

**TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.**

**ANNUAL FINANCIAL STATEMENT FOR 2015**

**TCHAIKAPHARMA HIGH QUALITY MEDICINES INC  
STATEMENT OF FINANCIAL STATUS  
AS OF THE 31<sup>ST</sup> OF DECEMBER 2015**

Indicators	Appendices	2015 BGN thousand	2014 BGN thousand
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	27 145	26 971
Intangible assets	6	3 962	3 840
Investments with minority interest	7	1	1
Non-current loans	8		17
Trade receivables	8	6 100	4 925
<b>Total non-current assets</b>		<b>37 208</b>	<b>35 754</b>
<b>Current assets</b>			
Inventories	9	4 711	4 365
Trade and other receivables	9	38 199	32 248
Current loans granted	9	116	204
Cash and cash equivalents	10	40	58
<b>Total current assets</b>		<b>43 066</b>	<b>36 875</b>
<b>Total assets</b>		<b>80 274</b>	<b>72 629</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Registered capital and reserves</b>			
Registered capital	11	49 600	43 500
Reserves	12	6 592	5 390
Undistributed profit / Uncovered loss	12	7 780	6 816
<b>Total</b>		<b>63 972</b>	<b>55 706</b>
<b>Non-current liabilities</b>			
Long-term loans	13	1 653	1 683
Deferred tax liabilities	14	1 210	1 181
Other long-term liabilities, including provisions	14	49	-
<b>Total</b>		<b>2 912</b>	<b>2 864</b>
<b>Current liabilities</b>			
Trade and other payables	15	2 551	3 027
Short-term loans	13	8 420	9 388
Current part of long-term loans	13	1 790	1 241
Current corporate taxes	15	121	146
Other tax payables	15	508	257
<b>Total</b>		<b>13 390</b>	<b>14 059</b>
<b>Total liabilities</b>		<b>16 302</b>	<b>16 923</b>
<b>Total capital and liabilities</b>		<b>80 274</b>	<b>72 629</b>

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Sofia

Prepared by:.....

/Bisser Ivanov/

Director:.....

/Bisser Georgiev/

Date of certification: 11.03.2016

Auditor: .....

/Todor Krastev /

**TCHAIKAPHARMA HIGH QUALITY MEDICINES AD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**DECEMBER 31<sup>st</sup>, 2015**

Indicators	APPENDICES	2015 BGN thousand	2014 BGN thousand
Revenues	16	29 988	28 737
Other income	16	41	252
Balance value of assets sold	17	(1 986)	(1 407)
Changes in inventories of products and work in progress	17	(200)	445
Costs for acquisition of assets through business			
Cost for materials and services	17	(10 769)	(10 177)
Employee costs	17	(3 649)	(5 103)
Amortization costs	17	(3 652)	(3 442)
Cost for depreciation of property, plant and equipment			
Other expenses	17	(536)	(1 096)
Financial income	18	21	11
Financial expenses	18	(645)	(583)
<b>Profit before taxation</b>		<b>8 613</b>	<b>7 637</b>
Corporate tax cost	19	(833)	(821)
<b>Profit/Loss for the period</b>		<b>7 780</b>	<b>6 816</b>
Changes from fair value revaluation of property, machinery and equipment	12	588	(1 039)
Changes from deferred corporate tax from revaluation of property, machinery and equipment	12,14	(63)	108
Changes from revaluation of pension plans with defined incomes	12	(5)	
Changes from deferred corporate tax from revaluation of pension funds	12,14	1	
<b>Other comprehensive income for the period</b>		<b>521</b>	<b>-931</b>
<b>Total comprehensive income for the period</b>		<b>8 301</b>	<b>5 885</b>
Income per share calculated on profit basis subject to distribution between equity holders of the company for the year /in BGN per 1 share/	20	0.16	0.16

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**TCHAIKAPHARMA HIGH QUALITY MEDICINES INC**  
**CASH FLOW REPORT**  
**DECEMBER 31<sup>st</sup>, 2015**

