

**INFORMATION OF SOPHARMA AD ON FACTS**  
**AND CIRCUMSTANCES WHICH HAVE OCCURRING**  
**AS AT FIRST HALF OF 2018**  
**OF SOPHARMA AD**

- 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.
- 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 of the Company's Auditors - At the Annual General Meeting of Shareholders of SOPHARMA AD, held on 15 June 2018, the auditor company "BAYKER TILLY KLITOU AND PARTNERS" AD, with headquarters in Sofia, Acad. Ivan Evst. Geshov "№ 104, was elected for the auditing and certifying of the Annual Financial Statement of the Company for 2018.
- 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. (Annulled – State Gazette, issue 63 from 2016) 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. There is no opening or termination of a court or arbitration case relating to the debts or claims of the company or its subsidiary with a claim price of at least 10 % of the company's equity.

1.31. No purchase, sale or pledge of shareholdings in companies by the issuer or its subsidiary in the first quarter of 2018.

1.32. (Annulled – State Gazette, issue 63 from 2016).

1.33. (Annulled – State Gazette, issue 63 from 2016).

1.34. Other circumstances that the Company considers may be relevant to investors in taking a decision to acquire, sell or continue to hold publicly-traded securities:

On 30 January 2018, the company received a notification for disclosure of a shareholding under Art. 145 of the Public Offering of Securities Act (POSA), for the sale of 250,000 shares, representing 0.19%, with which the share participation of ZUPF "Allianz Bulgaria" in the capital of Sopharma AD reached 4.99%.

On 23 February 2018 an Extraordinary General Meeting of Shareholders of Sopharma AD took place.

At the General Meeting a decision was taken for the transformation by merger of Unipharm AD, UIC: 831537465, in Sopharma AD, UIC: 831902088. As a result of the merger, the whole property of Unipharm AD, UIC 831537465, will be transferred to Sopharma AD, UIC 831902088 under the conditions of general succession.

The General Meeting approved a Contract for the transformation by merger of Unipharm AD, UIC 831537465 in Sopharma AD, UIC 831902088, concluded on 14 September 2017 and of Annex №1 of 08 November 2017 to it.

The General Meeting approved the Report of the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation by merger of Unipharm AD into Sopharma AD.

The General Meeting approved the Auditor's Report under Art. 262m of the CA on the transformation by merger of Unipharm AD into Sopharma AD.

The General Meeting approves amendments to the Articles of Association of the Company which allow the payment of an interim dividend on the basis of a 6-month financial report pursuant to the Public Offering of Securities Act.

The General Meeting adopted a resolution for the redemption of own shares under the following conditions: up to 10% of the total number of shares issued by the Company but no more than 3% in each calendar year; term of the redemption - no longer than 5 (five) years; minimum redemption price - not less than the nominal value per share of the company's capital; maximum redemption price - BGN 5.50 per share.

On 15 June 2018 a General Meeting of Shareholders of Sopharma AD took place, where the following decisions were taken: 1. GMS approves the annual report of the Board of Directors on the Company's activities in 2017; 2. The GMS approves the Annual Activity Report of the Investor Relations Director in 2017; 3. The General Meeting of Shareholders approves the audited Annual Individual Financial Statement of the Company for 2017; 4. The GMS approves the Audited Annual Consolidated Financial Statement of the Company for 2017; 5. The GMS approves the Auditor's Report for the Audit of the Annual Financial Statements of the Company for 2017; 6. The GMS approves the Audit Report for the Audit of the Annual Consolidated Financial Statements of the Company for 2017; 7. GMS approves the proposal of the Board of Directors for distribution of the

Company's profit realized in 2017 and undistributed profits from past periods, as follows: The total amount of the distributable profit amounted to BGN 43,010,955.52 (forty three million ten thousand nine hundred and fifty five leva and fifty and two stotinki) of which BGN 42,237,884.12 (forty two million two hundred thirty seven thousand eight hundred and eighty four leva and twelve) profit realized in 2017 and BGN 773 071.40 (seven hundred and seventy-three thousand seventy-one leva and forty) unallocated profit from past periods. After allocating 10% to a mandatory reserve, a dividend of BGN 0.11 per share is distributed. The amount left over after the allocation should be taken as an additional reserve of the company. The right to receive a dividend shall have the persons entered in the registers of the Central Depository as shareholders on the 14th day following the day of the General Meeting at which the Annual Financial Statement was adopted and a decision on the distribution of the profit was taken. The costs of dividend payment are at the Company's expense. The payment of the dividend is made with the assistance of the Central Depository. The shareholders with open accounts with an investment intermediary will receive their dividend through the respective intermediary and those shareholders who do not use the services of an investment intermediary will receive their dividends from the branches of Eurobank Bulgaria AD (Postbank) in the country;

