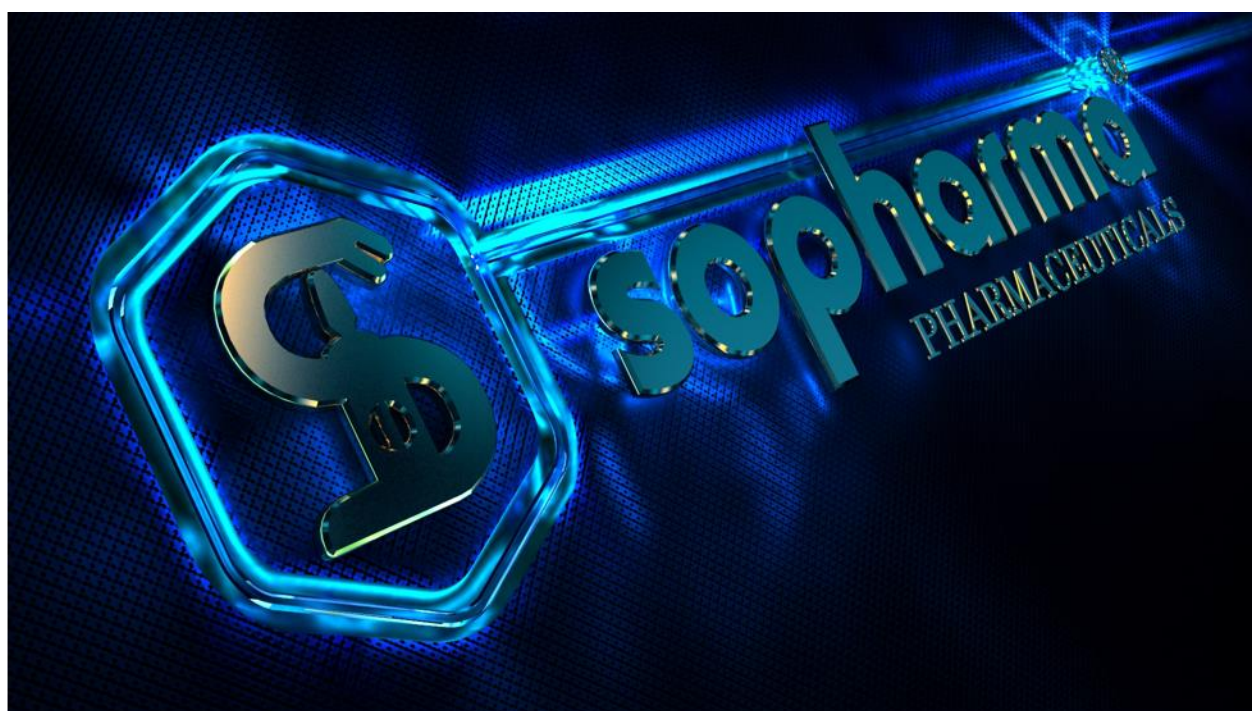


MANAGEMENT REPORT

Q1 2017



SOPHARMA GROUP

30 May 2017

I. General information about Sopharma Group

1. Main activities

Sopharma Group (the Group) is a leading Bulgarian producer, exporter and local distributor of pharmaceutical products with a strong presence in Eastern and South-eastern Europe, offering a wide range of prescription medicines and OTC products.

The Group operates in the following areas:

- production of pharmaceutical products including medicines, primarily generics, herbal-based substances and food supplements, which is primarily done by Sopharma Group (the Group) and to a lesser extent by its production subsidiaries including Unipharm AD and Medika AD in Bulgaria, and PAT Vitamins in Ukraine;
- distribution of pharmaceuticals, medical supplies, sanitary materials, vitamins, food supplements and cosmetics, which is mainly performed by Sopharma Trading in Bulgaria, Briz SIA in the Baltic region, and Brittrade SOOO in Belarus;
- production and distribution of non-pharmaceutical products, primarily medical supplies such as syringes and other disposables used in medicine, which is mainly performed by Momina Krepost AD, and other complementary activities to the production of pharmaceutical products and distribution of pharmaceutical products.

2. Registration of the Group

Sopharma Group is a Group registered in Bulgaria under the Provisions of the Commercial Act, with its registered office in Sofia, 16Iliensko shose str.

Sopharma Group was established in 1933. The court registration of the Group is from 15.11.1991, decision №1 / 1991 of Sofia City Court. Sopharma Group is a public Group under the Public Offering of Securities Act.

