

## **SOPHARMA GROUP**

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<b>Board of Directors:</b>	<b>Ognian Donev, PhD Vessela Stoeva Alexander Chaushev Ognian Palaveev Andrey Breshkov</b>
<b>Executive Director:</b>	<b>Ognian Donev, PhD</b>
<b>Finance Director:</b>	<b>Boris Borisov</b>
<b>Preparer:</b>	<b>Lyudmila Bondjova</b>
<b>Chief Accountant:</b>	<b>Yordanka Petkova</b>
<b>Head of Legal Department:</b>	<b>Galina Angelova</b>
<b>Registered Address:</b>	<b>Sofia 16, Iliensko Shousse Str.</b>
<b>Lawyers:</b>	<b>Law Firm "Gachev, Baleva, Partners" Ventsislav Stoev Stefan Yovkov</b>
<b>Servicing Banks:</b>	<b>Raiffeisenbank (Bulgaria) EAD DSK Bank EAD Eurobank EFG Bulgaria AD Societe Generale Expressbank AD UniCredit Bulbank AD Citibank N.A. ING Bank - Sofia Branch BFT</b>
<b>Auditors:</b>	<b>AFA OOD</b>

**SOPHARMA GROUP**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**for the three-month period ended 31 March 2015**

	Notes	1 January - 31 March 2015 BGN'000	1 January - 31 March 2014 BGN'000
Revenue	3	221 611	213 634
Other operating income/(losses), net	4	2 214	3 123
Changes in inventories of finished goods and work in progress		3 070	(311)
Material expense	5	(20 871)	(23 728)
Hired services expense	6	(15 725)	(18 119)
Employee benefits expense	7	(20 041)	(19 210)
Depreciation and amortisation expense	14, 15	(6 606)	(7 593)
Carrying amount of goods sold		(144 489)	(125 712)
Other operating expenses	8	(1 528)	(957)
<b>Profit from operations</b>		<b>17 635</b>	<b>21 127</b>
Finance income	10	1 515	1 123
Finance costs	11	(6 386)	(7 057)
<b>Finance income / (costs), net</b>		<b>(4 871)</b>	<b>(5 934)</b>
Gain/(Loss) from associates and joint ventures		(58)	(131)
<b>Profit before income tax</b>		<b>12 706</b>	<b>15 062</b>
Income tax expense		(2 492)	(2 131)
<b>Net profit for the year</b>		<b>10 214</b>	<b>12 931</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of defined benefit pension plans		(14)	-
Income tax relating to items of other comprehensive income that will not be reclassified		-	-
		<b>(14)</b>	<b>-</b>
<i>Items that may be reclassified to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		39	153
Exchange differences on translating foreign operations		2 586	(1 499)
Income tax relating to items of other comprehensive income that will not be reclassified		-	-
		<b>2 625</b>	<b>(1 346)</b>
<b>Other comprehensive income for the year, net of tax</b>	13	<b>2 611</b>	<b>(1 346)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>12 825</b>	<b>11 585</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the parent		9 241	12 568
Non-controlling interests		973	363
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		12 111	11 410
Non-controlling interests		714	175

*The accompanying notes on pages 5 to 89 form an integral part of the consolidated financial statements.*

**Executive Director:**

**Ognian Donev, PhD**

**Finance Director:**

**Boris Borisov**

**Preparer:**

**Lyudmila Bondjova**

**SOPHARMA GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2015

	Notes	31 March 2015 BGN'000	31 December 2014 BGN'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	294 171	299 037
Intangible assets	15	16 724	13 270
Goodwill	15	10 050	10 918
Investment property	16	11 030	10 606
Investments in associates and joint ventures	17	19 115	12 387
Available-for-sale investments	18	6 391	6 968
Long-term receivables from related parties	19	33 547	33 150
Other long-term receivables	20	349	353
Deferred tax assets		3 719	3 849
		<b>395 096</b>	<b>390 538</b>
<b>Current assets</b>			
Inventories	21	158 488	155 910
Trade receivables	22	218 235	196 330
Receivables from related parties	23	30 898	25 318
Other receivables and prepayments	24	22 176	22 445
Cash and cash equivalents	25	18 326	26 822
		<b>448 123</b>	<b>426 825</b>
<b>TOTAL ASSETS</b>		<b>843 219</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		47 735	36 069
Retained earnings	26	213 618	203 260
		<b>396 151</b>	<b>371 329</b>
<b>Non-controlling interests</b>		<b>46 530</b>	<b>60 308</b>
<b>TOTAL EQUITY</b>	26	<b>442 681</b>	<b>431 637</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	27	47 042	45 820
Deferred tax liabilities		6 947	5 728
Retirement benefit obligations	28	3 727	3 786
Finance lease liabilities	29	1 807	2 103
Government grants	30	7 394	7 558
Other non-current liabilities		26	35
		<b>66 943</b>	<b>65 030</b>
<b>Current liabilities</b>			
Short-term bank loans	31	222 558	217 360
Current portion of long-term bank loans	27	10 391	10 772
Trade payables	32	78 460	71 752
Payables to related parties	33	2 562	1 634
Payables to personnel and for social security	34	8 358	7 514
Tax payables	35	6 763	6 023
Other current liabilities	36	4 503	5 641
		<b>333 595</b>	<b>320 696</b>
<b>TOTAL LIABILITIES</b>		<b>400 538</b>	<b>385 726</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>843 219</b>	<b>817 363</b>

The accompanying notes on pages 5 to 89 form an integral part of the consolidated financial statements. - -

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

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Lyudmila Bondjova

**SOPHARMA GROUP**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**for the three-month period ended 31 March 2015**