INDICATORS	Appendices	2015	2015	2015	2014	2014	2014
		BGN thousand	BGN thousand	BGN thousand	BGN thousand	BGN thousand	BGN thousand
		Revenue	Payments	Net cash flow	Revenue	Payments	Net cash flow
1	2	3	4	5	6	7	8
<b>A. Cash flow from operating activities</b>							
Payments/revenues related to trade partners	16,17	27 732	(13 606)	14 126	30 143	(15 211)	14 932
Payments to personnel	17		(3 717)	(3 717)		(4 940)	(4 940)
Payments of interest, dividends and other related.	14					(3)	(3)
Positive and negative exchange differences			(4)	(4)		(6)	(6)
Tax on profit paid			(891)	(891)		(711)	(711)
Other revenues/payments		5	(4 834)	(4 829)	166	(5 723)	(5 557)
<b>Net cash flow</b>		<b>27 737</b>	<b>(23 051)</b>	<b>4 685</b>	<b>30 309</b>	<b>(26 594)</b>	<b>3 715</b>
<b>B. Cash flow form investment activities</b>							
Payments/revenues related to non-current assets	5		(1 027)	(1 027)		(741)	(741)
Payments of interest, dividends and other related.	7						
Payments/revenues for/on loans granted	8,9						
Other revenues/payments of investment activities							
<b>Net cash flow</b>			<b>(1 027)</b>	<b>(1 027)</b>		<b>(741)</b>	<b>(741)</b>
<b>C. Cash flow from financial activities</b>							
Revenues from shares and other financial instruments							
Revenues/payments from/for loans received	13	9 939	(10 908)	(969)	5 820	(2 300)	3 520
Payment of interest, dividends			(579)	(579)		(4 654)	(4 654)
Payment for finance lease	13		(2 128)	(2 128)		(1 813)	(1 813)
Payments related to the distribution of profits							
<b>Net cash flow</b>		<b>9 939</b>	<b>(13 615)</b>	<b>(3 676)</b>	<b>5 820</b>	<b>(8 767)</b>	<b>(2 947)</b>
<b>Net increase/decrease of cash and cash equivalents</b>		<b>37 676</b>	<b>(37 694)</b>	<b>(18)</b>	<b>36 129</b>	<b>(36 102)</b>	<b>27</b>
Cash and cash equivalents at the beginning of the period	10			58			31
Cash and cash equivalents at the end of the period	10			40			58

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**TCHAIKAPHARMA HIGH QUALITY MEDICINES INC**  
**STATEMENT OF CHANGES IN EQUITY**  
**DECEMBER 31<sup>st</sup>, 2015**

Balances and transactions in BGN thousand	Appendices	Registered capital	Revaluation reserves	Other reserves	Undistributed profit/loss	Total
<b>Balance as of 01.01.2014</b>	<b>11,12</b>	<b>32 000</b>	<b>3 121</b>	<b>3 200</b>	<b>11 610</b>	<b>49 931</b>
Changes in the accounting policy						
Correction of material errors						
<b>General effect of the implementation of the retroactive adjustments</b>						
Profit/loss for the period					6 816	6 816
Other comprehensive income	12		(931)			(931)
Including of tax effect of the revaluation of property, plant and equipment			108			108
<b>Total comprehensive income</b>			<b>(931)</b>		<b>6 816</b>	<b>5 885</b>
Issue of shares by the owners		11 500			(11 500)	
Accrued dividends					(110)	(110)
Accrued tantiemmes						
Transferred to profit reserves	12					
Accrued provisions	12					
<b>Total recognized amount of income and expenses for the period</b>		<b>11 500</b>			<b>(11 610)</b>	<b>(110)</b>
<b>Balance as of 31.12.2014</b>	<b>11,12</b>	<b>43 500</b>	<b>2 190</b>	<b>3 200</b>	<b>6 816</b>	<b>55 706</b>
<b>Balance as of 01.01.2015</b>	<b>11,12</b>	<b>43 500</b>	<b>2 190</b>	<b>3 200</b>	<b>6 816</b>	<b>55 706</b>
Changes in the accounting policy						
Correction of material errors						
<b>General effect of the implementation of the retroactive adjustments</b>						
Profit/loss for the period					7 780	7 780
Other comprehensive income	12		521			521
Including of tax effect of the revaluation of property, plant and equipment						
<b>Total comprehensive income</b>			<b>521</b>		<b>7 780</b>	<b>8 301</b>
Issue of shares by the owners		6 100			(6 100)	
Accrued dividends					(35)	(35)
Accrued tantiemmes						
Transferred to profit reserves	12			681	(681)	
Accrued provisions	12					
<b>Total recognized amount of income and expenses for the period</b>		<b>6 100</b>		<b>681</b>	<b>(6 816)</b>	<b>(35)</b>
<b>Balance as of 31.12.2015</b>	<b>11,12</b>	<b>49 600</b>	<b>2 711</b>	<b>3 881</b>	<b>7 780</b>	<b>63 972</b>

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