The Group conducts the production and marketing of medicinal substances and dosage forms; research, engineering and implementation activities in the field of phytochemistry, chemistry and pharmacy. Sopharma Group provides services related to production, as well as to ancillary and supporting activities.

The Group has marketing authorizations under the Law on Medicines and Pharmacies in Human Medicine for all products of its manufacturing portfolio.

3. Controlled companies

Sopharma Group consists of Sopharma Group and 48 legal entities, including 39 subsidiaries, directly or indirectly controlled by the Group, 7 joint ventures, and 2 associated companies.

Sopharma Group

Group	Interest as at 31.03.2017 in %
Sopharma Trading AD, Sofia, Bulgaria	72.58
Biopharm Engineering AD, Sliven, Bulgaria	97.15
Pharmalogistica AD, Sofia, Bulgaria	89.39
Elektroncommerce EOOD, Sofia, Bulgaria	100.00
Sopharma Buildings REIT, Sofia, Bulgaria	40.39
Momina Krepost AD, Veliko Tarnovo, Bulgaria*	93.54
Unipharm AD, Sofia, Bulgaria	77.88
Phyto Palauzovo AD, Kazanluk, Bulgaria**	95.00
Sopharmacy EOOD, Sofia, Bulgaria**	72.58
Sopharmacy 2 EOOD, Sofia, Bulgaria**	72.58
Sopharmacy 3 EOOD, Sofia, Bulgaria**	72.58
Sopharmacy 4 EOOD, Sofia, Bulgaria**	72.58
Sopharmacy 5 EOOD, Sofia, Bulgaria**	72.58
Sopharmacy 6, EOOD, Sofia, Bulgaria**	72.58
Sopharmacy 7, EOOD, Sofia, Bulgaria**	72.58
Medica AD, Sofia, Bulgaria	97.96
Medica-Zdrave EOOD, Sofia, Bulgaria** (in process of liquidation)	97.96
Veta Pharma AD, Veliko Tarnovo, Bulgaria	68.05
PAO Vitamini, Uman, Ukraine	99.56
Sopharma Poland LLC, Warsaw, Poland in Liquidation	60.00
Sopharma Warsaw Sp. z. o. o, Warsaw, Poland	100.00
Sopharma Trading d.o.o. Belgrade	72.58
BRIZ ZAO, Riga, Latvia	66.13
Brititrade SOOO, Minsk, Belarus**	52.90
Tabina SOOO, Minsk, Belarus **	62.82
Brizpharm SOOO, Minsk, Belarus**	46.13
Alean ODO, Minsk, Belarus**	62.96
Sopharma Ukraine, Kiev, Ukraine	100.00
Vivaton OOO, Grodno, Belarus***	50.00
OOO Med-dent, Bobruisk, Belarus***	50.00
OOO Pharmacist Plus, Minsk, Belarus**	42.98
Vestpharm ODO, Grodno, Belarus **	62.96
NPK Biotest OOO, Grodno, Belarus **	-
BelAgroMed ODO, Grodno, Belarus **	62.96
BOOO SpetzApharmacia, Bobruisk, Belarus***	50.00
ZAO TBS Pharma, Vilnius, Lithuania**	33.73
OOO Bellerofon, Minsk, Belarus***	50.00
TOO Sopharma Kazakhstan, Almaty, Kazakhstan	100.00
ZAO Interpharm, Vitebsk, Belarus***	50.00

Group	Interest as at 31.03.2017 in %
OOO Ivm and K, Minsk, Belarus***	50.00
OOO Ariens, Polotzk, Belarus***	50.00
OOO Danapharm, Brest, Belarus**	48.94
OOO Galenapharm, Pinsk, Belarus**	48.94
ODO Medjel, Minsk, Belarus**	48.94
ODO Alenpharm-Plus, Belarus**	48.94
OOO Pharmateia, Minsk, Belarus***	22.39
OOO Mobil Line, Borisov, Belarus**	48.94
ODO Salius Line, Grodno, Belarus**	48.74

*effective interest in percent

**indirect interest

***joint venture

4. Management board

Sopharma Group has a one tier management system with a Board of Directors of five members as follows: Ognian Donev, PhD - Chairman and members Vessela Stoeva, Alexander Tchaushev, Andrey Breshkov and Ognian Palaveev. The Group is represented and managed by the Executive Director Ognian Donev, PhD.

