

Joint Stock Company “Grindeks”

*Non -audited Consolidated financial statements,
prepared in accordance with International
Financial Reporting Standards
as adopted by the European Union
for the periods ended 31 March, 2015 and
ended 31 March, 2014*

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ANCILLARY INFORMATION

Name	“GRINDEKS”
Legal status	Joint Stock Company since August 25, 1997
Number, place and date of registration	40003034935, Riga, Republic of Latvia, October 11, 1991
Business activities	Production of pharmaceutical products, medical products and phytochemical medicine
Legal address	53 Krustpils Street Riga, LV – 1057, Latvia
Subsidiaries	JSC “Tallinn Pharmaceutical Plant” (100 %) Tondi 33, 11316, Tallinn, Estonia JSC “Kalceks” (98.67%) 53 Krustpils str., Riga, LV - 1057, Latvia “Namu apsaimniekosanas projekti” Ltd. (100%) 53 Krustpils str., Riga, LV - 1057, Latvia “Grindeks Rus” Ltd. (100%) 74/3 Warsaw str., 117556, Moscow, Russia “HBM Pharma” Ltd. (100%) Sklabinska 30, 036 80, Martin, Slovakia
Reporting period	January 1, 2015 – March 31, 2015
Previous reporting period	January 1, 2014 – March 31, 2014

THE SUPERVISORY COUNCIL AND THE BOARD

Supervisory Council of the Company

(in compliance with the election/dismissal dates)

From 25 May 2013 till 4 June 2013:

Candidates for Supervisory council member position of JSC „Grindeks” were nominated during Annual general meeting of shareholders held on 4 June 2013.

From 4 June 2013 to 12 June 2014:

<u>Name</u>	<u>Position</u>	Ownership interest (%)*
Kirovs Lipmans	Chairman of the Supervisory Council	33.29
Anna Lipmane	Deputy Chairman of the Supervisory Council	16.69
Uldis Osis	Member of the Supervisory Council	0.00
Janis Naglis	Member of the Supervisory Council	0.00
Arkadiy Vertkin	Member of the Supervisory Council	0.00

* Latvian Central Depository data as of 30 April 2014

From 12 June 2014 to 11 November 2014:

<u>Name</u>	<u>Position</u>	Ownership interest (%)*
Kirovs Lipmans	Chairman of the Supervisory Council	33.29
Anna Lipmane	Deputy Chairman of the Supervisory Council	16.69
Janis Naglis	Member of the Supervisory Council	0.00
Arkadiy Vertkin	Member of the Supervisory Council	0.00

* Latvian Central Depository data as of 30 April 2014

Since 11 November 2014 to the date of issuing the financial statements:

<u>Name</u>	<u>Position</u>	Ownership interest (%)*
Kirovs Lipmans	Chairman of the Supervisory Council	33.29
Anna Lipmane	Deputy Chairman of the Supervisory Council	16.69
Uldis Osis	Member of the Supervisory Council	0.00
Janis Naglis	Member of the Supervisory Council	0.00
Arkadiy Vertkin	Member of the Supervisory Council	0.00

* Latvian Central Depository data as of 31 December 2014

** The term of Office of Supervisory Council members till 10.11.2017.

• Kirovs Lipmans - Chairman of the Council

Born in 1940. Kirovs Lipmans has been the Chairman of the Council of “Grindeks” since 2003. Simultaneously K. Lipmans is also the President of the Latvian Hockey Federation, the Member of the Executive Committee of the Latvian Olympic Committee, the Chairman of the Board of JSC “Grindeks” Foundation „For the Support of Science and Education”, the Chairman of the Council of JSC “Kalceks” and JSC “Tallinn pharmaceutical plant”, also the Member of the Council of JSC “Liepājas Metalurģis”. Graduated from the Leningrad Institute of Railway and Transport Engineering, also graduated from the Faculty of Economics of the University of Latvia, obtaining degree as an Engineer-Economist. K. Lipmans is also one of the major shareholders of JSC “Grindeks”.

• Anna Lipmane - Deputy Chairman of the Council

Born in 1948. Anna Lipmane has been the Member of the Council of “Grindeks” since 2008. A. Lipmane is certified doctor-neurologist and the Member of the Latvian Medical Association, the Latvian Association of Internists, the Latvian Society of Cardiology and the Latvian Association of Neurologists. A. Lipmane is one of the major shareholders of JSC “Grindeks” and member of the Council of JSC “Tallinn pharmaceutical plant”.

