at 31 December		4,343	3,745

27

The accompanying notes on pages 5 to 104 form an integral part of these financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

AUDITED BY AEA
27/03/2017

SOPHARMA AD

SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

Notes	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Available-for-sale financial assets reserve	Additional reserves	Retained earnings	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
	132,000	(17,203)	33,555	22,434	1,097	189,157	45,484	406,524
2.3	2,798	-	8,785	344	-	-	(11,927)	-
	-	(394)	-	-	-	-	-	(394)
	-	-	2,916	-	-	26,238	(29,154)	-
	-	-	2,916	-	-	26,238	(29,154)	-
	-	-	-	-	193	-	25,303	25,496
	-	-	-	-	-	-	25,354	25,354
	-	-	-	(492)	193	-	(51)	142
28	134,798	(17,597)	45,256	22,286	1,290	215,395	30,198	431,626
	-	(1,212)	-	-	-	-	-	(1,212)
	-	-	2,585	-	-	14,191	(25,846)	(9,070)
	-	-	2,585	-	-	14,191	(16,776)	-
	-	-	-	-	-	-	(9,070)	(9,070)
	-	-	-	2,366	1,515	-	37,650	41,531
	-	-	-	-	-	-	37,770	37,770
	-	-	-	2,366	1,515	-	(120)	3,761
	-	-	-	(481)	-	-	481	-
28	134,798	(18,809)	47,841	24,171	2,805	229,586	42,483	462,875

Balance at 1 January 2015

Changes in equity for 2015

Effects of a subsidiary merger

Treasury shares

Distribution of profit for:

* reserves

Total comprehensive income for the year, including:

* net profit for the year

* other comprehensive income, net of taxes

Transfer to retained earnings

Balance at 31 December 2015

Changes in equity for 2016

Treasury shares

Distribution of profit for:

* reserves

* dividends

Total comprehensive income for the year, including:

* net profit for the year

* other comprehensive income, net of taxes

Transfer to retained earnings

Balance at 31 December 2016

The accompanying notes on pages 5 to 104 form an integral part of these financial statements.

Executive Director:

Ognian Doney, PhD

Finance Director: Chief Accountant (preparer):

Boris Borisov

Yordanka Petkova



AUDITED BY AIA
27 / 03 / 2017