

To Art. 33, Par. 1 of Ordinance № 2 from 17.09.2003  
And Regulation (EU) 596/2014 of the European Parliament  
and of the Council of 16 April 2014

**INFORMATION OF SOPHARMA AD ON FACTS  
AND CIRCUMSTANCES WHICH HAVE OCCURRING  
IN THE THIRD QUARTER OF 2016**

- 1.1. No change in the persons controlling the Company.
- 1.2. (Annulled – State Gazette, issue 63 from 2016).
- 1.3. (Annulled – State Gazette, issue 63 from 2016).
- 1.4. (Annulled – State Gazette, issue 63 from 2016).
- 1.5. (Annulled – State Gazette, issue 63 from 2016).
- 1.6. No opening of bankruptcy proceedings against the company or its subsidiary or any significant events related to production.
- 1.7. No acquisition, use or disposition of high-value assets under art. 114, par. 1, item 1 of POSA – none.
- 1.8. No decision on conclusion, termination and cancellation of joint venture agreements.
- 1.9. (Annulled – State Gazette, issue 82 from 2007).
- 1.10. Change in the Company's auditors - The regular General Meeting of Shareholders of Sopharma AD, conducted on 17 June 2016 elected AFA OOD with address of management in Sofia, 38 Oborishte Str. as a registered auditor for auditing and verification of the Annual financial statements of the Company for 2016.
- 1.11. (Annulled – State Gazette, issue 63 from 2016).
- 1.12. (Annulled – State Gazette, issue 63 from 2016).
- 1.13. (Annulled – State Gazette, issue 63 from 2016).
- 1.14. (Annulled – State Gazette, issue 63 from 2016).
- 1.15. (Annulled – State Gazette, issue 63 from 2016).
- 1.16. (Annulled – State Gazette, issue 63 from 2016).
- 1.17. (Annulled – State Gazette, issue 63 from 2016).
- 1.18. (Annulled – State Gazette, issue 63 from 2016).
- 1.19. (Annulled – State Gazette, issue 63 from 2016).
- 1.20. (Annulled – State Gazette, issue 63 from 2016).
- 1.21. No conclusion or performance of essential contracts, which do not relate to the ordinary business of the Company.
- 1.22. (Annulled – State Gazette, issue 63 from 2016).
- 1.23. (Annulled – State Gazette, issue 63 from 2016).
- 1.24. (Annulled – State Gazette, issue 63 from 2016).
- 1.25. (Annulled – State Gazette, issue 63 from 2016).
- 1.26. (Annulled – State Gazette, issue 63 from 2016).
- 1.27. (Annulled – State Gazette, issue 63 from 2016).

- 1.28. (Annulled – State Gazette, issue 63 from 2016).
- 1.29. (Annulled – State Gazette, issue 63 from 2016).
- 1.30. No initiation or termination of a court or arbitration proceedings relating to claims or liabilities of the company or its subsidiary, with the price of the claim at least 10% of the company's equity.
- 1.31. Purchase, sale or pledge of shares in companies of the issuer or its subsidiary in the first quarter of 2016 – on 12 September 2016 the Company received a notification for the acquisition of 81 401 shares, representing 0.06 % of its capital, by ZUPF Allianz Bulgaria. After the transaction the share of ZUPF Allianz Bulgaria in the capital of Sopharma AD reached 5.05%. The date of the registration with the Central Depository is 08.09.2016.
- 1.32. (Annulled – State Gazette, issue 63 from 2016).
- 1.33. (Annulled – State Gazette, issue 63 from 2016).
- 1.34. Other circumstances which the company believes could be relevant for investors in deciding to acquire, sell or continue to hold publicly traded securities:

In January 2016 the Commercial Director of the Company Mr. Vladimir Stoichev has left the management of the Company. The Executive Director of the company will temporarily be responsible for the export markets.

Sopharma AD notifies that the Board of Directors of Sopharma AD authorized the executive director of the company to enter into a contract for the sale of the shareholding of Sopharma AD in the capital of Ivanchich and Sons, Serbia. The transaction was concluded on May 9th, 2016 in Belgrade, Serbia. The parameters of the transaction are subject to confidentiality clauses in the interest of the all parties. Sopharma AD will continue its activities on the Serbian market through its daughter company Sopharma Trading AD.

We would like to notify you that on 16 May 2016 expired the three-month period under art. 157b of the POSA after the completion of the tender offer, in which each shareholder who did not participate in the tender offer may request from Sopharma AD to buy their shares with voting rights. The price per share of Medica AD in the proposal under art. 157a and upon the execution of the shareholder rights under art. 157b under the provisions of art. 157a par. 3 was equal to the price in the conducted tender offer of 3.50 BGN per share.

As a result of the conducted tender offer and after the completion of the transactions with shareholders in the period under art. 157b, Sopharma AD has bought a total of 3,135,006 shares and directly owns 97.94% of the shares with voting rights of Medica AD.