Members of the key management personnel of the Group include the disclosed in Note №1 Executive Director and members of the Board of Directors of the Group. Additionally, it includes the executive directors, the board of directors and the managers of subsidiaries of the Group.

5. Shareholder structure as at 31 March 2017



6. Employees

As at 31.03.2017, the average number of employees of Sopharma Group is 4 387 (compared to 4 543 in 2016). The average number of employees of Sopharma AD as at 31.03.2017 is 1842 (at 1 853 in 2015) and of Sopharma Trading AD is 743 (compared to 728 in 2016).

The training programs offered to employees of the Company aim to develop employee competencies. The training policy is specifically aimed at providing high professional knowledge as well as in relation to the requirements for health and safety at work.

Employees are entitled to the higher additional remuneration required by applicable law on overtime, night shifts and work on Saturdays, Sundays and holidays. Employees who work under specific, harmful or dangerous conditions receive personal protective equipment and allowances.

II. Recent developments

1. Industrial activity

Sopharma Group has twelve manufacturing facilities, which are compliant with EU regulations and are located in Bulgaria and one facility in the Ukraine certified and acknowledged by the local authorities and all countries from the CIS. With the exception of the facility in the Ukraine all other facilities have been examined and certified according to the EU GMP.

The production activities of the Group are carried out and developed in the following areas:

- Production of pharmaceutical products;
- Substances and preparations based on vegetable raw materials (phytochemical production);
- Veterinary vaccines;
- Infusion solutions;
- Concentrates for hemodialysis;
- Medical disposable products for human and veterinary medicine;
- Injection molded products for the industry, agriculture and households.

The Company has a portfolio of more than 210 products: mainly generics and 15 original products, of which 12 products are phyto-based. The original products of the Group (and in particular Carsil and Tempalgin) are key contributors to its revenue from export markets, while for the domestic sales the most important products are generics, of which the leading drug is Analgin.

2. Distribution

Sopharma Trading

The company is a leading distributor of pharmaceutical products and cosmetics in Bulgaria with a market share of pharmaceutical products of 21% (according to IMS). Sopharma Trading is the only distributor on the Bulgarian market of particular pharmaceutical products for several leading international pharmaceutical and other companies the field of healthcare such as Amgen, Astra Zeneca, GE Healthcare, Johnson and Johnson, Abbot Diagnostics, Hartmann, Novartis and Novo Nordisk.

The Group offers more than 10 000 products (particularly pharmaceutical products, medical equipment and devices, accessories, cosmetics, vitamins and food supplements) in its portfolio, including the brands of Sopharma, and holds exclusive rights for Bulgaria over brands of strategic partners such as Aboca, Colief, Jamieson, Planter's, Premax, Skincode, SVR Laboratories, US Pharmacia and Wyeth, specialized services (such as software solutions for pharmacies and advice and consulting services) and national logistics services. Sopharma Trading cooperates with more than 400 partners and over 3 000 clients.

3. Revision of the activities of the Group and the main risks it faces (art. 39, item 1 of the Accounting Law)

Risks relating to the Group's business and the industry the Group operates in

- ✚ The Group faces significant competition.
- ✚ Reputation of the Group may be adversely affected by untrue or misleading information available on websites containing the name "Sopharma", including www.sopharma.com, which have not been authorized by the Group.
- ✚ The Group is dependent on regulatory approvals.
- ✚ Government regulations affecting the Group's business may change, thus possibly increasing compliance costs or otherwise affecting its operations.
- ✚ Part of the Group's revenues, in particular in Bulgaria, depend on the inclusion of the Group's medicines on reimbursement lists.
- ✚ The Group's production facilities and processes are subject to strict requirements and regulatory approvals that may delay or disrupt the Group's operations.
- ✚ The Group's ability to pay dividends depends on a number of factors and there can be no assurance that the Group will be able to pay dividends in accordance with its dividend policy or at all in any given year.
- ✚ The Group is subject to operational risk, which is inherent to its business activities.
- ✚ The Group is subject to numerous environmental and health and safety laws and regulations and is exposed to potential environmental liabilities.
- ✚ Litigation or other out-of-court proceedings or actions may adversely affect the Group's business, financial condition and results of operations.

