

## **Additional information under art. 33, par. 1, item 6 of Ordinance № 2 from 17 September 2003 of "Sopharma" AD as at 30 June 2015**

**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.** The individual financial statements of Sopharma AD have been prepared in accordance with all International Financial Reporting Standards (IFRS), which comprise Financial Reporting Standards and the International Financial Reporting Interpretations Committee (IFRIC) interpretations, approved by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS) and the Standing Interpretations Committee (SIC) interpretations, approved by the International Accounting Standards Committee (IASC), which are effectively in force on 1 January 2015 and have been accepted by the Commission of the European Union.

More detailed information about the Company's accounting policies can be found at 2.1. Basis of preparation of the individual financial statements in the notes to the individual interim financial statement for the period 1 January 2015 – 30 June 2015.

### **2. Information about changes in the economic group of the issuer as at 30 June 2015:**

As from 18 February 2015 Alenfarm Plus is an associated company and Medjel is a subsidiary through Briz OOD, Latvia.

As from 19 February 2015 Salus Line is an associated company through Briz OOD, Latvia.

As from 20 February 2015 Mobil Line is an associated company and GalenaFarm and Danafarm are subsidiaries through Briz OOD, Latvia.

As from 17 June 2015 Sopharmasi 2 EOOD is a subsidiary of Sopharma Trading AD.

### **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 9 January 2015 the Extraordinary General Meeting of Shareholders of the Company took a decision for the transformation of Sopharma AD through the merger of Bulgarian Rose Sevtopolis AD, with seat in Kazanlak, UIC: 123007916 under a contract for merger from 19 June 2014 between Bulgarian Rose – Sevtopolis AD and Sopharma AD. The operation resulted in the transferring of all assets of Bulgarian Rose – Sevtopolis AD to Sopharma AD and Bulgarian Rose – Sevtopolis AD was terminated without liquidation. As a result of the merger, the share capital of Sopharma AD was increased by 2,797,899 new shares with a nominal value of 1 BGN and an issue price of 4,14 BGN equal to the fair value of one share of Sopharma AD, in connection with the merger of Bulgarian Rose – Sevtopolis AD into Sopharma AD.

More detailed information about the merger can be found under item 4. Revaluations as a result of a merger in the Notes to the separate financial statements for the period 1 January 2015 – 30 June 2015.

All documents related to the procedure can be found on the internet website of the Sopharma AD – [www.sopharma.bg](http://www.sopharma.bg).

The Company has leased tangible fixed assets with carrying amount of BGN 6,378 thousand as at 30 June 2015 to related parties (31 December 2014: BGN 7,074 thousand). In addition, tangible fixed assets at carrying amount of BGN 234 thousand were leased to third parties as at 30 June 2015 (31 December 2014: BGN 240 thousand).

The carrying amount of the investments by company is as follows:

		<b>30.06.2015</b>	<b>Interest</b>	<b>31.12.2014</b>	<b>Interest</b>
		<b>BGN '000</b>	<b>%</b>	<b>BGN '000</b>	<b>%</b>
Sopharma Trading AD	Bulgaria	28 503	71.82	28 529	71.89
Sopharma Ukraine	Ukraine	24 335	100.00	9	100.00
Briz OOD	Latvia	22 270	66.13	22 270	66.13
Unipharm AD	Bulgaria	19 448	49.99	19 448	49.99
Biopharm Engineering AD	Bulgaria	8 384	97.15	8 384	97.15
Ivanchich and sons	Serbia	5 739	51.00	5 739	51.00
Momina Krepost AD	Bulgaria	4 090	80.16	2 701	52.98
Vitamina AD	Ukraine	3 544	99.56	3 544	99.56
Pharmalogistica AD	Bulgaria	1 911	76.54	1 911	76.54
Sopharma Buildings REIT	Bulgaria	595	40.75	595	40.75
Sopharma Kazakhstan EOOD	Kazakhstan	502	100.00	502	100.00
Electroncommerce EOOD	Bulgaria	384	100.00	384	100.00
Sopharma Warsaw EOOD	Poland	323	100.00	323	100.00
Phyto Palauzovo AD	Bulgaria	95	95.00	95	95.00
<b>Total</b>		<b>120 123</b>		<b>94 434</b>	

As at 30 June 2015, the investments in the subsidiary Sopharma Poland OOD – in liquidation, Poland is fully impaired (31 December 2014: the investments in Sopharma Poland OOD – in liquidation, Poland and Extab Corporation, USA and Sopharma USA were fully impaired).

Sopharma AD has direct or indirect control on the above-mentioned 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 /%/ 30 June 2015	Number of shares /%/ 31 March 2015
<b>„Donev Investments Holding” AD,</b> EIK 831915121, Sofia, Positano Str. № 12	33 296 334 /24,70%/	33 345 372 /24,74%/
<b>“Telecomplect Invest” AD,</b> EIK 201653294, Sofia, Slaveikov Square № 9	26 948 052 /19,99%/	26 948 052 /19,99%/
<b>„Rompharm Company” OOD</b> UID 200732874 Sofia, Mladost residential complex, Boian Damianov Str. 7, office 3	24 313 355 /18,04%/	24 313 355 /18,04%/
<b>„Telso” AD</b> UID 131176385 Sofia, Positano Str. № 12	7 132 057 /5,29%/	7 132 057 /5,29%/

**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 30 June 2015	Number of shares 31 March 2015
1. Ognian Ivanov Donev	0	0
2. Vessela Liubenova Stoeva	0	0
3. Andrey Liudmilov Breshkov	0	0
4. Ognian Kirilov Palaveev	97 535	97 535
5. Alexander Viktorov Chaushev	97 535	97 351

**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.**

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

	<b>30.06.2015</b> <b>BGN '000</b>	<b>31.12.2014</b> <b>BGN '000</b>
Long-term loans granted	26 644	32 857
Long-term rental deposit granted	293	293
<b>Total</b>	<b>26 937</b>	<b>33 150</b>

The long-term loans are granted to companies related through key managing personnel.