Sopharma AD (the “Company”) notifies that on the regular General Meeting of Shareholders of Sopharma AD, conducted on 17 June 2016 in Sofia, 5 Lachezar Stanchev Str., were taken the following decisions:

AGM approved the Annual report of the Board of Directors of the Company for 2015.

AGM approved the Annual report of the Investor Relations Director for 2015;

AGM approved the Audit report on the audit of the annual financial statements of the Company for 2015;

AGM approved the audited annual financial statements of the Company for 2015;

AGM approved the audited annual consolidated financial statements of the Company for 2015;

AGM approved the report of the Audit Committee for 2015;

AGM approved the proposal by the Board of Directors for the distribution of the profit generated in 2015 and the undistributed profit from past periods as follows: the total amount of the profit, subject to distribution, is 25 846 056.41 BGN /twenty-five million, eight hundred and forty-six thousand, fifty-six leva and forty-one stotinki/, of which the profit for 2015 amounts to 25 353 856.99 BGN /twenty-five million, three hundred and fifty-three thousand, eight hundred and fifty-six leva and ninety-nine stotinki/ and undistributed profit from past periods amounts to 492 199.42 BGN /four hundred and ninety-two thousand, one hundred and ninety-nine leva and forty-two stotinki/. After the allocation of 10% to the statutory reserve, a dividend shall be distributed to shareholders at the amount of 0.07 BGN /seven stotinki/ per share with dividend right. The remaining sum after the allocation of the dividend shall be allocated to the additional reserves of the Company.

AGM discharged from liability the members of the Board of Directors for their activities in 2015;

AGM elected a registered auditor to audit and certify the annual financial statements of the Company for 2016 according to the proposal of the Audit Committee, included in the agenda materials.

AGM approved the Report of the Board of Directors about the application of the Remuneration policy for the members of the Board of Directors of the Company in 2015.

On the basis of art. 24, par. 3, letter A of the Company's Articles of Association AGM decided: the regular monthly remuneration of the members of the Board of Directors, as well as the regular monthly remuneration of the Executive Director in 2016 shall remain the same.

Pursuant to art. 24, par. 3, letter B of the Articles of Association an additional fee of 1% /one percent/ of the net profit for 2015 according to the approved annual financial statements, shall be paid to the Executive Director of the Company;

AGM approved the decision for the distribution of 2% /two percent/ of the net profit for 2015 among the members of the senior management of the Company in compliance with the requirements of art. 26a, item 12 of the Articles of Association of the Company.

AGM approved the continuation of the mandate of the Board of Directors in its current composition for a new five-year term from the date of expiration of the current mandate until 29 June 2021.

AGM approved the changes in the Articles of Association of the Company according to the proposal of the Board of Directors.

AGM approved the Substantiated report, prepared by the Board of Directors, for transactions under art. 114, par. 1 of POSA.

AGM authorized the Board of Directors of the Company to conclude a contract for manufacturing according to the terms and conditions, listed in Chapter 1 of the Substantiated report.

AGM authorized the Board of Directors of the Company to conclude a contract for provisioning of collateral in the form of a corporate guarantee according to the terms and conditions, listed in Chapter 2 of the Substantiated report.

AGM authorized the Board of Directors of the Company to conclude a contract for provisioning of collateral in the form of a corporate guarantee according to the terms and conditions, listed in Chapter 3 of the Substantiated report.

AGM authorized the Board of Directors of the Company to conclude a contract for manufacturing according to the terms and conditions, listed in Chapter 4 of the Substantiated report.

SOPHARMA AD hereby informs that the Company will commence the paying of dividends for 2015 on 3 August 2016 in accordance with a List of Entitled Persons as at 1 July 2016, prepared by the Central Depository.

Pursuant to the Regulations of the Central Depository AD the dividend will be paid out as follows: to shareholders with client accounts at an investment intermediary – through the investment intermediary, to shareholders without accounts at an investment intermediary – through the branches of Eurobank EFG - Bulgaria AD /Postbank/ in the country.

The total number of treasury shares as at 30.09.2016 is 5 605 086, representing 4.16% of the share capital of the Company.

On 5 October the Board of directors of Sopharma AD discussed a proposal filed by Homogen AD on October 4, 2016 for the sale of shares from the capital of Veta Farma AD. The Board of directors of Sopharma AD authorizes the Executive director to negotiate with representatives of the seller.

Annual Meeting with investors it was conducted on 7 October 2016 in the conference center of Sopharma Business Towers in Sofia. The new corporate website was promoted there.

As a result of its intention to express interest in acquiring a commercial company operating on the territory of the Republic of Moldova, as a first step Sopharma AD filed a request for approval of concentration with the competent authorities in the Republic of Moldova.

Sopharma AD informs all interested parties that the interim financial statements of the Company as at 30 September 2016 have not been verified by a registered auditor.

---

Ognian Donev, PhD  
Executive Director