• Uldis Osis - Member of the Council

Born in 1948. Uldis Osis has worked for the Council of JSC “Grindeks” since 2002. Besides the position at JSC “Grindeks”, U. Osis is also the President of “Konsorts” Ltd., the Corresponding Member of the Latvian Academy of Sciences and the Member of „Economist Union 2010”. U. Osis has graduated from the Faculty of Economics of the Leningrad State University, also the post graduate studies of the Construction Economics Research Institute of the USSR Construction Committee, obtaining a diploma of the Candidate of Economics Science (Dr. oec.). Has studied abroad, for instance at the Georgetown University (in 1992, Washington D.C., USA).

- Janis Naglis - Member of the Council

Born in 1958. Jānis Naglis has been a member of the Council of JSC “Grindeks” since 2002. Simultaneously to the job responsibilities in JSC “Grindeks” J. Naglis is also the Chairman of the Board of “Kembi” Ltd., a member of Board of “Baltijas taksometrs” Ltd. As well as he is the President of the Association of Hotels and Restaurants of Latvia and the Latvian Auto Federation, a member of Board of the Latvian Sports for All Association, member of the Council of the Employers’ Confederation of Latvia and member of the National Economy Council. J. Naglis has graduated from Riga Polytechnic institute with qualification Engineer-Mechanic.

- Arkadiy Vertkin - Member of the Council

Born in 1951. Professor Arkadiy Vertkin has been the Head of Therapy, Clinical Pharmacology and Ambulance Department at the Moscow State University of Medicine and Dentistry (MSUMD) since 1989, and the Scientific Secretary of the Scientific Council of MSUMD since 2012. Simultaneously, A. Vertkin is the President of Russian National Scientific Practical Society of Ambulance Care and International Society for the Study of Age-related involution, also he is the Member of the numerous Russian and international organizations. Dr. med. A. Vertkin is an Honored Science Worker of Russian Federation, and has received several awards. As a leading researcher A. Vertkin participates in clinical researches of national and international scale. He is the author and co-author of 1051 scientific publications, 86 of which were published in internationally recognized scientific magazines.

Board of the Company

(in compliance with the election/dismissal dates)

From 1 May 2012 to 3 July 2014:

<u>Name</u>	<u>Position</u>	<u>Ownership interest(%)*</u>
Juris Bundulis	Chairman of the Board	0.00
Vadims Rabsha	Board member	0.00

* *Latvian Central Depository data as of 30 April 2014.*

Since 3 July 2014 to 13 October 2014:

<u>Name</u>	<u>Position</u>	<u>Ownership interest(%)*</u>
Juris Bundulis	Chairman of the Board	0.00
Vadims Rabsha	Board member	0.00
Sergejs Batalins	Board member	0.00

* *Latvian Central Depository data as of 30 April 2014.*

Since 13 October 2014 ** to 8 January 2015:

<u>Name</u>	<u>Position</u>	<u>Ownership interest(%)*</u>
Juris Bundulis	Chairman of the Board	0.00
Vadims Rabsha	Board member	0.00
Sergejs Batalins	Board member	0.00

* *Latvian Central Depository data as of 31 December 2014*

** *Considering reelection of the Board member V.Rabsha.*

Since 8 January 2015** to the date of issuing the financial statements:

<u>Name</u>	<u>Position</u>	<u>Ownership interest(%)*</u>
Juris Bundulis	Chairman of the Board	0.00
Vadims Rabsha	Board member	0.00
Sergejs Batalins	Board member	0.00

* *Latvian Central Depository data as of 31 December 2014*

** *Considering reelection of Chairman of the Board J.Bundulis.*

- Juris Bundulis – Chairman of the Board

Born in 1953. Obtained the Doctoral degree of Biological Sciences if the University of Latvia, also graduated from the Faculty of Chemistry of the University of Latvia. Previously Juris Bundulis worked at “Grindeks” as the Marketing and Sales Director and the Scientific Research and Development Director. Before his appointment as Chairman of the Board of JSC “Grindeks” J.Bundulis was the Deputy State Secretary of the Health Ministry of Latvia and dealt with the health policy issues. Besides the position at “Grindeks” J.Bundulis is also the Member of the Council of „Pharma and Chemistry Competence Centre of Latvia” Ltd. and the Member of the Board of JSC “Grindeks” Foundation “For the Support of Science and Education”.