Risks relating to Bulgaria and other markets in which the Group operates

- ✦ The macroeconomic environment, particularly in Bulgaria, Russia and Ukraine, has a significant effect on the Group's operations and position.
- ✦ The political environment in Bulgaria has a significant effect on the Group's operations and financial condition.
- ✦ The political environment in the Group's export markets, especially in Russia and Ukraine, has a significant effect on the Group's operations and financial condition.
- ✦ Risks related to the Bulgarian legal system.
- ✦ Developing legal frameworks in some countries in which the Group sells its products, in particular Russia and Ukraine, may negatively impact the Group's operations in such countries.
- ✦ Risks relating to exchange rates and the Bulgarian Currency Board.
- ✦ Interpretations of tax regulations may be unclear and tax laws and regulations applicable to the Group may change.

Currency risk

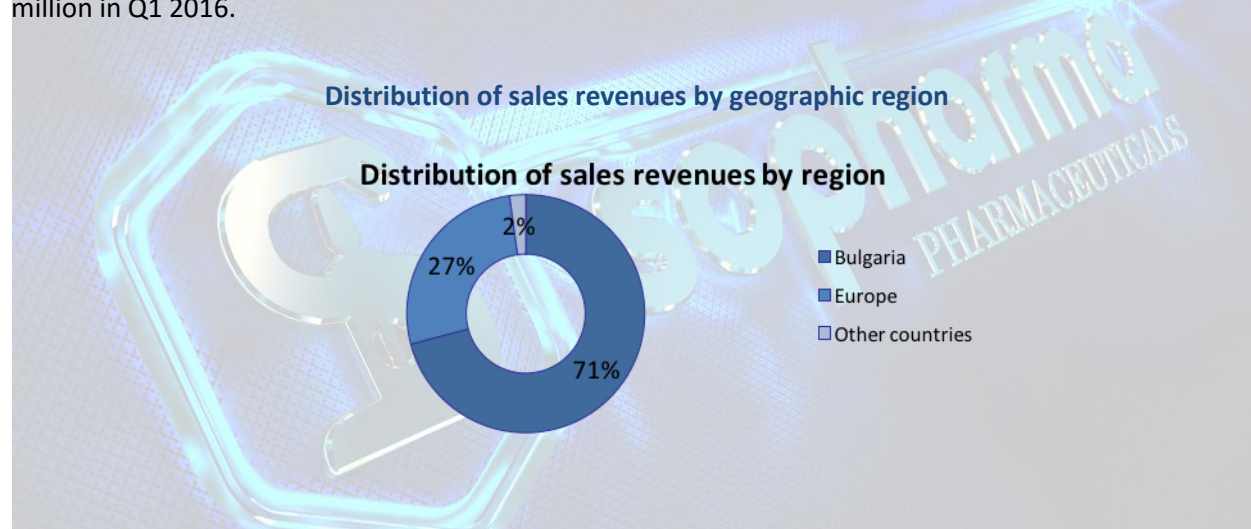
The Group performs its activities with an active exchange with foreign suppliers and clients. Therefore, it is exposed to currency risk mainly in respect of USD. The Group supplies part of its raw and other materials in USD. The currency risk is related with the adverse floating of the exchange rate of USD against BGN in future business transactions as to the recognized assets and liabilities denominated in foreign currency and as to the net investments in foreign companies. The remaining part of Group operations are usually denominated in BGN and/or EUR. The Group sells some of its finished products in Russia in euro and thus eliminates the currency risk associated with the depreciation of the Russian ruble in the recent months. The accounts with subsidiaries in Ukraine are also denominated in euro. However, in connection with the instability in the country and the continued depreciation of the Ukrainian hryvnia, in order to minimize currency risk, the Group conducts through its subsidiaries a currency policy, which includes the implementation of advance payments and shortening of the periods of delayed payments and immediate exchange of revenues in local currency in euros, as well as raising of the price mark-ups on products in order to compensate for possible future devaluation of the hryvnia. To control foreign currency risk, the Group has introduced a system for planning import supplies, sales in foreign currency as well as procedures for daily monitoring of US dollar exchange rate movements and control on pending payments.

