

**Additional information under art. 33, par. 1, item 6
of Ordinance № 2 from 17 September 2003 of
"Sopharma" AD as at 31 December 2013**

1. Information about changes in accounting policies during the reporting period, the reasons for them and how they affect the financial results and equity of the issuer –
For the current financial period the Company has adopted all new and / or revised standards and interpretations issued by the International Accounting Standards Board (IASB), respectively. The Interpretations Committee of the IFRS, which are relevant to its operations. Since the adoption of these standards and/or interpretations effective for annual periods beginning on 1 January 2013, there have been changes in the accounting policies of the Company - in the classification or valuation of individual items or operations. More detailed information about the Company's accounting policies can be found at 2.1. Basis of preparation of the financial statements for 2013 in the notes to the interim financial statement for the fourth quarter.

2. Information about changes in the economic group of the issuer in 2013:

UAB UBSPharma is a subsidiary through Briz OOD as from 1 March 2013;

Alean ODO, Belarus – transformed from an associated company to a subsidiary of the Group through Briz, Latvia on 7 February 2013

Pharmaceft Plus OOO, Belarus – transformed from an associated company to a subsidiary of the Group through Briz, Latvia on 1 June 2013

Vestpharm ODO, Belarus – transformed from an associated company to a subsidiary of the Group through Briz, Latvia on 4 July 2013

BelAgroMed ODO, Belarus - transformed from an associated company to a subsidiary of the Group through Briz, Latvia on 30 July 2013

SpetzApharmacia BOOO, Belarus is an associated company, acquired by the Group through Briz OOD on 30 September 2013

Med-dent OOO, Belarus – transformed from an associated company to a joint venture of the Group through Briz, Latvia on 31 December 2013

3. Information about the results of organizational changes within the issuer, such as restructuring, sale of companies from the group, in-kind contributions from companies, rental property, long-term investments, closure of business:

On 29 October 2012 was signed a merger agreement between Sopharma AD and Bulgarian Rose Sevtopolis AD, which settles the conduction of the transformation through merging of Bulgarian Rose Sevtopolis AD into Sopharma AD. The agreement along with the accompanying documentation has been submitted to the Financial Supervision Commission. By Decision №396 – PD from 23 May 2013 the Financial Supervision Commission did not approve the Contract for transformation through merging of Bulgarian Rose Sevtopolis AD in Sopharma AD.

The Company leased tangible fixed assets with carrying amount of 7,277 thousand BGN as at 31 December 2013 to related parties (31 December 2012: 7,811 thousand BGN). In addition, tangible fixed assets at carrying amount of 45 thousand BGN were leased to third parties as at 31 December 2013 (31 December 2012: 42 thousand BGN).

The book value of the investments in subsidiaries is as follows:

<i>31.12.2013</i>	<i>Interest</i>	<i>31.12.2012</i>	<i>Interest</i>
<i>BGN '000</i>	<i>%</i>	<i>BGN '000</i>	<i>%</i>

Sopharma Trading AD	Bulgaria	30 126	75.92	32 148	81.01
Unipharm AD	Bulgaria	19 448	49.99	19 449	49.99
Briz OOD	Latvia	9 172	53.14	6 262	51.00
Bulgarian Rose Sevtopolis AD	Bulgaria	8 729	49.99	8 729	49.99
Biopharm Engineering AD	Bulgaria	8 384	97.15	8 384	97.15
Vitamina AD	Ukraine	6 187	99.56	6 187	99.56
Ivanchich and sons	Serbia	5 739	51.00	5 739	51.00
Momina Krepost AD	Bulgaria	2 701	52.97	2 547	49.94
Pharmalogistica AD	Bulgaria	1 911	76.54	1 911	76.54
Sopharma Buildings REIT	Bulgaria	643	42.89	639	42.64
Electroncommerce EOOD	Bulgaria	384	100.00	384	100.00
Sopharma Warsaw EOOD	Poland	323	100.00	323	100.00
Sopharma Ukraine EOOD	Ukraine	230	100.00	230	100.00
		93 977		92 932	
Paid unregistered capital increase	Latvia	7 230		-	
Total		101 207		92 932	

As of 31 December 2013, the investments in the subsidiaries Sopharma Poland OOD - in liquidation, Poland, Extab Corporation, USA and Sopharma, USA are fully impaired (31 December 2012: fully impaired are Zdrovit Sopharma AD - in liquidation, Poland, Sopharma Poland OOD - in liquidation, Poland, Extab Corporation, USA and Sopharma USA).