* *The Term of office from 08.01.2015. till 07.01.2018.*

- Vadims Rabsha - Member of the Board, Chief Finance and Administrative Officer

Born in 1976. Graduated from the Stockholm School of Economics in Riga where he studied Economics and Business. Has been working for the JSC "Grindex" since 2007. Previously was employed at "Exigen Services" Ltd., holding the post of the Chief Finance Officer, as well as the position of the Deputy Chairman of the Board at JSC "DATI Exigen Group". V.Rabsha also worked at JSC "Latvijas Balzams" as the Chief Finance Officer. Besides the position at "Grindex" V.Rabsha is the Member of the Council of „HBM Pharma” Ltd. *

** The Term of office from 13.10.2014. till 12.10.2017.*

- Sergejs Batalins - Member of the Board, Commercial Director

Born in 1975. Graduated from Moscow Commercial University, where he studied International Economics. He is the Commercial Director for JSC "Grindex" since December 2013. Previously he worked at "BLRT Masinaehitus", part of BLRT group as the Executive Director. He also held leading positions in companies, such as "Baltrotors" Ltd., "Nelss Logi" Ltd., "Staburadzes konditoreja" Ltd., "Euro Food" Ltd. and "NP Foods" Ltd.

** The Term of office from 03.07.2014. till 02.07.2017.*

MAJOR SHAREHOLDERS

The shareholders as at 31 December 2014 and 31 December 2013 were as follows (Latvian Central Depository data):

	Percentage (%) 31.12.2014	Percentage (%) 31.12.2013
Kirovs Lipmans	33.29	33.29
„AB.LV Private equity fund 2010”	22.66	11.38
Anna Lipmane	16.69	16.69
Swedbank AS Clients Account (nominal holder)	9.92	10.80
Skandinaviska Enskilda banken (nominal holder)	-	11.28
Other shareholders	17.44	16.56
Total	100.00	100.00

MANAGEMENT REPORT

Business activity

During the reporting period the Group of “Grindeks” consists of JSC “Grindeks” and its subsidiaries: JSC “Tallinn Pharmaceutical Plant” in Estonia, JSC “Kalceks” in Latvia, “Namu Apsaimniekošanas projekti” Ltd. in Latvia, “Grindeks Rus” Ltd. in Russia and “HBM Pharma” Ltd. (Slovakia) (together hereinafter - the Group). Core business activity of the Group is research, development, manufacturing and sales of original products, generics and active pharmaceutical ingredients.

Turnover of the Group in the first quarter of 2015 was 22.4 million euros and has increased by 3.6 million euros or 19.1% in comparison to the first quarter of 2014. While the Group’s net profit, attributable to shareholders of the parent company, was 1.4 million euros in the first quarter of 2015 and has increased by 0.9 million euros or 183% in comparison to the first quarter of 2014. Gross profit margin in the first quarter of 2015 was 52.1% while net profit margin was 6.5%. In the first quarter of 2015 the Group’s production was exported to 44 countries worldwide, a total of 20.5 million euros which is 2.7 million euros or 15.4% more than in the first quarter of 2014.

In the end of the reporting period the amount of accounts receivable (debtors) was 58.2 million euros, which is by 6.1 million euros more than accounts payable (liabilities) that were 52.2 million euros. The amount of current assets in the end of reporting period was 81.3 million euros, which is by 41.8 million euros more than amount of current liabilities which was 39.5 million euros. The geopolitical situation in Russia and Ukraine is the key factor affecting Group’s performance indicators. Moreover, the situation has an effect on the other CIS countries as well, including those pharmaceutical companies which are “Grindeks” cooperation partners. To a certain extent it affects the cash flow, although, “Grindeks” assesses the overall financial situation as stable.

