

## SOPHARMA GROUP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Notes	2015 BGN'000	2014 BGN'000
Revenue	3	874,984	840,517
Other operating income/(losses), net	4	(2,678)	5,465
Changes in inventories of finished goods and work in progress		4,207	12,279
Raw materials and consumables used	5	(86,396)	(96,334)
Hired services expense	6	(65,661)	(67,207)
Employee benefits expense	7	(81,501)	(80,880)
Depreciation and amortisation expense	16, 17	(26,326)	(27,802)
Carrying amount of goods sold		(568,590)	(530,842)
Other operating expenses	8, 9	(11,599)	(15,172)
<b>Profit from operations</b>		<b>36,440</b>	<b>40,024</b>
Impairment of non-current tangible and intangible assets	10	-	(494)
Finance income	11	6,828	5,392
Finance costs	12	(21,640)	(17,594)
<b>Finance income / (costs), net</b>		<b>(14,812)</b>	<b>(12,202)</b>
(Loss)/gain from associates and joint ventures	13	(1,275)	310
Gain on disposal of subsidiaries	44.1	7,222	1,561
<b>Profit before income tax</b>		<b>27,575</b>	<b>29,199</b>
Income tax expense	14	(4,975)	(5,082)
<b>Net profit for the year</b>		<b>22,600</b>	<b>24,117</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Loss on revaluation of property, plant and equipment	16, 18	-	(46)
Remeasurements of defined benefit pension plans	31	(317)	(479)
Income tax relating to items of other comprehensive income that will not be reclassified	14	5	3
		<b>(312)</b>	<b>(522)</b>
<i>Items that may be reclassified to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		139	274
Exchange differences on translating foreign operations		(39)	(274)
		<b>100</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>	15	<b>(212)</b>	<b>(522)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>22,388</b>	<b>23,595</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		21,314	20,178
Non-controlling interests		1,286	3,939
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		22,816	20,238
Non-controlling interests		(428)	3,357
Basic earnings per share	28	BGN 0.17	0.16

The accompanying notes on pages 5 to 133 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

AUDITED BY AIA  
27/04/2016



**SOPHARMA GROUP**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 31 December 2015

	Notes	31 December 2015 BGN'000	31 December 2014 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	315,005	299,037
Intangible assets	17	24,127	13,270
Goodwill	17	11,375	10,918
Investment property	18	10,562	10,606
Investments in associates and joint ventures	19	5,224	12,387
Available-for-sale investments	20	7,424	6,968
Long-term receivables from related parties	21	20,505	33,150
Other long-term receivables	22	3,546	353
Deferred tax assets	30	3,716	3,849
		<b>401,484</b>	<b>390,538</b>
<b>Current assets</b>			
Inventories	23	163,129	155,910
Trade receivables	24	205,589	196,330
Receivables from related parties	25	27,434	25,318
Other short-term receivables and assets	26	14,505	22,445
Cash and cash equivalents	27	23,486	26,822
		<b>434,143</b>	<b>426,825</b>
<b>TOTAL ASSETS</b>		<b>835,627</b>	<b>817,363</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		134,798	132,000
Reserves		48,855	36,069
Retained earnings	28	222,238	203,260
		<b>405,891</b>	<b>371,329</b>
<b>Non-controlling interests</b>		<b>51,749</b>	<b>60,308</b>
<b>TOTAL EQUITY</b>	28	<b>457,640</b>	<b>431,637</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	29	38,876	45,820
Deferred tax liabilities	30	7,952	5,728
Retirement benefit obligations	31	4,199	3,786
Finance lease liabilities	32	1,957	2,103
Government grants	33	9,343	7,558
Other non-current liabilities		165	35
		<b>62,492</b>	<b>65,030</b>
<b>Current liabilities</b>			
Short-term bank loans	34	190,785	217,360
Current portion of long-term bank loans	29	14,784	10,772
Trade payables	35	87,440	71,752
Payables to related parties	36	2,366	1,634
Payables to personnel and for social security	37	8,894	7,514
Tax payables	38	6,368	6,023
Other current liabilities	39	4,858	5,641
		<b>315,495</b>	<b>320,696</b>
<b>TOTAL LIABILITIES</b>		<b>377,987</b>	<b>385,726</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>835,627</b>	<b>817,363</b>

The accompanying notes on pages 5 to 133 form an integral part of the consolidated financial statements.