Sopharma has direct or indirect control over the above listed companies.

4. Opinion of the governing body regarding the feasibility of the published estimates of the results for the current financial year, taking into account the results of the current quarter as well as information on the factors and circumstances that will affect the achieving of the projected results for at least the next quarter - no update of the forecast results.

5. For public companies - data on persons holding directly or indirectly at least 5 percent of the voting rights of the General Meeting at the end of the quarter, and changes in ownership of those voting rights since the end of the preceding quarter;

SHAREHOLDERS	Number of shares /%/ 31 December 2013	Number of shares /%/ 30 September 2013
„Donev Investment Holding” AD, EIK 831915121, Sofia, Positano Str. № 12	33 587 661 /25,45%/	33 793 918 /25,60%/
“Telecomplect Invest” AD, EIK 201653294, Sofia, Slaveikov Square № 9	26 948 052 /20,42%/	26 948 052 /20,42%/
„Rompharm Compnay” OOD UID 200732874 Sofia, Mladost residential complex, Boian Damianov Str. 7, office 3	18 619 212 /14,11%/	17 859 454 /13,53%/
Universal Pension Fund “Doverie” AD, EIK 130474628 Sofia, Dunav Str. 5	8 906 997 /6,75%/	8 907 997 /6,75%/

6. For public companies - data on persons holding directly or indirectly at least 5 percent of the voting rights of the General Meeting at the end of the quarter, and changes in ownership of those voting rights since the end of the preceding quarter:

Members of the Board of Directors	Number of shares 31 December 2013	Number of shares 30 September 2013
1. Ognian Ivanov Donev	0	0
2. Vessela Liubenova Stoeva	0	0
3. Andrey Liudmilov Breshkov	0	0
4. Ognian Kirilov Palaveev	54320	54320
5. Alexander Viktorov Chaushev	87414	87414

7. Information on pending judicial, administrative or arbitration proceedings relating to liabilities or receivables amounting to at least 10 percent of the equity of the Company - none.

8. Information on loans granted by the issuer or their subsidiary, provided guarantees or commitments to a single person or a subsidiary thereof, including to related persons with indication of the nature of the relationship between the issuer and the person, the amount of the outstanding principal, the interest rate, the maturity, the size of commitment, the terms and conditions.

As at 31 December *long-term receivables from related parties* include:

	<i>31.12.2013</i> <i>BGN '000</i>	<i>31.12.2012</i> <i>BGN '000</i>
Long-term loans granted to related parties	25 214	748
Receivables on long-term deposits on rentals	435	435
Total	25 649	1 183

The long-term receivables are from subsidiaries under common control through key management personnel.

The terms and conditions of the long-term loans granted to related parties are as follows:

Currency	Contracted amount '000	Maturity	Interest%	31.12.2013		31.12.2012	
				BGN'00	BGN'00	<i>BGN'00</i>	<i>BGN'00</i>
				0	0	<i>0</i>	<i>0</i>
					includin g interest		<i>includin g interest</i>
To companies under common indirect control through key managing personnel							
EUR	10 637	01.12.2015	5.00%	22 554	1 750	-	-
ERU	1 278	01.12.2015	5.00%	2 660	160	-	-
BGN	1 100	31.12.2014	8.08%	-	-	748	25
				25 214	1 910	748	25

The long-term loans granted to related parties are not secured by collateral.

The receivable on long-term deposit is on a rental contract for an administrative office with an end date 1 August 2022.

Receivables from related parties include:

	31.12.2013	31.12.2012
	BGN '000	BGN '000
Receivables from subsidiaries	78 458	110 584
<i>Impairment of uncollectible receivables</i>	<u>(178)</u>	<u>(76)</u>
	78	110
	280	508
Receivables from companies under a common control through key managing personnel	17 728	37 166
Receivables from Companies under common indirect control	7 477	14 051
<i>Impairment of uncollectible receivables</i>	<u>-</u>	<u>(2 782)</u>
	7 477	11 269
Receivables from companies – main shareholders	<u>-</u>	<u>8 170</u>
Total	<u>103 485</u>	<u>167 113</u>

The receivables from related parties by type are as follows:

	31.03.2013	31.12.2012
	BGN '000	BGN '000
Receivables on sales of finished products and materials	69 099	104 659
Trade loans granted	<u>34 386</u>	<u>62 454</u>
Total	<u>103 485</u>	<u>167 113</u>

The receivables on sales are interest-free and 29,464 thousand BGN of them are denominated in BGN (31 December 2012: 65,180 thousand BGN), in EUR – 39,606 thousand BGN (31 December 2012: 39,479 thousand BGN), and in hryvnia – 29 thousand BGN (31 December 2012: none).

