

SOPHARMA AD

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	2017 BGN'000	2016 BGN'000 <i>restated*</i>
Revenue	3	205 259	182 396
Other operating income/(losses), net	4	4 500	4 065
Changes in inventories of finished goods and work in progress		6 451	(283)
Raw materials and consumables used	5	(68 983)	(61 918)
Hired services expense	6	(38 769)	(36 486)
Employee benefits expense	7	(43 804)	(38 263)
Depreciation and amortisation expense	15,16	(16 238)	(15 486)
Other operating expenses	8	(6 569)	(5 662)
Profit from operations		41 847	28 363
Impairment of non-current assets	10	(5 280)	(5 633)
Finance income	11	11 927	22 233
Finance costs	12	(2 096)	(2 518)
Finance income/(costs), net		9 831	19 715
Profit before income tax		46 398	42 445
Income tax expense	13	(4 159)	(4 098)
Net profit for the year		42 239	38 347
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
(Loss) / Gain on revaluation of property, plant and equipment, net	14,15	(42)	2 629
Remeasurements of defined benefit pension plans	32	(497)	(134)
Income tax relating to items of other comprehensive income that will not be reclassified	13	4	(263)
		(535)	2 232
<i>Items that may be reclassified to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		1 284	1 515
		1 284	1 515
Other comprehensive income for the year, net of tax	14	749	3 747
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		42 988	42 094
Net earnings per share	BGN 28	0,33	0,29

The accompanying notes on pages 5 to 112 form an integral part of these financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

[Signature]
27.03.2018



SOPHARMA AD

SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	31 December 2017 BGN'000	31 December 2016 BGN'000 <i>restated*</i>	1 January 2016 BGN'000 <i>restated*</i>
ASSETS				
Non-current assets				
Property, plant and equipment	15	223 097	225 470	228 805
Intangible assets	16	6 471	6 280	7 016
Investment property	17	24 799	22 840	22 160
Investments in subsidiaries	18	120 145	115 442	111 836
Investments in associates	19	7 740	5 219	-
Available-for-sale investments	20	7 206	5 229	5 512
Long-term receivables from related parties	21	21 583	11 047	20 541
Other long-term receivables	22	4 210	3 714	3 257
		415 251	395 241	399 127
Current assets				
Inventories	23	66 433	61 711	67 902
Receivables from related parties	24	74 920	73 596	80 980
Trade receivables	25	22 527	25 411	24 069
Loans granted to third parties	26 (a)	3 201	2 445	2 481
Other receivables and prepayments	26 (b)	4 757	5 336	5 120
Cash and cash equivalents	27	3 216	9 275	5 954
		175 054	177 774	186 506
TOTAL ASSETS		590 305	573 015	585 633
EQUITY AND LIABILITIES				
EQUITY				
Share capital		134 798	134 798	134 798
Treasury shares		(33 834)	(18 809)	(17 704)
Reserves		330 683	304 403	284 227
Retained earnings	28	46 687	43 023	41 269
		478 334	463 415	442 590
LIABILITIES				
Non-current liabilities				
Long-term bank loans	29	16 691	24 064	31 315
Deferred tax liabilities	30	6 553	6 570	5 600
Government grants	31	5 478	5 986	6 500
Retirement benefit obligations	32	3 624	2 930	2 669
Finance lease liabilities		-	-	3
		32 346	39 550	46 087
Current liabilities				
Short-term bank loans	33	53 088	48 291	69 141
Current portion of long-term bank loans	29	7 392	7 461	7 656
Trade payables	34	7 569	5 767	9 273
Payables to related parties	35	1 752	375	3 099
Tax payables	36	1 429	833	1 137
Payables to personnel and for social security	37	7 172	5 771	5 098
Other current liabilities	38	1 223	1 552	1 552
		79 625	70 050	96 956
TOTAL LIABILITIES		111 971	109 600	143 043
TOTAL EQUITY AND LIABILITIES		590 305	573 015	585 633

The accompanying notes on pages 5 to 112 form an integral part of these financial statements.

The financial statements on pages 1 to 112 were approved for issue by the Board of Directors and signed on its behalf on 27 March 2018 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova



27.03.2018

SOPHARMA AD
SEPARATE STATEMENT OF CASH FLOWS
for the year ended 31 December 2017

	Notes	2017 BGN'000	2016 BGN'000 <i>restated*</i>
Cash flows from operating activities			
Cash receipts from customers		216 495	197 055
Cash paid to suppliers		(120 731)	(118 062)
Cash paid to employees and for social security		(40 678)	(36 273)
Taxes paid (except income taxes)		(6 444)	(7 246)
Taxes refunded (except income taxes)		1 957	2 046
Income taxes (paid)/refunded, net		(3 201)	(3 463)
Interest and bank charges paid on working capital loans		(999)	(1 525)
Foreign currency exchange gains/(losses), net		(284)	(211)
Other proceeds/(payments), net		(1 200)	(880)
Net cash flows from operating activities		44 915	31 441
Cash flows from investing activities			
Purchases of property, plant and equipment		(12 649)	(6 061)
Proceeds from sales of property, plant and equipment		111	441
Purchases of intangible assets		(29)	(130)
Proceeds from sales of intangible assets		-	15
Purchases of shares in associates		(4 052)	(2 058)
Proceeds from sales of shares in associates		3 080	-
Purchases of available-for-sale investments		(1 377)	(2 080)
Proceeds from sales of available-for-sale investments		731	744
Purchases of shares in subsidiaries		(10 013)	(25 662)
Proceeds from sales of shares in subsidiaries		1	18 525
Proceeds from liquidation shares in subsidiaries		12	-
Dividends received from investments in subsidiaries		7 397	7 872
Dividends received from available-for-sale investments		142	51
Loans granted to related parties		(108 465)	(5 958)
Loan repayments by related parties		104 655	23 362
Loans granted to other companies		(2 568)	(784)
Loan repayments by other companies		-	281
Interest received on granted loans		3 340	2 777
Other proceeds/(payments), net		(65)	(107)
Net cash flows (used in)/from investing activities		(19 749)	11 228
Cash flows from financing activities			
Repayment of long-term bank loans		(7 463)	(7 462)
Proceeds from short-term bank loans (overdraft), net		7 866	13 884
Repayment of short-term bank loans (overdraft), net		(3 043)	(34 675)
Interest and charges paid under investment purpose loans		(555)	(902)
Proceeds from sales of treasury shares		1 878	83
Treasury shares		(17 026)	(1 212)
Dividends paid		(12 878)	(9 043)
Payments of finance lease liabilities		(4)	(21)
Net cash flows used in financing activities		(31 225)	(39 348)
Net (decrease) / increase in cash and cash equivalents		(6 059)	3 321
Cash and cash equivalents at 1 January		9 275	5 954
Cash and cash equivalents at 31 December	27	3 216	9 275

The accompanying notes on pages 5 to 112 form an integral part of these financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Chief Accountant (preparer):

Yordanka Petkova

This is a translation from Bulgarian of the separate financial statements of Sopharma AD for year 2017.

27.03.2018



SOPHARMA AD

SEPARATE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

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
Balance at 1 January 2016 (originally accounted for)	134 798	(17 597)	45 256	22 286	1 290	215 395	30 198	431 626
Effects of a subsidiary merger	-	(107)	-	-	-	-	11 071	10 964
Balance at 1 January 2016 (restated)	134 798	(17 704)	45 256	22 286	1 290	215 395	41 269	442 590
Changes in equity for 2016								
Treasury shares	-	(1 212)	-	-	-	-	-	(1 212)
Distribution of profit for:	-	-	2 585	-	-	14 191	(25 846)	(9 070)
* reserves	-	-	2 585	-	-	14 191	(16 776)	-
* dividends	-	-	-	-	-	-	(9 070)	(9 070)
Total comprehensive income for the year (originally accounted for)	-	-	-	2 366	1 515	-	37 650	41 531
Effects of a subsidiary merger	-	-	-	2 366	1 515	-	563	563
Total comprehensive income for the year (restated), including:	-	-	-	2 366	1 515	-	38 213	42 094
* net profit for the year	-	-	-	2 366	1 515	-	38 347	38 347
* other comprehensive income, net of taxes	-	-	-	-	-	-	(134)	3 747
Effects of a subsidiary merger	-	107	-	-	-	-	(11 094)	(10 987)
Transfer to retained earnings	-	-	-	(481)	-	-	481	-
Balance at 31 December 2016 (originally accounted for)	134 798	(18 809)	47 841	24 171	2 805	229 586	42 483	462 875
Effects of a subsidiary merger	-	-	-	-	-	-	540	540
Balance at 31 December 2016 (restated)	134 798	(18 809)	47 841	24 171	2 805	229 586	43 023	463 415
Changes in equity for 2017								
Effects of a subsidiary merger	-	602	-	-	-	-	(602)	-
Effects of treasury shares, incl.	-	(15 627)	-	-	-	-	479	(15 148)
* acquisition of treasury shares	-	(17 026)	-	-	-	-	-	(17 026)
* treasury own shares sold	-	1 399	-	-	-	-	479	1 878
Distribution of profit for:	-	-	3 825	-	-	21 503	(38 249)	(12 921)
* reserves	-	-	3 825	-	-	21 503	(25 328)	-
* dividends	-	-	-	-	-	-	(12 921)	(12 921)
Total comprehensive income for the year, including:	-	-	-	(38)	1 284	-	41 742	42 988
* net profit for the year	-	-	-	-	-	-	42 239	42 239
* other comprehensive income, net of taxes	-	-	-	(38)	1 284	-	(497)	749
Transfer to retained earnings	-	-	-	(294)	-	-	294	-
Balance at 31 December 2017	134 798	(33 834)	51 666	23 839	4 089	251 089	46 687	478 334

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Executive Director:

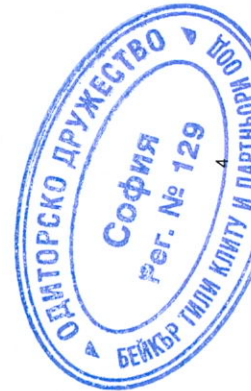
Ognian Doney, PhD

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