

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ILSANTA UAB

Report on the Financial Statements

We have audited the accompanying financial statements of ILSANTA UAB (hereafter – “the Company”) (pages from 5 to 27), which comprise the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and explanatory notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and legal regulations on accounting and financial reporting of the Republic of Lithuania, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and legal regulations on accounting and financial reporting of the Republic of Lithuania.

Report on Other Legal and Regulatory Requirements

Furthermore, we have read the Annual Report for the year ended 31 December 2015 (page 4) and have not noted any material inconsistencies between the financial information included in it and the financial statements for the year ended 31 December 2015.

Deloitte Lietuva UAB
Audit Company License No. 001275


Simonas Rimašauskas
Lithuanian Certified Auditor
License No. 000466

Vilnius, Republic of Lithuania
4 March 2016

ILSANTA UAB

Company code: 110498671, address: A. Goštauto 40A, Vilnius

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The annual report of Ilsanta UAB (hereinafter – „the Company“), legal entity code: 110498671, registered office at A. Goštauto 40A, Vilnius, for the financial year 2015 has been prepared by the Management of the Company following Article 25 of the Law of the Republic of Lithuania on financial statements of Entities.

The main activity of the Company is wholesale of medical goods and equipment.

In 2015 the Company continued its operations as distributor of Boston Scientific Corporation, Stryker, Acist and Maquet products in the Baltics, remained one of the leading distributors of medical goods in Lithuania.

In 2015 the total revenue of the Company was EUR 13,457 thousand which is an increase of 9% compared to 2014. The commercial profitability ratio consisted 25%.

In 2015 the Company earned a net profit of EUR 565 thousand.

As at 31 December 2015, the authorized capital of the Company amounted to EUR 2,372 thousand. Albatross investments UAB holds 94% of shares of the Company.

Total assets of the Company amounted to EUR 8,927 thousand as at 31 December 2015.

The inventory decreased by 20% due more effective management of medical device stock and amounted to EUR 1,026 thousand as at 31 December 2015.

Trade receivables increased by 2% compared to 2014. The major debtor of the Company P. Stradina Clynical University Hospitals paid all debts overdue under 90 days towards the end of the year 2015 and 2014. Total trade receivables amounted to EUR 3,026 thousand as at 31 December 2015.

Cash and cash equivalents decreased by 30% and amounted to EUR 1,649 thousand.

Long term financial borrowings including financial lease consisted EUR 740 thousand. Short-term borrowings consisted EUR 701 thousand. The Company successfully fulfilled all its obligations to Kaupthing bank in the year 2015.

As at 31 December 2015, payables and accrued expenses decreased by 6% to EUR 2,680 thousand.

As at 31 December 2015, the Company had 23 employees (as at 31 December 2014 – 23).

During the financial year, the Company did not acquire any shareholdings in any other companies.

The Company has branches in Latvia and Estonia. The Company has no representative offices.

Financial risk management is disclosed in Note 20 of the Company's financial statements for the year ended 31 December.

There were no important events after the balance sheet date which could have a material effect on the financial position and financial results of the Company for 2015.

In 2016 the Company plans to continue focusing on its main activities, to maintain market share in the Baltic countries and to continue optimization of its operations.

Sigurður Örn Agustsson
General Director



Vilnius, Republic of Lithuania
4 March 2016

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**
ASSETS
Non-current assets:

Property, plant and equipment

Goodwill

Total non-current assets
Current assets:

Inventories

Trade receivables

Prepayments and deferred charges

Prepaid income tax

Cash and cash equivalents

Total current assets
TOTAL ASSETS
EQUITY AND LIABILITIES
Capital and reserves:

Issued capital

Legal reserve

Retained earnings

Total equity
Non-current liabilities:

Borrowings

Deferred tax liabilities

Finance lease liabilities

Total non-current liabilities
Current liabilities:

Payables and accrued expenses

Borrowings

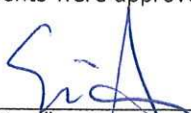
Finance lease liabilities


Total current liabilities
Total liabilities
TOTAL EQUITY AND LIABILITIES

Notes	2015 EUR	2014 EUR
4	197,031	197,979
5	2,831,205	2,831,205
	3,028,236	3,029,184
6	1,025,849	1,289,128
7	3,025,706	2,957,500
	140,599	92,176
	57,509	57,439
8	1,648,659	2,342,679
	5,898,322	6,738,922
	8,926,558	9,768,106
9	2,371,968	2,368,860
	150,232	123,618
	2,239,932	3,088,042
	4,762,132	5,580,520
10	731,250	-
18	43,956	-
11	8,378	32,945
	783,584	32,945
12	2,680,148	2,897,999
10	676,132	1,246,309
11	24,562	10,333
	3,380,842	4,154,641
	4,164,426	4,187,586
	8,926,558	9,768,106

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were approved and authorized for issue on 4 March 2016.


