

Company:

"SOPHARMA" AD

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:

Jordanka Petkova

Registered Office:

**Sofia
16, Iliensko Shousse Str.**

Lawyers:

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

Servicing Banks:

**Raiffeisenbank (Bulgaria) EAD
DSK Bank EAD
Eurobank Bulgaria AD
ING Bank N.V. - Sofia Branch
UniCredit Bulbank AD
Expressbank AD
Citibank N.A.
Cibank EAD**

Auditors:

Baker Tilly Clitou and Partners OOD

"SOPHARMA" AD**INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

for the period ended on 30 September 2020

| | Notes | 2020 BGN'000 | 2019 BGN'000 |
|--|-------|-----------------|-----------------|
| Revenue | 3 | 140 845 | 156 637 |
| Other operating income/(losses), net | 4 | 3 004 | 3 595 |
| Changes in inventories of finished goods and work in progress | | 12 960 | (222) |
| Raw materials and consumables used | 5 | (52 936) | (55 130) |
| Hired services expense | 6 | (25 217) | (25 276) |
| Employee benefits expense | 7 | (38 080) | (36 968) |
| Depreciation and amortization expense | 13,14 | (13 706) | (13 760) |
| Other operating expenses | 8 | (6 369) | (3 776) |
| Profit from operations | | 20 501 | 25 100 |
| Impairment of non-current assets | 9 | (1 072) | (677) |
| Finance income | 10 | 11 722 | 13 824 |
| Finance costs | 11 | (7 366) | (1 682) |
| Finance income / (costs), net | | 4 356 | 12 142 |
| Profit before income tax | | 23 785 | 36 565 |
| Income tax expense | | (1 651) | (3 056) |
| Net profit for the year | | 22 134 | 33 509 |
| Other comprehensive income: | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| (Loss)/ Gain from remeasurement of property, plant and equipment | 12,13 | (41) | - |
| Net change in the fair value of other long-term equity investments | 18 | (647) | (299) |
| Income tax relating to items of other comprehensive income that will not be reclassified | | 4 | - |
| Other comprehensive income for the year, net of tax | 12 | (684) | (299) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 21 450 | 33 210 |
| Basic net earnings per share | 26 | 0,18 | 0,27 |

The accompanying notes on pages 5 to 126 form an integral part of the individual financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant :

Jordanka Petkova

"SOPHARMA" AD**INDIVIDUAL STATEMENT OF FINANCIAL POSITION**

as at 30 September 2020

| | Notes | 30 September 2020 BGN'000 | 31 December 2019 BGN'000 |
|--|--------|---------------------------------|--------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 214 138 | 224 654 |
| Intangible assets | 14 | 7 737 | 8 524 |
| Investment property | 15 | 41 925 | 39 329 |
| Investments in subsidiaries | 16 | 90 411 | 87 146 |
| Investments in associates | 17 | 6 062 | 6 062 |
| Other long-term equity investments | 18 | 11 067 | 9 621 |
| Long-term receivables from related parties | 19 | 59 241 | 91 794 |
| Other long-term receivables | 20 | 10 825 | 9 897 |
| | | 441 406 | 477 027 |
| Current assets | | | |
| Inventories | 21 | 80 191 | 61 365 |
| Receivables from related parties | 22 | 120 740 | 97 014 |
| Trade receivables | 23 | 22 683 | 27 212 |
| Loans granted to third parties | 24 (a) | 4 649 | 6 044 |
| Other receivables and prepayments | 24 (b) | 7 777 | 6 144 |
| Cash and cash equivalents | 25 | 3 273 | 3 959 |
| | | 239 313 | 201 738 |
| TOTAL ASSETS | | 680 719 | 678 765 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Share capital | | 134 798 | 134 798 |
| Treasury shares | | (33 455) | (34 142) |
| Reserves | | 408 996 | 382 549 |
| Retained earnings | 26 | 20 466 | 39 439 |
| | | 530 805 | 522 644 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term bank loans | 27 | 19 | 2 398 |
| Deferred tax liabilities | 28 | 5 558 | 6 209 |
| Government grants | 29 | 4 533 | 4 858 |
| Lease liabilities to related parties | 30 | - | 1 610 |
| Lease liabilities to third parties | 31 | 2 027 | 954 |
| Retirement benefit obligations | 32 | 4 965 | 4 638 |
| | | 17 102 | 20 667 |
| Current liabilities | | | |
| Short-term bank loans | 33 | 99 462 | 100 359 |
| Current portion of long-term bank loans | 27 | 4 203 | 7 181 |
| Trade payables | 34 | 8 027 | 6 074 |
| Payables to related parties | 35 | 4 456 | 6 664 |
| Tax payables | 36 | 1 235 | 2 329 |
| Payables to personnel and for social security | 37 | 7 342 | 7 266 |
| Other current liabilities | 38 | 8 087 | 5 581 |
| | | 132 812 | 135 454 |
| TOTAL LIABILITIES | | 149 914 | 156 121 |
| TOTAL EQUITY AND LIABILITIES | | 680 719 | 678 765 |

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Boris Borisov

Chief Accountant: :