The most significant receivables are the ones from a subsidiary with principal activities in the field of trade in pharmaceuticals. They amounted to – 31,446 thousand BGN as at 31 December 2013 or 45,51% of all receivables on sales of finished products and materials to related parties (31 December 2012: 64,524 thousand BGN – 61.65%).

The Company usually negotiates with its subsidiaries payment terms of 180 days for receivables on sales of finished products and up to 90 days for receivables on sales of materials (incl. substances).

The Company determined a credit period of up to 270 days for which no interest was charged to sales counterparts - related parties and this was in line with the specifics of the end users – hospitals, Health Insurance Fund and other. Any delay after this period is regarded by the Company as an

indicator for impairment. The management assesses collectability on an individual basis by analyzing the specific receivables and circumstances related to delay in order that impairment is charged.

Loans granted to related parties by type of related party are as follows:

	<i>31.12.2013</i>	<i>31.12.2012</i>
	<i>BGN '000</i>	<i>BGN '000</i>
Receivables from companies under common control through key managing personnel	17 726	37 156
Subsidiaries	9 190	6 408
<i>Impairment of commercial loans</i>	(7)	-
	<u>9 183</u>	<u>6 408</u>
Companies under common indirect control	7 477	13 078
<i>Impairment of trade loans</i>	-	(2 358)
	<u>7 477</u>	<u>10 720</u>
Companies – main shareholders	-	8 170
Total	<u>34 386</u>	<u>62 454</u>

The terms of the loans granted to related parties are as follows:

<i>Currency</i>	<i>Contracted amount '000</i>	<i>Maturity</i>	<i>Interest %</i>	<i>31.12.2013</i>		<i>31.12.2012</i>	
				<i>BGN'000</i>	<i>BGN'000 including interest</i>	<i>BGN'000</i>	<i>BGN'000 including interest</i>
<i>to companies under common indirect control through key managing personnel</i>							
<i>EUR</i>	10 455	31.12.2014	4.50%	11 346	16	12 257	62
<i>BGN</i>	27 050	31.12.2014	8.08%	5 662	14	9 230	-
<i>BGN</i>	1 300	31.12.2014	8.08%	551	50	510	9
<i>BGN</i>	190	31.12.2014	8.08%	167	-	227	37
<i>BGN</i>	18 478	31.12.2013	8.30%	-	-	14 932	324
<i>to companies – main shareholders</i>							
<i>EUR</i>	4 035	31.12.2013	4.80%	-	-	8 170	278
<i>to companies under common indirect control</i>							
<i>EUR</i>	7 661	31.12.2014	4.50%	7 477	-	10 010	-
<i>BGN</i>	1 375	31.12.2013	8.08%	-	-	710	-
<i>to subsidiaries</i>							
<i>EUR</i>	2 770	20.01.2014	6.10%	6 381	963	6 062	645
<i>BGN</i>	2 000	30.10.2014	8.08%	2 026	26	-	-
<i>USD</i>	205	31.12.2014	3.50%	303	13	167	4
<i>BGN</i>	600	31.12.2014	7.00%	402	2	101	-
<i>USD</i>	25	31.12.2014	3.50%	39	4	40	2
<i>USD</i>	20	31.12.2014	3.50%	32	3	32	3
<i>EUR</i>	3	07.11.2013	13.00%	-	-	6	-
				<u>34 386</u>	<u>1 091</u>	<u>62 454</u>	<u>1 364</u>

As at 31 December 2013 there are pledges on receivables from related parties amounting to 16,229 thousand BGN (31 December 2012: 10,500 thousand BGN) as collateral for received bank loans.