Sales of final dosage forms and active pharmaceutical ingredients

Sales volume of the final dosage forms of “Grindeks” in the first quarter of 2015 was 19.2 million euros and has increased by 3.1 million euros or 19.1% in comparison to the first quarter of 2014. The main final dosage forms markets are Russia, other CIS countries, Georgia and the Baltic States. The sales amount in Russia, other CIS countries and Georgia reached 12.3 million euros in the first quarter of 2015, which is by 1.1 million euros or 8% less than in the first quarter of 2014. Thanks to successful business diversification and the development of company’s activities in new markets, turnover of the final dosage forms in the Baltic States and other European countries amounted to 7 million euros, which is by 4.1 million euros or 148% more than in the first quarter of 2014. The sales volume in Latvia in the first quarter of this year accounted to 1.5 million euros and has increased by 0.6 million euros or 70% comparing with the first quarter of last year.

In the first quarter of 2015, sales of the active pharmaceutical ingredients reached 3.1 million euros, which is by 0.5 million euros or 17.8% more than in the first quarter of 2014. Main markets of “Grindeks” active pharmaceutical ingredients are the EU countries, USA and Japan. The most required active pharmaceutical ingredients of “Grindeks” in the first quarter of 2015 were Oxytocin, 6-thioguanine, Pimobendan and Ursodeoxycholic acid.

The most significant market trends

According to the “IMS Health” market data, in comparison to the first three months of 2014, 5.7% decrease in sales of packages is observed in the markets of CIS countries in the first quarter of 2015, but in terms of money (euro) the drop reaches 19%. This result is affected by the proportion of the biggest market – Russia. Although, the market in Russia shows an increase by 9% in the local currency, the turnover in packages over there has decreased by 8.1%, and taking into account the value decrease of the Russian ruble against euro, the market size in terms of money (euro) has decreased by 26.4%. In other biggest markets in CIS countries – Belarus, Kazakhstan, Uzbekistan the turnover of packages sold creates a positive market dynamics (+2.6% in packages and +32.2% in terms of money (euro)).

Investment program

In 2015, “Grindeks” successfully continues its most important research and development projects. Last year in cooperation with Latvian scientists the project of inhibitor of cardioprotective agent - GBB hydroxyls with an original structure - chemical and preclinical pharmacological efficiency studies, which is an important step in creating a new medical product, was successfully finished. The other

project is registration of a drug Mildronate® in China, where the 3rd phase of clinical trial for this medication is now being held.

Quality and environmental protection

In the first quarter of 2015 the audit by the client “Dechra” (Netherlands) of veterinary active pharmaceutical ingredients manufacturing compliance with “Good manufacturing practice” standard requirements was successfully held.

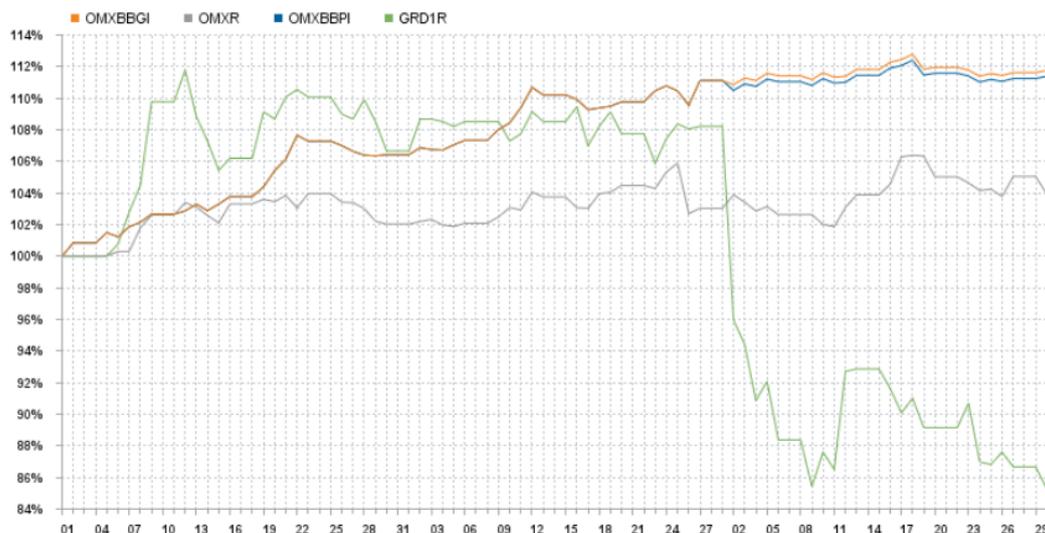
“Grindeks” share price development in the first quarter of 2015 (data of “NASDAQ Riga”)