	Notes	1 January - 31 March 2015	1 January - 31 March 2014
		BGN'000	BGN'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		234 778	242 146
Cash paid to suppliers		(194 209)	(199 010)
Cash paid to employees and for social security		(17 913)	(17 643)
Taxes paid (except income taxes)		(15 800)	(13 580)
Taxes refunded (except income taxes)		775	1 226
Income taxes paid		(1 556)	(2 686)
Interest and bank charges paid on working capital loans		(1 879)	(1 760)
Foreign currency exchange gains/(losses), net		(272)	(1 598)
Other proceeds/(payments), net		325	(752)
<b>Net cash flows from operating activities</b>		<b>4 249</b>	<b>6 343</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(1 497)	(7 799)
Proceeds from sales of property, plant and equipment		115	79
Purchases of intangible assets		(1 332)	(492)
Purchases of available-for-sale investments		(1)	(503)
Proceeds from sale of available-for-sale investments		-	88
Consideration paid on acquisition of subsidiaries, net of cash received		(4 997)	-
Purchases of investments in associates and joint ventures	16	(2 895)	(827)
Proceeds from sale of investments in associates and joint ventures		2	-
Proceeds/(payments) on transactions with non-controlling interests, net		(1 388)	3 804
Loans granted to related parties		(3 699)	(2 670)
Loan repayments by related parties		215	2 343
Loans granted to third parties		(347)	(145)
Loan repayments by third parties		74	146
Interest received on loans and deposits		331	130
<b>Net cash flows used in investing activities</b>		<b>(15 419)</b>	<b>(5 846)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term bank loans (overdraft), net		16 172	27 084
Repayment of short-term bank loans (overdraft), net		(10 920)	(26 315)
Proceeds from long-term bank loans		2 010	-
Repayment of long-term bank loans		(2 847)	(2 694)
Loans received from third parties		-	415
Repayment of loans to third parties		-	(439)
Interest and charges paid under investment purpose loans		(424)	(599)
Payment of finance lease liabilities		(385)	(284)
Treasury shares		(175)	(385)
Proceeds from sale of treasury shares		-	2 267
Dividends paid		(65)	(108)
<b>Net cash flows used in financing activities</b>		<b>3 366</b>	<b>(1 058)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7 804)</b>	<b>(561)</b>
Cash and cash equivalents at 1 January		25 299	26 607
<b>Cash and cash equivalents at 31 March</b>	25	<b>17 495</b>	<b>26 046</b>

*The accompanying notes on pages 5 to 89 form an integral part of the consolidated financial statements.*

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**Finance Director:**

*Boris Borisov*

**Preparer:**

*Lyudmila Bondjova*

## SOPHARMA GROUP

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three-month period ended 31 March 2015

Notes	Attributable to equity holders of the parent							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Statutory reserves	Revaluation reserve - property, plant and equipment	Available-for-sale financial assets reserve	Translation of foreign operations reserve	Retained earnings			
	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 the period</b>										
Effect from purchase of treasury shares	-	1 389	-	-	-	-	481	1 870	-	1 870
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	(1 410)	(1 410)	5 235	3 825
* acquisition/(disposal) of subsidiaries	-	-	-	-	-	-	-	-	-	-
* capital issue in subsidiaries	-	-	-	-	-	-	-	-	4 458	4 458
* increase in the interest in subsidiaries	-	-	-	-	-	-	1 967	1 967	(1 442)	525
* decrease in the interest in subsidiaries	-	-	-	-	-	-	(3 377)	(3 377)	2 219	(1 158)
<b>Total comprehensive income for the year (restated), including:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153</b>	<b>(1 311)</b>	<b>12 568</b>	<b>11 410</b>	<b>175</b>	<b>11 585</b>
* net profit for the year	-	-	-	-	-	-	12 568	12 568	363	12 931
* other comprehensive income, net of taxes	-	-	-	-	153	(1 311)	-	(1 158)	(188)	(1 346)
<b>Balance at 31 March 2014</b>	<b>132 000</b>	<b>(17 606)</b>	<b>30 051</b>	<b>24 657</b>	<b>1 114</b>	<b>(5 959)</b>	<b>207 535</b>	<b>371 792</b>	<b>59 760</b>	<b>431 552</b>
<b>Balance at 1 January 2015</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 the period</b>										
Effect from purchase of treasury shares	-	(175)	-	-	-	-	-	(175)	-	(175)
Effect from restructuring	2 798	-	8 785	172	-	-	607	12 362	(12 362)	-
Effects assumed by non-controlling interests on:	-	-	-	-	-	-	524	524	(2 130)	(1 606)
* acquisition/(disposal) of subsidiaries	-	-	-	-	-	-	-	-	(150)	(150)
* capital issue in subsidiaries	-	-	-	-	-	-	-	-	(64)	(64)
* increase in the interest in subsidiaries	-	-	-	-	-	-	643	643	(1 916)	(1 273)
* decrease in the interest in subsidiaries	-	-	-	-	-	-	(119)	(119)	-	(119)
<b>Total comprehensive income for the year (restated), including:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>2 845</b>	<b>9 227</b>	<b>12 111</b>	<b>714</b>	<b>12 825</b>
* net profit for the year	-	-	-	-	-	-	9 241	9 241	973	10 214
* other comprehensive income, net of taxes	-	-	-	-	39	2 845	(14)	2 870	(259)	2 611
<b>Balance at 31 March 2015</b>	<b>134 798</b>	<b>(18 270)</b>	<b>42 340</b>	<b>23 926</b>	<b>1 229</b>	<b>(1 490)</b>	<b>213 618</b>	<b>396 151</b>	<b>46 530</b>	<b>442 681</b>

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