Jordanka Petkova

"SOPHARMA" AD**INDIVIDUAL STATEMENT OF CASH FLOWS**

for the period ended on 30 September 2020

| | Notes | 2020 BGN'000 | 2019 BGN'000 |
|--|-------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 124 853 | 152 677 |
| Cash paid to suppliers | | (90 885) | (92 630) |
| Cash paid to employees and for social security | | (37 169) | (34 303) |
| Taxes paid (except income taxes) | | (7 034) | (5 939) |
| Taxes refunded (except income taxes) | | 3 286 | 1 346 |
| (Paid) / refunded income taxes, net | | (3 568) | (3 607) |
| Interest and bank charges paid on working capital loans | | (1 285) | (1 179) |
| Foreign currency exchange, net | | (171) | (166) |
| Other proceeds/(payments), net | | (1 310) | (900) |
| Net cash flows from operating activities | | (13 283) | 15 299 |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | | (4 610) | (6 703) |
| Proceeds from sales of property, plant and equipment | | 1 179 | 27 |
| Purchases of intangible assets | | (143) | - |
| Purchased of investment property | | (2 045) | (193) |
| Purchases of shares in associates | | - | (192) |
| Proceeds from sales of shares in associates | | 1 | 370 |
| Purchases of equity investments | | (2 173) | (2 095) |
| Proceeds from sales of equity investments | | 53 | 88 |
| Purchases of stocks/shares in subsidiaries | | (3 276) | (974) |
| Proceeds from sales of shares in subsidiaries | | - | 1 522 |
| Loans granted to related parties | | (4 440) | (93 070) |
| Loan repayments by related parties | | 38 509 | 25 126 |
| Loans granted to other companies | | (978) | (5 436) |
| Loan repayments by other companies | | 1 372 | 2 397 |
| Interest received on granted loans | | 1 991 | 955 |
| Dividend proceeds from investments in subsidiaries | | 9 138 | 8 337 |
| Dividend proceeds from equity investments | | 38 | 159 |
| Net cash flows used in investing activities | | 34 616 | (69 682) |
| Cash flows from financing activities | | | |
| Proceeds from long - term bank loans | | 28 | 24 |
| Repayment of long-term bank loans | | (5 408) | (5 405) |
| Proceeds/ (Repayment) from / (on) short-term bank loans (overdraft), net | | (769) | 53 274 |
| Interest and charges paid under investment purpose loans | | (99) | (192) |
| Proceeds from sales of treasury shares | | 805 | - |
| Treasury shares | | (262) | (2) |
| Dividends paid | | (14 952) | (21) |
| Lease payments to related parties | | - | (781) |
| Lease payments to third parties | | (1 449) | (405) |
| Government grants | | 87 | - |
| Net cash flows from (used in) financing activities | | (22 019) | 46 492 |
| Net decrease in cash and cash equivalents | | (686) | (7 891) |
| Cash and cash equivalents at 1 January | | 3 959 | 8 971 |
| Cash and cash equivalents at 30 September | 25 | 3 273 | 1 080 |

The accompanying notes on pages 5 to 126 form an integral part of the individual financial statements.

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"SOPHARMA" AD

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

for the period ended on 30 September 2020

| | Notes | Share capital | Treasury shares | Statutory reserves | Revaluation reserve - property, plant and equipment | Reserve from financial assets at fair value through other comprehensive income | Additional reserves | Retained earnings | Total equity |
|---|-------|----------------|-----------------|--------------------|---|--|---------------------|-------------------|----------------|
| | | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 | BGN'000 |
| Balance at 1 January 2019 | 26 | 134 798 | (33 337) | 55 967 | 22 433 | 2 933 | 275 977 | 30 448 | 489 219 |
| Changes in equity for 2019 | | | | | | | | | |
| Effect of pay back treasury shares incl: | | - | (805) | - | - | - | - | - | (805) |
| - acquisition of treasury shares | | - | (805) | - | - | - | - | - | (805) |
| Distribution of profit for: | | - | - | 3 330 | - | - | 22 362 | (31 976) | (6 284) |
| - reserves | | - | - | 3 330 | - | - | 22 362 | (25 692) | - |
| - 6-month dividends from profit for 2019 | | - | - | - | - | - | - | (6 284) | (6 284) |
| 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 | 26 | 134 798 | (34 142) | 59 297 | 22 040 | 2 873 | 298 339 | 39 439 | 522 644 |
| Changes in equity for 2020 | | | | | | | | | |
| Effects from sold and repurchased treasury shares, including: | | - | 687 | - | - | - | - | (144) | 543 |
| - sale of treasury shares | | - | 949 | - | - | - | - | (144) | 805 |
| - acquisition of treasury shares | | - | (262) | - | - | - | - | - | (262) |
| Distribution of profit for: | | - | - | 4 038 | - | - | 23 257 | (41 127) | (13 832) |
| - reserves | | - | - | 4 038 | - | - | 23 257 | (27 295) | - |
| - dividends from profit for 2019 | | - | - | - | - | - | - | (8 798) | (8 798) |
| - 6-month dividends from profit for 2020 | | - | - | - | - | - | - | (5 034) | (5 034) |
| Total comprehensive income for the year, including: | | - | - | - | (37) | (647) | - | 22 134 | 21 450 |
| - net profit for the year | | - | - | - | - | - | - | 22 134 | 22 134 |
| - other comprehensive income, net of taxes | | - | - | - | (37) | (647) | - | - | (684) |
| Transfer to retained earnings | | - | - | - | (210) | 46 | - | 164 | - |
| Balance at 30 September 2020 | 26 | 134 798 | (33 455) | 63 335 | 21 793 | 2 272 | 321 596 | 20 466 | 530 805 |

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