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

<b>Currency</b>	<b>Contracted amount</b> <b>'000</b>	<b>Maturity</b>	<b>Interest %</b>	<b>30.06.2015</b>		<b>31.12.2014</b>	
				<b>BGN'000</b>	<b>BGN'000 including interest</b>	<b>BGN'000</b>	<b>BGN'000 including interest</b>
<b>EUR</b>	11 831	01.12.2018	5.00%	19 666	535	26 038	217
<b>EUR</b>	3 272	01.12.2018	5.00%	6 978	498	6 819	419
				<b>26 644</b>	<b>1 033</b>	<b>32 857</b>	<b>636</b>

The long-term loans granted to related parties are intended to support the financing of these companies' activities under common strategic objectives. They are secured by pledges on securities (shares).

The long-term deposit receivable is from a company under a common indirect control under a concluded rental contract for administrative offices with validity term on 1 August 2022.

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

<b>Currency</b>	<b>Contracted amount</b> <b>'000</b>	<b>Maturity</b>	<b>Interest %</b>	<b>30.06.2015</b>		<b>31.12.2014</b>	
				<b>BGN'000</b>	<b>BGN'000 including interest</b>	<b>BGN'000</b>	<b>BGN'000 including interest</b>
<b>to companies related through key managing personnel</b>							
<b>EUR</b>	11 999	31.12.2015	4.50%	12 716	166	9 537	18
<b>EUR</b>	7 661	31.12.2015	4.50%	7 799	322	-	-
<b>BGN</b>	6 000	22.07.2015	5.50%	3 897	86	1 236	26
<b>BGN</b>	34 020	31.12.2015	5.50%	3 181	93	3 097	9
<b>BGN</b>	1 300	31.12.2015	5.50%	489	30	477	17
<b>BGN</b>	190	31.12.2015	5.50%	130	2	128	1
<b>to companies under a common indirect control</b>							
<b>EUR</b>	7 661	31.12.2015	4.50%	-	-	7 632	155
<b>to subsidiaries</b>							
<b>EUR</b>	2 770	31.12.2015	6.10%	6 875	1 458	6 711	1 294
<b>BGN</b>	2 460	31.12.2015	5.50%	731	11	2 903	158
<b>BGN</b>	600	31.12.2015	5.50%	151	-	151	-
<b>USD</b>	205	31.12.2015	3.50%	-	-	355	26
<b>USD</b>	25	31.12.2015	3.50%	-	-	46	5
<b>USD</b>	20	31.12.2015	3.50%	-	-	37	5
				<b>35 969</b>	<b>2 168</b>	<b>32 310</b>	<b>1 714</b>

The short-term loans granted to related parties are intended to support the financing of these companies' activities under common strategic objectives. They are secured by pledges on corporate shares and securities (shares).

#### **Issued and granted guarantees**

The Company is a co-debtor under received bank loans, issued bank guarantees and concluded lease agreements as well as a guarantor before banks and suppliers of the following companies:

<b>Company</b>	<b>Maturity period</b>	<b>Currency</b>	<b>Contracted amount</b>	<b>Amount of the guarantee as at</b>
----------------	------------------------	-----------------	--------------------------	--------------------------------------

			<b>original currency</b>	<b>BGN'000</b>	<b>30.06.2015 BGN'000</b>
Sopharma Trading AD	2015-2019	EUR	63 305	123 799	112 853
Sopharma Properties REIT	2024	EUR	22 619	44 240	37 410
Sopharma Trading AD	2015	BGN	14 732	14 732	14 331
Vitamini OAO	2016	EUR	7 000	13 691	11 843
Telecomplect AD	2015	BGN	5 009	5 009	5 009
Biopharm Engineering AD	2023	BGN	4 250	4 250	1 621
Pharmaplant AD	2015-2019	BGN	1 329	1 329	1 268
Energoinvestment AD	2015	BGN	2 018	2 018	518
Veta Pharma AD	2015	BGN	1 000	1 000	477
Mineralcommerce AD	2015	BGN	250	250	250
Momina Krepost AD	2015	BGN	500	500	206
Mineralcommerce AD	2015-2017	EUR	150	294	186
					<b>185 972</b>

The Company has provided the following collateral in favor of banks under loans received by subsidiaries:

- Mortgages of real estate – BGN 11,788 thousand (31 December 2014: BGN 10,776 thousand);
- Special pledges on:
  - machinery and equipment – BGN 11,958 thousand (31 December 2014: none);
  - inventories – BGN 17,623 thousand (31 December 2014: BGN 17,623 thousand);
  - trade receivables – BGN 12,000 thousand (31 December 2014: BGN 12,000 thousand).

---

Ognian Donev, PhD  
Executive Director