The payables to related parties include:

	31.12.2013	31.12.2012
	BGN '000	BGN '000
Payables to subsidiaries	4 704	3 753
Payables to companies under a common control through key management personnel	2 304	-
Payables to companies under common indirect control	793	12
Payables to companies – main shareholders	22	17
Total	7 823	3 782

The payables to related parties by type are as follows:

	31.12.2013	31.12.2012
	BGN '000	BGN '000
Services	6 086	3 738
Supply of long-term assets	1 585	-
Payables for the supply of materials	152	44
Total	7 823	3 782

The commercial payables to related parties are regular, denominated in BGN, EUR and UAH and are not additionally secured by the Company. The payables in BGN amounted to 7,550 thousand BGN (31 December 2012: 3,426 thousand BGN), in EUR – 9 thousand BGN (31 December 2012: 48 thousand BGN) and those in PLN – 264 thousand BGN (31 December 2012: 308 thousand BGN).

Issued guarantees

The Company is a co-debtor under received bank loans and lease contracts and a guarantor of the following pharmaceutical trading companies before banks:

	Maturity	Currency	Amount Original currency	BGN'000	Status of the debt 31.12.2013 BGN'000
Sopharma Properties REIT	29.12.2020	EUR	30 000	58 675	48 896
Sopharma Trading AD	31.08.2014	EUR	15 500	30 315	27 380
Sopharma Trading AD	30.06.2014	EUR	10 000	19 558	19 558
Sopharma Trading AD	30.06.2014	EUR	8 434	16 495	16 495
Sopharma Trading AD	25.03.2016	EUR	7 500	14 669	13 998
Vitamins OAO	01.03.2014	EUR	7 000	13 691	13 302
Sopharma Trading AD	30.06.2014	BGN	10 000	10 000	10 000
SIA BRIZ	28.08.2014	EUR	3 000	5 867	5 517
Sopharma Trading AD	25.04.2014	EUR	3 000	5 867	4 882
Sopharma Trading AD	30.08.2014	EUR	2 050	4 009	3 912
Sopharma Trading AD	30.06.2018	EUR	2 000	3 912	3 912
Sopharma Trading AD	30.06.2014	BGN	3 732	3 732	2 578
Sopharma Trading AD	31.12.2017	EUR	1 448	2 832	2 210
Biopharm Engineering AD	16.04.2023	EUR	4 500	8 312	1 559

Sopharma Trading AD	15.11.2018	EUR	521	1 005	1 019
Sopharma Trading AD	31.12.2017	EUR	450	881	690
Bulgarian Rose Sevtopolis AD	31.01.2015	EUR	1 617	3 163	519
Sopharma Trading AD	25.10.2016	EUR	432	846	518
Energoinvestment AD	28.08.2014	BGN	2 018	2 018	518
Veta Pharma AD	19.11.2014	BGN	1 000	1 000	503
Momina Krepost AD	20.09.2014	EUR	500	978	206
Mineralcommerce AD	20.09.2017	EUR	100	196	147
Sopharma Trading AD	25.11.2017	EUR	87	29	139
Sopharma Trading AD	30.11.2015	EUR	113	221	130
Sopharma Trading AD	30.06.2014	EUR	66	129	129
Sopharma Trading AD	25.05.2016	EUR	89	174	93
Mineralcommerce AD	20.12.2015	EUR	50	98	86
Sopharma Trading AD	25.07.2016	EUR	63	124	70
Sopharma Trading AD	25.05.2016	EUR	41	80	51
Sopharma Trading AD	28.09.2014	EUR	2 000	3 912	51
Sopharma Trading AD	25.09.2016	EUR	22	42	30
Sopharma Trading AD	25.06.2016	EUR	23	45	25
Sopharma Trading AD	25.06.2016	EUR	22	43	24
Sopharma Trading AD	25.09.2016	EUR	15	29	17
				173 647	

The following collateral have been established by the Company in favor of the creditor banks for loans to subsidiaries:

- Real estate mortgages - 8,598 thousand BGN (31 December 2012 r.: none) (Note № 14);
- Special pledges on:
 - machinery and equipment: 2,221 thousand BGN (31 December 2012: none) (Note № 14);
 - facilities: 233 thousand BGN (31 December 2012: none) (Note № 14);
 - inventories – 2,583 thousand BGN (31 December 2012: 2,583 thousand BGN) (Note № 21).

Ognian Donev, PhD
Executive Director