Sigurður Örn Agustsson
General Director


Kristina Noreikienė
Chief Accountant

ILSANTA UAB

Company code: 110498671, address: A. Goštauto 40A, Vilnius

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**


	Notes	2015 EUR	2014 EUR
Revenue	13	13,457,019	12,391,975
Cost of sales	14	(10,158,205)	(9,067,003)
Gross profit		3,298,814	3,324,972
Operating expenses	15	(2,573,820)	(2,654,364)
Net gain on sale of property, plant and equipment		2,456	7,736
Other income	16	9,827	20,183
Operating profit		737,277	698,527
Net foreign exchange profit		(15,538)	(16,787)
Finance income		29	186
Finance cost	17	(52,002)	(68,307)
Profit before tax		669,766	613,619
Income tax expense	18	(105,175)	(81,340)
Profit for the year		564,591	532,279
Other comprehensive income, net of tax			
Exchange difference on translating foreign operations		-	(7,076)
Other comprehensive income for the year, net of tax		-	(7,076)
Total comprehensive income for the year		564,591	525,203

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were approved and authorized for issue on 4 March 2016.



Sigurður Önni Agustsson
General Director



Kristina Noreikienė
Chief Accountant

ILSANTA UAB

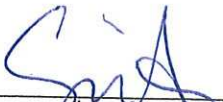
Company code: 110498671, address: A. Goštauto 40A, Vilnius


**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital EUR	Legal reserve EUR	Foreign currency translation reserve EUR	Retained earnings EUR	Total EUR
Balance					
as at 1 January 2014	2,368,860	101,497	(12,461)	2,597,421	5,055,317
Profit for the year	-	-	-	532,279	532,279
Transfer to legal reserve	-	22,121	-	(22,121)	-
Other comprehensive income	-	-	(7,076)	-	(7,076)
Transfer to retained earnings	-	-	19,537	(19,537)	-
Balance					
as at 31 December 2014	2,368,860	123,618	-	3,088,042	5,580,520
Profit for the year	-	-	-	564,591	564,591
Payment of dividends	-	-	-	(1,382,979)	(1,382,979)
Transfer to legal reserve	-	26,614	-	(26,614)	-
Conversion of share capital into Euros	3,108	-	-	(3,108)	-
Balance					
as at 31 December 2015	2,371,968	150,232	-	2,239,932	4,762,132

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Sigurður Örn Agustsson
General Director



Kristina Noreikienė
Chief Accountant

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 EUR	2014 EUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	564,591	532,279
Adjustments for:		
Income tax expenses	105,175	81,340
Depreciation	94,344	87,380
Amortisation	-	12
Finance income	(29)	(186)
Interest cost	38,831	58,500
Other finance cost	13,171	9,807
Net foreign exchange loss (gain)	15,538	16,787
Net (gain) on disposal of fixed assets	(2,456)	(7,736)
Change in allowance for inventory net realisable value	45,333	42,048
Change in allowance for doubtful receivables	(352)	-
	<u>874,146</u>	<u>820,231</u>
Movements in working capital:		
(Increase) in trade receivable	(67,854)	(46,791)
(Increase) decrease in prepayments and deferred charges	(48,423)	6,204
Decrease (increase) in inventories	217,946	(67,613)
(Decrease) increase in payables and accrued expenses	(218,065)	562,663
Cash generated from operations	<u>757,750</u>	<u>1,274,694</u>
Interest paid	(40,536)	(59,369)
Income taxes paid	(74,908)	(94,334)
Net cash generated by operating activities	<u>642,306</u>	<u>1,120,991</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, intangible assets	(99,930)	(170,688)
Proceeds from disposal of property, plant and equipment, intangible assets	8,990	8,473
Interest received	29	186
Net cash generated by investing activities	<u>(90,911)</u>	<u>(162,029)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(1,382,979)	-
Proceeds from borrowings	1,651,132	-
Repayments of borrowings	(1,490,059)	(856,119)
Proceeds from finance lease	(10,338)	(10,021)
Other financial expenses paid	(13,171)	(8,672)
Net cash used in financing activities	<u>(1,245,415)</u>	<u>(874,812)</u>
Net (decrease) increase in cash and cash equivalents	<u>(694,020)</u>	<u>84,150</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,342,679</u>	<u>2,282,433</u>
Effects of exchange rate changes to balances held in foreign currencies	-	(23,905)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>1,648,659</u>	<u>2,342,679</u>

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were approved and authorized for issue on 4 March 2016.


Sigurður Örn Agustsson
General Director


Kristina Noreikienė
Chief Accountant

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