4. Analysis of the activities

Indicator	1-3/2017 BGN '000	1-3/2016 BGN '000	Change %
Revenues from sales	239 728	215 812	11,1%
EBITDA	28 700	22 237	29,1%
Operating profit	21 466	15 437	39,1%
Net profit	18 184	10 364	75,5%
CAPEX	4 127	5 362	-23,0%

	31.03.2017	31.03.2017	
	BGN '000	BGN '000	
Non-current assets	417 268	416 599	0,2%
Current assets	441 088	442 622	-0,3%
Owners' equity	509 437	491 223	3,7%
Non-current liabilities	51 144	53 842	-5,0%
Current liabilities	297 775	314 156	-5,2%

Revenue from sales of the Group increase by BGN 23.9 million or 11%, reaching BGN 239.7 million in Q1 2017 compared to BGN 875 million in Q1 2016. Sales of goods increased by BGN 16.6 million or 11%, reaching BGN 174.3 million in Q1 2017 compared to BGN 157.7 million in Q1 2016. Sales of finished products increase by 7.3 million BGN, or 13%, to BGN 65.4 million in Q1 2017 compared to BGN 58.1 million in Q1 2016.



The contribution of sales in Bulgaria to the consolidated sales revenue in Q1 2017 amounted to 71%, increasing by 8% compared to the same period of 2016. Sopharma has a 4% share of the Bulgarian pharmaceutical market in terms of value and a 14% share in terms of sold quantity (units). The positions of the main competitors of the Company in the country are as follows: Novartis – 7% (4% in units), Roche – 6% (0.3% in units), Actavis – 5% (11% in units), GlaxoSmithKline – 4% (2% in units), Sanofi-Aventis – 4% (3% in units), Astra Zeneca – 3% (1% in units), Bayer – 3% (2% in units).

Sales by type of formulation

The types of formulation with the highest share in the volume of sales are tablet forms, followed by ampoules, syrups, unguents, lyophilic products and others.

Revenue earned from sale of finished products	1-3/2017	1-3/2016	change
	BGN '000	BGN '000	%
Tablet dosage forms	43 215	36 226	19%
Ampoules	9 087	9 149	-1%
Unguents	3 173	1 655	92%
Syrups	2 918	2 358	24%
Consumables, dressing materials and apparatuses Drops	1 888	-	-
Lyophilic products	1 710	2 183	-22%
Inhalers	798	588	36%
Drops	328	894	-63%
Syringes	2 277	5 064	-55%
Other	65 394	58 117	13%
Total	231 713	246 861	-6%

Revenue earned from sale of goods	2016	2015	Change
	BGN '000	BGN '000	
Tablets	84 489	72 678	16%
Ampoules	44 515	45 414	-2%
Syrups	13 103	10 008	31%
Drops	8 018	8 310	-4%
Consumables, dressing materials and apparatuses	6 061	6 152	-1%
Herbs and food additives	5 775	2 596	122%
Cosmetic products	4 447	4 200	6%
Unguents	3 002	2 281	32%
Others	4 924	6 056	-19%
Total	174 334	157 695	11%

Other operating revenues

Other revenues	1-3/2017	1-3/2016	change	Relative
	BGN '000	BGN '000	%	%
Services rendered	4 823	7 160	-33%	51%
Net profits(losses) from exchange rate differences under Government financing	1 187	1 037	14%	13%
Rentals	297	(14 257)	-107%	11%
Services related to social activities and events	837	795	5%	9%
Income from sales of LTA	792	942	-16%	8%
Other (see Notes to the financial statements)	372	36	933%	4%
Total other operating income	9 483	(2 678)	454%	100%

Other operating income increase by BGN 2.3 million, reaching BGN 2 million in Q1 2017, compared to BGN (0.3) million in the first quarter of 2016 due to a decrease in net losses from exchange rate differences under trade receivables and payables and current accounts by BGN 3 million.

Operating expenses

Operating expenses	1-3/2017	1-3/2016	change	relative share of expenses in 2016
	BGN '000	BGN '000	%	%
Changes in inventories of finished goods and work in	(3 877)	(6 694)	42%	-2%

Sopharma Group

Materials	24 999	23 342	7%	11%
Hired services	13 710	12 443	10%	6%
Personnel	22 737	20 915	9%	10%
Depreciation and amortization	7 234	6 800	6%	3%
Carrying amount of goods sold	153 985	141 564	9%	70%
Other operating expenses	1 438	1 660	-13%	1%
Total	220 226	200 030	10%	100%

Operating expenses in Q1 2017 increased by BGN 20.2 million or by 10% from BGN 200 million in 2016 to BGN 220.2 million in Q1 2017. The change is a consequence of growth of sales and, respectively, of the carrying amount of goods sold by the group, an increase in the cost of materials, hired services, personnel costs, depreciation and other costs.

