

SOPHARMA GROUP

Board of Directors:	Ognian Donev, PhD Vessela Stoeva Alexander Tchaushev Ognian Palaveev Andrey Breshkov
Executive Director:	Ognian Donev, PhD
Finance Director:	Boris Borisov
Head of Reporting:	Lyudmila Bondzhova
Chief Accountant:	Yordanka Petkova
Head of Legal Department:	Galina Angelova
Address of Management:	Sofia 16, Iliensko Shousse Str.
Lawyers:	"Gatchev, Baleva, Partners" Law office Ventsislav Stoev Stefan Yovkov
Servicing Banks:	Raiffeisenbank (Bulgaria) EAD DSK Bank EAD Eurobank and EFG Bulgaria AD Societe Generale Expressbank AD Unicredit AD Citibank N.A. ING Bank, Branch Sofia
Auditor:	AFA OOD

SOPHARMA GROUP
PRELIMINARY CONSOLIDATED ANNUAL FINANCIAL STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

	Attachments	1 January - 31 December 2014 BGN'000	1 January - 31 December 2013 BGN'000 <i>recalculated</i>
Revenue	3	842 043	761 136
Other operating income/(losses), net	4	4 044	4 893
Changes in inventories of finished goods and work in progress		8 094	(3 173)
Expenses on materials	5	(95 697)	(87 148)
Hired services expense	6	(67 783)	(59 110)
Employee benefits expense	7	(79 898)	(74 335)
Depreciation and amortisation expense	13, 14	(29 084)	(26 170)
Carrying amount of goods sold		(529 500)	(448 854)
Other operating expenses	8	(13 367)	(14 112)
Profit from operations		38 852	53 127
Finance income	10	5 350	7 201
Finance costs	11	(17 764)	(23 137)
Finance (costs)/income, net		(12 414)	(15 936)
Profit from net monetary position recalculated under hyper inflation	2.32.1	-	1 556
Loss/(profit) from associated companies and joint ventures		(464)	(761)
Loss from sale of subsidiaries		-	(11)
Profit before income tax		25 974	37 975
Income tax expense		(6 282)	(5 172)
Net profit for the period before mandatory dividend for distribution		19 692	32 803
Mandatory dividend for distribution		-	-
Net profit for the period	-	19 692	32 803
Other components of comprehensive income:			
<i>Components that will not be reclassified in the profit or loss:</i>			
(Loss)/profit from revaluation of property, plant and equipment	-	(6)	(353)
	-	(309)	(117)
Income tax relating to components of other comprehensive income that will not be reclassified		1	35
		(314)	(435)
<i>Components that may be reclassified in the profit or loss:</i>			
Net change in fair value of available-for-sale financial assets	-	247	(217)
Exchange rate differences from foreign operations	-	(629)	(1 401)
Income tax relating to components of other comprehensive income that may be reclassified		-	-
		(382)	(1 618)
Other comprehensive income for the period, net of tax	12	(696)	(2 053)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	18 996	30 750
Net profit for the period, attributable to:			
Equity holders of the parent	-	15 039	29 501
Non-controlling interest	-	4 653	3 302
Total comprehensive income attributable to:			
Equity holders of the parent	-	15 160	28 140
Non-controlling interest	-	3 836	2 610

The accompanying notes on pages 5 to 88 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova

SOPHARMA GROUP
PRELIMINARY CONSOLIDATED ANNUAL FINANCIAL STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

	Attachments	31 December 2014 BGN'000	31 December 2013 BGN'000 <i>recalculated</i>
ASSETS			
Non-current assets			
Property, plant and equipment	13	298 922	306 728
Intangible assets	14	13 951	15 500
Goodwill	14	10 257	12 837
Investment property	15	10 606	10 526
Investments in associated companies and joint ventures	16	9 695	1 536
Available-for-sale investments	17	6 828	8 187
Long-term receivables from related parties	18	33 150	25 649
Other long-term receivables	19	496	488
Deffered tax assets		3 732	3 027
		387 637	384 478
Current assets			
Inventories	20	151 889	140 244
Trade receivables	21	200 362	191 127
Receivables from related parties	22	25 318	29 149
Other receivables and prepayments	23	21 523	11 609
Cash and cash equivalents	24	25 751	27 134
		424 843	399 263
TOTAL ASSETS		812 480	783 741
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		132 000	132 000
Reserves		35 931	32 031
Retained earnings	25	199 141	195 916
		367 072	359 947
Non-controlling interest		61 129	54 220
TOTAL EQUITY	25	428 201	414 167
LIABILITIES			
Non-current liabilities			
Long-term bank loans	26	45 813	55 992
Deferred tax liabilities		6 878	4 578
Retirement benefit obligations	27	3 535	3 557
Finance lease liabilities	28	2 114	2 382
Government grants	29	5 157	5 612
Other non-current liabilities		35	51
		63 532	72 172
Current liabilities			
Short-term bank loans	30	217 199	208 643
Short-term part of long-term bank loans	26	10 907	7 083
Commercial payables	31	72 954	61 433
Payables to related parties	32	1 632	3 822
Payables to personnel and for social security	33	7 597	6 731
Tax payables	34	6 345	4 408
Other current liabilities	35	4 113	5 282
		320 747	297 402
TOTAL LIABILITIES		384 279	369 574
TOTAL EQUITY AND LIABILITIES		812 480	783 741