Since 2 January 2006 shares of “Grindeks” are listed in the official list of “NASDAQ Riga”. JSC “Grindeks” share price on “NASDAQ Riga” in the first quarter of 2015 ranged from 5.45 to 7.23 euros. In the first quarter of 2015 the average price of JSC “Grindeks” shares on “NASDAQ Riga” was 6.53 euros. The total of “NASDAQ Riga” traded shares in the first quarter of 2015 was 112 967 shares, reaching 0.74 million euro turnover. At the end of the first quarter of 2015, market capitalization of “Grindeks” shares was 50.63 million euros.

In the first quarter of 2015, the Group’s earnings per share (EPS factor) was 0.15 euros in comparison to 0.06 euros in the first quarter of 2014.



“Grindeks” share price development in the first quarter of 2015 in comparison with Baltic market indexes (data of NASDAQ Riga)



Index/Equity	01.01.2015	31.03.2015	+/- %
OMX Baltic Benchmark GI	566.56	633.35	11.79 ↑
OMX Riga	408.03	421.39	3.27 ↑
OMX Baltic Benchmark PI	328.61	366.13	11.42 ↑
GRD1R	6.450 EUR	5.450 EUR	-15.50 ↓

Future expectations

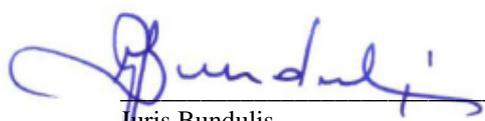
In the next period “Grindeks” will increasingly put emphasis on new markets, thereby diversifying its activities and reducing risks. The company previously had also faced different crisis situations and was able to professionally concentrate its knowledge and resources to overcome the obstacles.

Undoubtedly – in case if geopolitical situation in Russia and Ukraine extends, performance indicators of the company could be affected. Considering company’s experience in organizing business in 60 countries worldwide, the company is assured that business diversification and focused restructuring activities will lead to positive results.

3 new medicines will be introduced in “Grindeks” product portfolio during this year. This includes the final dosage form of Ursodeoxycholic acid (UDCA), which’s export to Russia and Georgia was started in the first quarter. It is expected that the export volume of the final dosage form of UDCA will reach up to 1 million euro this year. “Grindeks” is also planning to complement its range of food supplements.

“Grindeks” will continue optimization of current assets and cost reduction in positions which are not related to strategic company’s development projects.

On behalf of the Group’s Management:


 Juris Bundulis
 Chairman of the Board

29 May, 2015

STATEMENT OF BOARD'S RESPONSIBILITIES

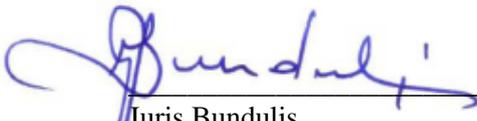
The Board of JSC "Grindeks" (hereinafter - the Company) is bearing the responsibility for preparation of the consolidated interim financial statements of the Company and its subsidiaries (hereinafter - the Group). The interim financial statements of the Group are not audited.

The consolidated interim financial statements, enclosed from the page 12 to the page 20, are prepared in accordance with the accounting records and source documents, presenting fairly the financial position of the Group as of 31 March 2015 and the results of its operations and cash flows for the period of three months ended 31 March 2015.

Above mentioned consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards, reposing on the principle of business activities continuation. Appropriate accounting policies have been applied on a consistent basis. The management in preparation of the consolidated interim financial statements has made prudent and reasonable judgments and estimates.

The Board of the Company is responsible for providing accounting records, preservation of the Group's assets and the prevention and disclosure of fraud and other irregularities of the Group. The Board is responsible for the compliance with the existing legislation in the countries in which the Group's companies are operating (Latvia, Russia, Estonia and Slovakia).