The cost of materials (with a 6% share) is reduced by BGN 1.7 million or 7% to BGN 25 million in Q1 2017 compared to BGN 23.3 million in Q1 2016. The cost of basic materials increased by BGN 0.9 million or by 5%, the most significant impact being reported for the costs of substances, packaging materials, liquid and solid chemicals and herbs, which increase by BGN 0.4 million, BGN 0.1 million, BGN 0.2 million. The increase is reported for the costs of electricity and auxiliary materials, while the decrease is related to the costs of heating, fuels and lubricants and others.

Other operating expenses (with a 1% share) decreased by 0.2 million or 13% from BGN 1.87 million in Q1 2017 to BGN 1.4 million in Q1 2016. The business events, rejects and missing goods, training etc. decrease.

Depreciation costs (with a 3% share) increased by BGN 0.4 million or 6% from BGN 6.8 million in Q1 2016 to BGN 7.2 million in Q1 2017.

Finance income	1-3/2017	1-3/2016	change	relative
	BGN '000	BGN '000	%	%
Interest income on overdue commercial receivables	953	707	35%	79%
Interest income on granted loans	238	518	-54%	20%
Interest on receivables on special contracts	12	22	-45%	1%
Interest income on bank deposits in securities	2	12	-83%	0%
Net gain from operations with investments	-	43	-100%	0%
Total	1 205	1 302	-7%	100%
Finance costs			change	relative
Interest expenses on loans	8 831	8 868	0%	69%
Net loss on exchange rate differences on loans in foreign	859	834	3%	7%
Bank fees on loans and guarantees	1 074	4 637	-77%	8%
Impairment on commercial loans granted	542	-	-	4%

Sopharma Group

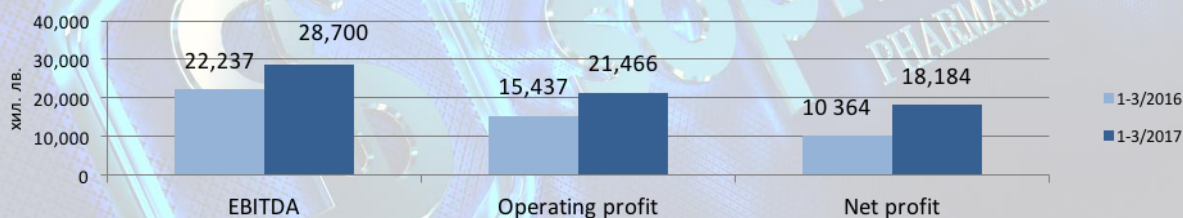
Derivatives effects	341	409	-17%	3%
Factoring interest costs	953	-	-	7%
Interest expense on finance lease	109	-	-	1%
Total	12 721	21 640	-41%	100%

Financial revenues decreased by BGN 0.1 million to BGN 1.2 million in the first quarter of 2017. Compared to BGN 1.3 million in the first quarter of 2016. There is an increase in interest receivable on arrears of trade receivables by BGN 2 million. Deficit registered interest income on loans granted by BGN 0.3 million.

Financial expenses decreased by BGN 1.5 million from BGN 3.9 million in the first quarter of 2016 to BGN 2.4 million in the first quarter of 2017. The most significant decrease is reported for net loss on exchange rates Differences in loans in foreign currency by BGN 1.4 million. Interest on borrowings decreased by BGN 0.3 million.

Net financial revenues (expenditures) increased by BGN 1.4 million to BGN (1.2) million as at 31 March 2017 against BGN (2.6) million at 31.03.2017.

Financial result



Profit before interest, taxes and depreciation (EBITDA) increased by BGN 6.5 million or 29%, compared to BGN 22,237 million in the first quarter of 2016 compared to 28,700 million in the first quarter of 2017.

Profit from operating activities increased by BGN 6 million or 39% to BGN 21.5 million in the first quarter of 2017, compared to BGN 15.4 million in the first quarter of 2016. Net profit increased by BGN 7.8 million or 75% to BGN 18.2 million in the first quarter of 2017 compared to BGN 10.4 million in the first quarter of 2016.