The consolidated financial statements on pages 1 to 133 were approved for issue by the Board of Directors of Sopharma AD and signed on its behalf on 27 April 2016 by:

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

AUDITED BY AFA  
27/04/2016

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2015**

	Notes	2015 BGN'000	2014 BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1,002,450	963,409
Cash paid to suppliers		(786,997)	(774,750)
Cash paid to employees and for social security		(76,275)	(76,081)
Taxes paid (except income taxes)		(62,297)	(58,627)
Taxes refunded (except income taxes)		5,889	5,406
Income taxes paid		(3,287)	(8,005)
Income taxes refunded		15	-
Interest and bank charges paid on working capital loans		(7,537)	(7,704)
Foreign currency exchange gains/(losses), net		(1,926)	(3,425)
Other proceeds/(payments), net		(2,725)	(2,570)
<b>Net cash flows from operating activities</b>		<b>67,310</b>	<b>37,653</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(17,792)	(23,737)
Proceeds from sales of property, plant and equipment		439	4,106
Purchases of intangible assets		(4,794)	(2,336)
Purchases of investment property		-	(1,005)
Purchases of available-for-sale investments		(2,109)	(2,886)
Proceeds from sale of available-for-sale investments		581	482
Proceeds from dividends under available-for-sale investments		8	59
Consideration paid on acquisition of subsidiaries, net of cash received	43.1	(15,604)	(7)
Proceeds from disposal of a subsidiary, net of cash granted	44.1	3,275	370
Purchases of investments in associates and joint ventures	19	(8,135)	(4,854)
Proceeds/(payments) on transactions with non-controlling interests, net	43.2, 44.2	(2,826)	5,158
Loans granted to related parties		(13,390)	(18,635)
Loan repayments by related parties		25,902	12,305
Loans granted to third parties		(3,215)	(1,025)
Loan repayments by third parties		1,965	864
Interest received on loans and deposits		2,796	3,715
<b>Net cash flows used in investing activities</b>		<b>(32,899)</b>	<b>(27,426)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term bank loans (overdraft), net		23,059	22,739
Repayment of short-term bank loans (overdraft), net		(49,397)	(14,624)
Proceeds from long-term bank loans		4,993	4,106
Repayment of long-term bank loans		(13,003)	(10,160)
Loans received from third parties		590	483
Repayment of loans to third parties		(311)	(710)
Interest and charges paid under investment purpose loans		(1,916)	(2,043)
Payment of finance lease liabilities		(1,865)	(1,287)
Treasury shares		(448)	(1,264)
Proceeds from sale of treasury shares		-	2,784
Dividends paid		(3,983)	(11,769)
Grants from public institutions		-	210
Government grants		5,685	-
<b>Net cash flows used in financing activities</b>		<b>(36,596)</b>	<b>(11,535)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,185)</b>	<b>(1,308)</b>
Cash and cash equivalents at 1 January		25,299	26,607
<b>Cash and cash equivalents at 31 December</b>	27	<b>23,114</b>	<b>25,299</b>

The accompanying notes on pages 5 to 133 form an integral part of the consolidated financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Preparer:

Lyudmila Bondzhova

AUDITED BY AIA  
27/04/2016

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2015

Notes	Attributable to equity holders of the parent										Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserves	Reserve - property, plant and equipment	Available-for-sale financial assets	Translation of foreign operations	Retained earnings	Total				
28	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Balance at 1 January 2014</b>	<b>132,000</b>	<b>(18,995)</b>	<b>30,051</b>	<b>24,657</b>	<b>961</b>	<b>(4,648)</b>	<b>195,896</b>	<b>359,922</b>	<b>54,350</b>	<b>414,272</b>		
<b>Changes in equity for 2014</b>												
Effect of treasury shares acquisition	-	900	-	-	-	-	619	1,519	-	1,519		
Distribution of profit for:	-	-	3,504	-	-	-	(12,394)	(8,890)	-	(8,890)		
* statutory reserves	-	-	-	-	-	-	(8,890)	-	-	-		
* dividend	-	-	-	-	-	-	(1,460)	(1,460)	2,601	1,141		
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	(827)	-	1,894	1,067		
* acquisition/(disposal) of subsidiaries and joint ventures	-	-	-	-	-	-	-	-	(2,651)	(2,651)		
* distribution of dividends	-	-	-	-	-	-	-	-	4,708	4,708		
* capital issue in subsidiaries	-	-	-	-	-	-	2,469	2,469	(3,920)	(1,451)		
* increase in the interest in subsidiaries	-	-	-	-	-	-	(3,102)	(3,102)	2,576	(526)		
* decrease in the interest in subsidiaries	-	-	-	-	-	-	19,699	20,238	3,357	23,595		
<b>Total comprehensive income for the year, including:</b>	-	-	-	(3)	229	313	20,178	20,178	3,939	24,117		
* net profit for the year	-	-	-	(3)	229	313	(479)	60	(582)	(522)		
* other comprehensive income, net of taxes	-	-	-	(900)	-	-	900	-	-	-		
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-		
<b>Balance at 31 December 2014</b>	<b>132,000</b>	<b>(18,095)</b>	<b>33,555</b>	<b>23,754</b>	<b>1,190</b>	<b>(4,335)</b>	<b>203,260</b>	<b>371,329</b>	<b>60,308</b>	<b>431,637</b>		
<b>Changes in equity for 2015</b>												
Effect of treasury shares acquisition	-	(518)	-	-	-	-	-	(518)	-	(518)		
Effects of restructuring	2,798	-	8,785	172	-	-	607	12,362	-	(12,362)		
Distribution of profit for:	-	-	2,916	-	-	-	(2,916)	-	-	-		
* statutory reserves	-	-	-	-	-	-	-	-	-	-		
* dividend	-	-	-	-	-	-	-	-	-	-		
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	(98)	(98)	4,231	4,133		
* acquisition/(disposal) of subsidiaries and joint ventures	-	-	-	-	-	-	-	-	11,195	11,195		
* distribution of dividends	-	-	-	-	-	-	1,100	1,100	(2,296)	(1,196)		
* increase in the interest in subsidiaries	-	-	-	-	-	-	(1,198)	(1,198)	(651)	(1,849)		
* decrease in the interest in subsidiaries	-	-	-	-	-	-	21,056	22,816	(428)	22,388		
<b>Total comprehensive income for the year, including:</b>	-	-	-	-	140	1,620	21,314	21,314	1,386	22,600		
* net profit for the year	-	-	-	-	140	1,620	(258)	1,502	(1,714)	(212)		
* other comprehensive income, net of taxes	-	-	-	(481)	-	152	329	-	-	-		
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-		
<b>Balance at 31 December 2015</b>	<b>134,798</b>	<b>(18,613)</b>	<b>45,256</b>	<b>23,445</b>	<b>1,330</b>	<b>(2,563)</b>	<b>222,238</b>	<b>405,891</b>	<b>51,740</b>	<b>457,630</b>		

The accompanying notes on pages 5 to 133 form an integral part of the consolidated financial statements.

Executive Director:

Finance Director:

Preparer:

Oguzhan Doker, PhD

Boris Borisov

Lyudmila Bondzhov

AUDITED BY AIA  
27.04.2016