On behalf of the Board:



Juris Bundulis
Chairman of the Board

29 May, 2015

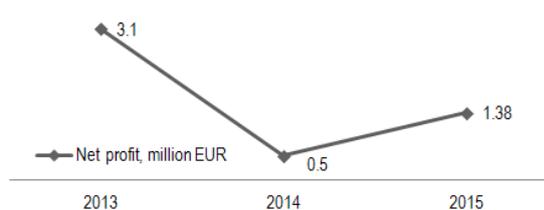
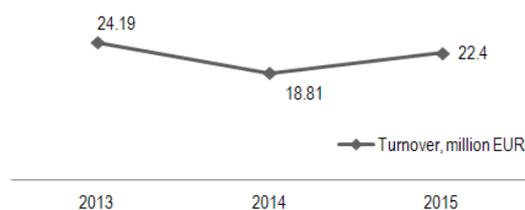
STATEMENT OF FINANCIAL POSITION

	31.03.2015. EUR	31.03.2014. EUR
ASSETS		
Non-current assets		
Intangible assets		
Software, patents, licenses, trademarks and other rights	826,572	411,323
Advance payments for intangible assets	83,030	337,231
Total intangible assets	909,602	748,554
Goodwill	5,044,761	-
Tangible fixed assets		
Land, buildings and constructions	33,827,637	24,465,703
Equipment and machinery	24,353,046	19,504,556
Other fixed assets	1,076,227	1,095,742
Construction in progress	3,811,367	4,104,512
Advance payments for fixed assets	201,429	1,090,833
Total tangible fixed assets	63,269,706	50,261,346
Investment property	9,080,000	9,080,000
Non-current financial investments		
Other investments	98,450	31,616
Advance payments for financial investments	-	11,670,000
Other loans	2,233,643	5,138,643
Total long term financial investments	2,332,093	16,840,259
Total non-current financial assets	80,636,162	76,930,159
Current assets		
Inventories		
Raw materials	6,895,905	3,434,676
Unfinished goods	9,661,706	6,125,893
Finished goods and goods for resale	4,502,653	7,022,816
Total inventory	21,060,264	16,583,385
Debtors		
Trade receivables	44,724,126	38,982,276
Due from related parties	-	2,547,014
Other debtors	4,111,260	6,635,440
Loans provided to the Company's/the Group's management and shareholders	2,597,483	2,551,009
Other loans	1,500,000	-
Deferred expenses	5,295,213	4,418,486
Total debtors	58,228,082	55,134,225
Cash and cash equivalents	1,996,169	2,037,125
Total current assets	81,284,515	73,754,735
TOTAL ASSETS	161,920,677	150,684,894

	31.03.2015.	31.03.2014.
	EUR	EUR
EQUITY AND LIABILITIES		
EQUITY		
Share capital	13,638,226	13,638,226
Share premium	22,321,657	22,321,657
Other reserves	661,500	661,500
Foreign currency revaluation reserve	(132,151)	(32,437)
Retained profit		
a) retained profit	71,733,420	83,273,591
b) current year (loss)/ profit	1,447,003	511,253
Equity attributable to equity holders of the Parent entity	109,669,655	120,373,790
Non-controlling interest	97,025	90,741
Total equity	109,766,680	120,464,531
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	2,711,715	2,032,049
Finance lease liabilities	118,491	-
Deferred income tax liabilities	5,269,792	4,130,278
Deferred income	4,522,593	4,472,771
Total non-current liabilities	12,622,591	10,635,098
Current liabilities		
Loans from credit institutions	22,962,741	11,409,496
Finance lease liabilities	70,378	-
Advances from customers	1,273,968	126,710
Trade accounts payable	8,973,788	5,192,345
Taxes and social security contributions	846,735	634,564
Other payables	3,937,810	1,572,449
Accrued liabilities	276,763	476,415
Deferred income	1,189,223	173,286
Total current liabilities	39,531,406	19,585,265
Total liabilities	52,153,997	30,220,363
TOTAL EQUITY AND LIABILITIES	161,920,677	150,684,894