Assets

	31.03.2017 BGN '000	31.12.2015 BGN '000	change %	2016 %
Non-current assets				
Property, plant and equipment	318 000	321 215	-1%	76%
Intangible assets	34 525	34 601	0%	8%
Goodwill	9 885	9 885	0%	2%
Investment property	9 754	9 483	3%	2%
Investments in associated companies and joint ventures	19 196	18 715	3%	5%

Sopharma Group

Available-for-sale investments	5 668	5 721	-1%	1%
Long-term receivables from related parties	13 529	10 028	35%	3%
Other long-term receivables	4 071	4 149	-2%	1%
Deferred taxes	2 640	2 802	-6%	1%
	417 268	416 599	0,2%	49%
Current assets				
Inventories	167 717	171 791	-2%	38%
Trade receivables	219 190	215 583	2%	50%
Receivables from related parties	14 536	14 982	-3%	3%
Other receivables and prepayments	15 376	17 727	-13%	3%
Cash and cash equivalents	24 269	22 539	8%	6%
	441 088	442 622	-0.3%	51%
TOTAL ASSETS	858 356	859 221	0,1%	100%

Total assets decreased by BGN 0.9 million or by 0.1%, from BGN 859.2 million as of 31.03.2017 to BGN 858.3 million as at 31 March 2017, This is a consequence of a decrease in current assets.

Non-current assets increased by BGN 0.7 million or by 0.2%, mainly due to an increase in long-term receivables from related enterprises, which increased by BGN 3.5 million or by 35% To BGN 13.5 million, with long-term loans being granted to an associate.

Current assets decreased by BGN 1.5 million or 0.3%, to BGN 441.1 million as of 31.03.2017, compared to BGN 442.6 million as of 31.03.2017.

Inventories decreased by BGN 4.1 million compared to 31.03.2017.

Trade receivables increased by BGN 3.6 million in the provided advances, net of BGN 6.1 million. Decrease of receivables from customers, net of BGN 2.5 million.

Receivables from related enterprises decreased by BGN 0.5 million, mainly in receivables from sales of products and materials by BGN 0.2 million and provided commercial loans by BGN 0.3 million.

Cash and cash equivalents increased by BGN 1.5 million as compared to 31.03.2017 and deposits amounting to BGN 2 million were provided at the end of the period.

Liabilities and owners' equity

EQUITY	31.03.2017	31.12.2015	change	From owners
Equity attributable to owners of the parent	BGN '000	BGN '000	%	%
Share capital	134 798	134 798	0%	26%
Reserves	62 724	62 708	0%	12%
Retained earnings	276 777	259 984	6%	54%
	474 299	457 490	4%	93%
NON-CONTROLLING INTEREST	35 138	33 733	4%	7%
TOTAL EQUITY	509 437	491 223	4%	100%

	31.03.2017	31.12.2015	change	% total
	BGN '000	BGN '000	%	
LIABILITIES				
Non-current liabilities				
Long-term bank loans	23 829	25 924	-8%	7%
Deferred tax liabilities	11 679	11 752	-1%	3%
Long-term liabilities to personnel	4 539	4 539	0%	1%
Finance lease liabilities	2 273	2 582	-12%	1%
Government grants	8 768	9 011	-3%	3%
Other non-current liabilities	56	34	65%	0%
	51 144	53 842	-5%	15%
Current liabilities				
Short-term bank loans	157 944	170 842	-8%	45%
Current portion of long-term bank loans	9 254	9 478	-2%	3%
Trade payables	86 867	92 053	-6%	25%
Payables to related parties	817	566	44%	0%
Payables on contract for factoring	19 977	20 033	0%	6%
Payables to the personnel and for social security	10 959	10 093	9%	3%
Tax payables	6 614	5 949	11%	2%
Other current liabilities	5 343	5 142	4%	2%
	297 775	314 156	-5%	85%
TOTAL LIABILITIES	348 919	367 998	-5%	100%
TOTAL EQUITY AND LIABILITIES	858 356	859 221	-0.1%	

The equity of Sopharma Group increased by BGN 18.2 million as compared to 31.03.2017 mainly due to an increase in retained earnings. The non-controlling interest is increased by BGN 1.4 million. The equity related to the equity holders of the Company holds 55% of the total equity and liabilities, and there is some improvement in the financial autonomy of the Group. It increased by BGN 16.8 million mainly due to retained earnings.

Non-current liabilities decreased by BGN 2.7 million or 5%, from BGN 53.8 million at the end of 2016 to BGN 51.1 million at the end of the first quarter of 2017, mainly from a decrease in long- bank loans to 2.1 million. lev.