The accompanying notes on pages 5 to 88 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova

SOPHARMA GROUP
PRELIMINARY CONSOLIDATED ANNUAL FINANCIAL STATEMENT OF CASH FLOWS
for the year ended 31 December 2014

	Attachments	1 January - 31 December 2014 BGN'000	1 January - 31 December 2013 BGN'000
Cash flows from operating activities			
Cash receipts from customers		966 230	856 285
Cash paid to suppliers		(782 326)	(677 942)
Cash paid to employees and for social security		(74 858)	(70 594)
Taxes paid (except income taxes)		(58 656)	(46 936)
Taxes refunded (except income taxes)		5 406	8 705
Income tax paid		(8 017)	(6 747)
Income tax refunded		-	1 311
Interest and bank charges paid on working capital loans		(7 508)	(7 429)
Foreign currency exchange, net		(2 122)	(963)
Other proceeds/(payments), net		(3 764)	(3 088)
Net cash flows from operating activities		34 385	52 602
Cash flows from investing activities			
Purchases of property, plant and equipment		(19 969)	(35 959)
Proceeds from sales of property, plant and equipment		4 106	427
Purchases of intangible assets		(2 283)	(990)
Purchases of available-for-sale investments		(2 886)	(2 169)
Proceeds from sale of available-for-sale investments		482	4 934
Proceeds from dividends from available-for-sale investments		59	206
Payments for acquisition of subsidiaries, net of received cash		-	(3 146)
Proceeds from sale of subsidiaries, net of provided cash		-	-
Purchase of investments in associated companies and joint ventures	16	(4 871)	(1 532)
Proceeds from sale of investments in associated companies and joint ventures		16	-
Cash received / (paid) on transactions with non-controlling interest, net		5 005	3 814
Loans granted to related parties		(18 635)	(15 212)
Loan repayments by related parties		12 305	22 192
Loans granted to third parties		(960)	(1 719)
Loan repayments by third parties		790	1 706
Interest received on investment purpose loans and deposits		3 725	2 453
Net cash flows used in investing activities		(23 116)	(24 995)
Cash flows from financing activities			
Proceeds from short-term bank loans (overdraft), net		64 541	57 550
Repayment of short-term bank loans (overdraft), net		(57 025)	(56 723)
Proceeds from long-term bank loans		4 026	11 689
Repayment of long-term bank loans		(10 685)	(15 147)
Received loans from third parties		483	726
Repayment of loans to third parties		(710)	-
Interest and charges paid under investment purpose loans		(2 038)	(2 606)
Payment of finance lease liabilities		(1 289)	(1 498)
Proceeds from issued capital		-	2 424
Purchase of treasury shares		(1 265)	(5 964)
Proceeds from sale of treasury shares		2 798	430
Dividends paid		(11 769)	(10 942)
Donations from public institutions		210	3 787
Net cash flows (used in) / from financing activities		(12 723)	(16 274)
Effect from recalculated under hyper inflation		-	(493)
Net increase/(decrease) in cash and cash equivalents		(1 454)	10 840
Cash and cash equivalents at 1 January		26 607	15 767
Cash and cash equivalents at 31 December	24	25 153	26 607

The accompanying notes on pages 5 to 88 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova

SOPHARMA GROUP

PRELIMINARY CONSOLIDATED ANNUAL FINANCIAL STATEMENT OF CHANGES IN OWNERS' EQUITY

for the year ended 31 December 2014

Attachments	Share capital BGN'000	Treasury shares BGN'000	Statutory reserves BGN'000	Revaluation reserve - property, plant and equipment BGN'000	Available-for-sale financial assets reserve BGN'000	Translation of foreign operations reserve BGN'000	Retained earnings BGN'000	Total BGN'000	Non-controlling interest BGN'000	Total equity BGN'000
Balance at 1 January 2013 (originally recorded)	132 000	(13 594)	25 934	26 395	1 048	(3 804)	177 617	345 596	45 474	391 070
Effects from changes in the accounting policy	-	-	-	-	-	-	1 027	1 027	(29)	998
Balance at 1 January 2013 (recalculated)	132 000	(13 594)	25 934	26 395	1 048	(3 804)	178 644	346 623	45 445	392 068
Changes in owner's equity for the period										
Effect of treasury shares (acquisition)/sale	-	(5 401)	-	-	-	-	(126)	(5 527)	-	(5 527)
Distribution of profit for:	-	-	4 117	-	-	-	(13 047)	(8 930)	-	(8 930)
* reserves	-	-	4 117	-	-	-	(4 117)	-	-	-
* dividends	-	-	-	-	-	-	(8 930)	(8 930)	-	(8 930)
Effects assumed by non-controlling interest (originally reported)	-	-	-	-	-	-	(410)	(410)	5 992	5 582
Effects from changes in the accounting policy	-	-	-	-	-	-	51	51	173	224
Effects assumed by non-controlling interest (recalculated) on:	-	-	-	-	-	-	(359)	(359)	6 165	5 806
* acquisition/(sale) of subsidiaries	-	-	-	-	-	-	(69)	(69)	304	235
* distribution of dividends	-	-	-	-	-	-	-	-	(1 897)	(1 897)
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	4 509	4 509
* increase in participation in subsidiaries	-	-	-	-	-	-	181	181	(684)	(503)
* decrease in participation in subsidiaries	-	-	-	-	-	-	(471)	(471)	3 933	3 462
Total comprehensive income for the year (originally reported)	-	-	-	(318)	(87)	(857)	29 131	27 869	2 711	30 580
Effects from changes in the accounting policy	-	-	-	-	-	18	253	271	(101)	170
Total comprehensive income for the year (recalculated), incl.:	-	-	-	(318)	(87)	(839)	29 384	28 140	2 610	30 750
* net profit for the year	-	-	-	-	-	-	29 501	29 501	3 302	32 803
* other component of comprehensive income, net of taxes	-	-	-	(318)	(87)	(839)	(117)	(1 361)	(692)	(2 053)
Transfer to retained earnings	-	-	-	(1 420)	-	-	1 420	-	-	-
Balance at 31 December 2013 (originally recorded)	132 000	(18 995)	30 051	24 657	961	(4 661)	194 585	358 598	54 177	412 775
Effects from changes in the accounting policy	-	-	-	-	-	18	1 331	1 349	43	1 392
Balance at 31 December 2013 (recalculated)	132 000	(18 995)	30 051	24 657	961	(4 643)	195 916	359 947	54 220	414 167
Changes in equity for 2014										
Effect from (acquisition)/sale of treasury shares	-	900	-	-	-	-	619	1 519	-	1 519
Distribution of profit for:	-	-	3 504	-	-	-	(12 394)	(8 890)	-	(8 890)
* statutory reserves	-	-	3 504	-	-	-	(3 504)	-	-	-
* dividends	-	-	-	-	-	-	(8 890)	(8 890)	-	(8 890)
Effects assumed by non-controlling interest on:	-	-	-	-	-	-	(664)	(664)	3 073	2 409
* acquisition/(sale) of subsidiaries	-	-	-	-	-	-	-	-	2 217	2 217
* distribution of dividends	-	-	-	-	-	-	-	-	(2 628)	(2 628)
* issue of capital in subsidiaries	-	-	-	-	-	-	-	-	4 733	4 733
* increase in participation in subsidiaries	-	-	-	-	-	-	2 381	2 381	(3 918)	(1 537)
* decrease in participation in subsidiaries	-	-	-	-	-	-	(3 045)	(3 045)	2 669	(376)
Total comprehensive income for the year, incl.:	-	-	-	(5)	247	188	14 730	15 160	3 836	18 996
* net profit for the year	-	-	-	-	-	-	15 039	15 039	4 653	19 692
* other component of comprehensive income, net of taxes	-	-	-	(5)	247	188	(309)	121	(817)	(696)
Transfer to retained earnings	-	-	-	(934)	-	-	934	-	-	-
Balance at 31 December 2014	132 000	(18 095)	33 555	23 718	1 208	(4 455)	199 141	367 072	61 129	428 201

The accompanying notes on pages 5 to 88 form an integral part of the consolidated interim financial statements.

Executive Director:

Ognian Donev, PhD

Finance Director:

Boris Borisov

Prepared by:

Lyudmila Bondzhova