STATEMENT OF COMPREHENSIVE INCOME

	2015 January-March EUR	2014 January-March EUR
Net sales	22,404,491	18,806,598
Cost of goods sold	(10,733,142)	(7,197,076)
Gross profit	11,671,349	11,609,522
Selling expenses	(3,739,190)	(6,591,867)
Administrative expenses	(3,103,178)	(2,695,819)
Other operating income	670,326	310,622
Other operating expenses	(3,449,507)	(1,984,593)
Interest income and similar income	30,120	27,564
Interest expenses and similar expenses	(95,635)	(62,965)
Real estate tax	(26,550)	(20,085)
Profit /loss before taxation	1,957,735	592,379
Corporate income tax	(506,705)	(79,406)
PROFIT/LOSS FOR THE PERIOD	1,451,030	512,973
Other comprehensive income /loss		
Foreign currency revaluation	(71,668)	19,472
Total other comprehensive income /loss	(71,668)	19,472
Total comprehensive income /loss	1,379,362	532,445
Attributable to:		
Equity holders of the parent	1,447,003	511,253
Non-controlling interest	4,027	1,720
TOTAL	1,451,030	512,973
Comprehensive (loss)/ income attributable to:		
Equity holders of the Parent entity	1,375,335	530,725
Non-controlling interest	4,027	1,720
TOTAL	1,379,362	532,445
Earnings per share attributable to the equity holders of the Parent entity (EUR per share)		
– Earnings per share	0.15	0.06



STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Foreign currency re-valuation reserve	Retained profit	Equity attributable to equity holders of the parent	Non-controlling interest	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31.12. 2014.	13,638,226	22,321,657	661,500	(60,463)	71,733,420	108,294,340	92,998	108,387,338
Foreign currency re-valuation	-	-	-	-	1,447,003	1,447,003	4,027	1,451,030
Profit for the period	-	-	-	(71,688)	-	(71,688)	-	(71,688)
31.03. 2015.	13,638,226	22,321,657	661,500	(132,151)	73,180,423	109,669,655	97,025	109,766,680

STATEMENT OF CASH FLOWS

	2015	2014
	January-March	January-March
	EUR	EUR
OPERATING ACTIVITIES		
Net (loss)/ profit before taxation	1,957,735	592,379
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>		
Depreciation and amortization	1,490,537	1,166,639
Revenue from the EU funds	(103,524)	(167,474)
Interest income	(30,120)	(27,564)
Interest expense	95,635	62,965
<i>Changes in operating assets and liabilities:</i>		
Inventory	(2,078,084)	(4,615,750)
Debtors	(208,690)	3,388,393
Creditors	(624,951)	(442,089)
Gross cash provided by operating activities	498,538	(42,501)
Corporate income tax paid	(28,121)	(571,518)
Net cash provided by operating activities	470,417	(614,019)
INVESTING ACTIVITIES		
Purchase of fixed assets and intangible assets	(1,565,982)	(1,208,445)
Purchase of long term financial investments	(60,150)	-
Net cash used in investing activities	(1,626,132)	(1,208,445)
FINANCING ACTIVITIES		
Received loans from credit institutions	10,479,255	842,739
Repaid loans to credit institutions and leasing payments	(422,824)	(679,599)
Dividends paid	(9,000,000)	-
Revenue from the EU funds	-	183,390
Interest paid	(95,635)	(62,965)
Net cash (used in) /provided by financing activities	960,796	283,565
Net increase/decrease in cash and cash equivalents	(194,919)	(1,538,899)
Cash and cash equivalents at the beginning of the year	2,191,088	3,576,024
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,996,169	2,037,125

NOTES

OTHER DEBTORS

	31.03.2015. EUR	31.03.2014. EUR
Tax receivables	2,111,258	2,211,472
„Grindeks rus” Ltd. other debtors	1,098,501	2,752,063
JSC “Tallinn Pharmaceutical Plant” other debtors	34,785	56,842
Other	866,716	1,615,063
Total	4,111,260	6,635,440