8. The GMS approves the Report of the Audit Committee on its activities in 2017;
9. The GMS discharges from liability the members of the Board of Directors for their activity in 2017;
10. The GMS elects a registered auditor for verifying and certifying the Annual Financial Statements of the Company for 2018, as proposed by the Audit Committee included in the agenda items;
11. GMS approves the report of the Board of Directors on the implementation of the remuneration policy of the members of the Board of Directors of the Company for 2017;
12. On the basis of Art. 24, para. 3, letter "A" of the Articles of Association of the company, the GMS decided: the permanent remuneration of the members of the Board of Directors and the permanent remuneration of the Executive Director in 2018 remain unchanged;
13. Pursuant to Art. 24, para. 3, letter "B" of the Articles of Association, the Executive Director of the Company shall be paid an additional remuneration of 1% (one percent) of the amount of profits realized in 2017 according to the accepted Annual Financial Report.;
14. The General Meeting adopts a decision of 2% (two percent) of the profit realized in 2017 to be distributed among the members of the company's senior management team, subject to the requirements of Art. 26a, item 12 of the Articles of Association of the Company. ;
15. The GMS approves the Substantiated Report of the Board of Directors for transactions from the scope of Art. 114, para. 1 of the Public Offering of Securities Act;
16. The GMS empowers the representative of the public company Sopharma AD to conclude on behalf of the Company as a contracting entity a transaction with Telekomplekt AD as a contractor falling within the scope of Art. 114, para. 1, in conjunction with paragraph 6 of the same provision of the Public Offering of Securities Act, according to the conditions specified in the Substantiated Report;
17. The GMS empowers the representative of the public company Sopharma AD to conclude on behalf of the Company as a seller a transaction with Sopharma Trading AD as a buyer falling within the scope of art. 114, para 1 of LPOS, according to the conditions stated in the Substantiated Report;
18. The GMS empowers the representative of the public company Sopharma AD to conclude on behalf of the company as a co-debtor an overdraft loan agreement with creditor Eurobank Bulgaria AD and Momina Krepost AD as a borrower - a transaction falling within the scope of Art. 114, para. 1 of POSA, according to the conditions stated in the Substantiated Report;
19. The GMS empowers the representative of the public company Sopharma AD to conclude a transaction within the scope of Art. 114, para. 1 between Sopharma AD and Sopharma Properties REIT under the conditions set out in the Substantiated Report, Section Four, Subsections 1 and 2;
20. The General Meeting of

Shareholders decided that the Company's shares should be granted as a bonus for 2018 on the occasion of the 85th anniversary of the Company to all persons having an employment relationship with the Company or working under a management contract at the date of taking this decision, the bonus will be at the expense of the Company's own shares. The proposal of the Board of Directors included in the agenda items contains detailed information on how to determine the number of shares to be given to each person. The GMS empowers the Chairman of the Board of Directors and the Executive Director to perform all necessary actions for the final transfer from the Company of the shares provided as a bonus to the employees.

On 25 June 2018 Sopharma AD received approval from the FSC of the Contract for Transformation through merger of Unipharm AD into Sopharma AD as well as the reports of the management bodies and the reports of the auditors. The fair value of the shares of the companies involved in the transformation is determined on the basis of generally accepted valuation methods. Based on the fair price of the shares of the companies involved in the transformation, a replacement ratio of 0.957502 is formed, which means that one share of the Transforming Company Unipharm AD should be replaced by 0.957502 shares of the Receiving Company Sopharma AD from the redemption shares, which the Receiving Company has. All the terms of the transformation are described in detail in the Contract for Transformation through merger and the reports of the management bodies to be approved by the GMS of the two companies. The convocation procedure of the GMS of the two companies is launched and the two meetings are expected to take place on 1 August 2018.

Sopharma AD informs all interested parties that the interim financial statements of the Company as at 30 June 2018 have not been verified by a registered auditor.



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Ognian Donev  
Executive director