CASH AND CASH EQUIVALENTS

	31.03.2015. EUR	31.03.2014. EUR
Cash in bank	1,985,415	2,034,475
Cash on hand	10,754	2,650
Total	1,996,169	2,037,125

LOANS FROM CREDIT INSTITUTIONS

	31.03.2015. EUR	31.03.2014. EUR
Credit line from Nordea Bank AB Latvia branch	13,705,493	4,856,191
Credit line from JSC “SEB banka”, Latvia	4,999,731	4,681,185
Credit line from Tatrabank JSC, Slovakia	1,276,087	-
Tatrabank JSC, Slovakia	913,800	-
Nordea Bank AB Latvia branch	600,000	900,000
ABLV Bank, JSC	409,578	-
Tatrabank JSC, Slovakia	305,625	-
JSC “SEB banka”, Latvia	269,455	346,438
JSC “SEB banka”, Latvia	259,867	292,349
Tatrabank JSC, Slovakia	157,500	-
Tatrabank JSC, Slovakia	65,605	-
Nordea Bank AB Latvia branch	-	333,333
Current loans from credit institutions	22,962,741	11,409,496
Tatrabank JSC, Slovakia	1,630,000	-
Tatrabank JSC, Slovakia	613,316	-
JSC “SEB banka”, Latvia	389,799	747,115
Tatrabank JSC, Slovakia	78,600	-
Nordea Bank AB Latvia branch	-	900,000
JSC “SEB banka”, Latvia	-	384,934
Non-current loans from credit institutions	2,711,715	2,032,049
Total	25,674,456	13,441,545

TAXES AND SOCIAL SECURITY CONTRIBUTIONS

	31.03.2015.	31.03.2014.
	EUR	EUR
Social security contributions	486,179	380,238
Personal income tax	264,519	209,712
Corporate income tax	46,918	412
Other	49,119	44,202
Total	846,735	634,564

NET SALES

	2015	2014
	January-March	January-March
	EUR	EUR
Other CIS countries	8,682,770	11,398,931
Other countries	6,716,218	2,559,404
Russia	5,153,947	4,583,318
Latvia	1,704,295	997,094
Lithuania	1,059,960	994,048
Estonia	501,611	530,088
Other sales	170,033	60,044
Gross sales	23,988,834	21,122,927
Less discounts		
Other CIS countries	(1,300,454)	(1,262,049)
Russia	(205,716)	(1,012,668)
Latvia	(32,639)	(5,633)
Lithuania	(24,974)	(10,579)
Estonia	(14,825)	(12,371)
Other countries	(5,735)	(13,029)
Discounts total	(1,584,343)	(2,316,329)
Total, net	22,404,491	18,806,598

COST OF GOODS SOLD

	2015	2014
	January-March	January-March
	EUR	EUR
Raw materials and packaging	4,836,338	2,407,701
Direct labor and social security contributions	3,350,534	2,410,837
Depreciation of fixed assets and amortization of intangible assets	1,217,934	918,251
Electricity expenses	715,684	575,631
Goods purchased for resale and contract manufacturing costs	496,161	667,364
Research costs	333,895	560,764
Machinery, buildings and equipment repairs	203,528	258,584
Household expenses	59,498	71,963
Transport costs	41,395	47,349
Rent of work clothing	33,529	27,813
Waste disposal	29,381	30,504
Other expenses	407,204	408,231
Internal turnover of self-manufactured raw materials	(991,939)	(1,187,916)
Total	10,733,142	7,197,076

SELLING AND DISTRIBUTION COSTS

	2015	2014
	January-March	January-March
	EUR	EUR
Advertising expenses	1,122,589	3,652,343
Expenses of representative offices	909,994	1,010,704
Salaries and social security contributions	587,890	649,489
Distribution costs	249,276	219,617
Commissions	227,199	156,510
Depreciation of fixed assets and amortization of intangible assets	103,537	120,455
Registration costs for medicine	101,280	143,393
Freight insurance expenses	5,224	3,745
Other expenses	432,201	635,611
Total	3,739,190	6,591,867

ADMINISTRATIVE EXPENSES

	2015	2014
	January-March	January-March
	EUR	EUR
Salaries and social security contributions	1,526,954	916,838
Professional and consultancy services	343,626	585,503
Depreciation of fixed assets and amortization of intangible assets	166,821	127,804
Computer maintenance and repair	98,118	49,104
Security costs	97,591	79,941
Bank charges	72,193	15,427
Electricity costs	71,878	65,367
Employee insurance expenses	55,360	70,521
Transport costs	41,133	46,692
Property and liability insurance	36,033	18,874
Business trip expenses	24,873	40,015
Communication expenses	14,958	17,074
Personnel training and hiring expenses	5,152	41,225
Other expenses	548,488	621,434
Total	3,103,178	2,695,819

JSC “Grindex” hereby informs that there were no changes made in its accounting policy in January-March 2015. In non-audited financial accounts for the period January- March 2015 the Group has employed the same Accounting and Consolidation Principles as in the audited consolidated financial accounts for the year 2014, released on April 29, 2015.

Chairman of the Board

Juris Bundulis