Current liabilities decreased by BGN 16.4 million or by 5% compared to the end of 2016, mainly due to the decrease of short-term loans by banks by BGN 12.9 million, short-term part of long-term bank loans by BGN 0.2 million and trade payables 5.2 million also increased liabilities to employees and social security by 0.9 million. BGN and other current liabilities BGN 0.2 million. Total liabilities bank loans, leasing and factoring of the Group decreased by BGN 15.6 million. against the end of 2016, while net debt after deducting cash and cash equivalents nth decreased by BGN 17.3 million.

Ratios

	31.03.2017	31.12.2015
ROE	13,0%	5,5%
ROA	6,8%	2,7%
Asset turnover	1,07	1,03
Current liquidity	1,48	1,39
Quick ratio	0,92	0,87
Cash/current liabilities	0,08	0,08
Owners' equity/liabilities	1,46	1,21

1 Net profit on an annual basis attributable to equity holders of the Company / arithmetic mean of non-minority interest for the last five quarters

2 Net profit on an annual basis attributable to equity holders of the Company / arithmetic mean of total assets for the last five quarters

3 Revenue from sales on an annual basis / arithmetic mean of total assets over the last five quarters

4 Current assets / current liabilities

5 Receivables + Cash / Current liabilities

6 Cash / Current liabilities

7 Own capital / Liabilities

Cash flow

	31.03.2017 BGN '000	31.12.2015 BGN '000
Net cash flow from/(used in) operations	(11 413)	(12 904)
Net cash flow used in investment activities	(6 794)	(5 778)
Net cash flow (used in)/from financial operations	19 939	20 357
Net increase/(decrease) of cash and cash equivalents	1 732	1 675
Cash and cash equivalents on 1 January	22 339	23 114
Cash and cash equivalents on 31 December	24 071	24 789

The net cash flows in the first quarter of 2017 generated by operating activities amounted to BGN 11.4 million outflow, from investment activity amounted to BGN 6.8 million outflow and from financial activity were To the amount of BGN 19.9 million incoming stream. As a result of these activities, the cash and cash equivalents net increased by BGN 1.7 million and as at 31 March 2017 amounted to BGN 24.1 million compared to BGN 22.3 million at 01.01.2017.

Factoring receipts amounting to BGN 36.8 million were reported as cash flows from financing activities. As a consequence, a significant decrease in net cash flows from operating activities is recorded at the expense of an increase in net cash flows from financing activities.

New developments and products

New Products with First-Trimester Authorizations 2017

Authorizations for new product destinations Amlodipine tablets, Zondaron ampoules have been received and Analgin drops for children and Softensif 1.5 mg have been introduced. Film-coated tablets with prolonged release.

Expected 2017

By the end of 2017, it is expected that 3-5 new products will be introduced.

Developments

More than 15 production processes and technologies are in process of transfer, validation and optimization. Documentation has been submitted for new registrations of more than 10 products.

5. Important events after the date of the annual financial statements (art. 39, item 3 of the Accounting Law)

- On 5 January 2017, in the US Achieve Life Science Inc. and OncoGenex Pharmaceuticals Inc. announced a merger agreement under which OncoGenex Pharmaceuticals Inc. will acquire Achieve Life Science Inc. through of all-stock. Upon completion of the proposed merger it is expected that the shareholders of Achieve Life Science Inc. will own 75% of the outstanding shares of the combined Group, while current shareholders of OncoGenex Pharmaceuticals Inc. will own the remaining 25% of the outstanding shares. The agreement is submitted for approval by the Securities and Exchange Commission (SEC). After its approval the combined Group will be renamed Achieve Life Sciences Inc. and will be recorded in the NASDAQ. As a result of the above - mentioned actions Sopharma will own 423 000 shares (3.525%) of the capital of Achieve Life Science Inc..
- On 1 February 2017, pursuant to Art. 151, para. 3 of POSA, Sopharma Group submitted a revised offer under Art. 149, para. 6 of POSA to purchase shares of the remaining shareholders of Unipharm price of 4.35 BGN per share. Sopharma Group as a tender offeror states that it does not 1 342 234 shares, representing 22.37% of total ordinary shares ISIN code BG1100154076 from the shares with voting rights in the General Meeting of Shareholders of Unipharm AD and makes this offer to the remaining shareholders for their acquisition. At the date of issue of this report the Financial Supervision Commission (FSC) has not taken a position on the tender offer.
- On 31 January 2017 the Contract for merger, as well as reports of the management bodies of the companies involved in the transformation of the Group under art. 262i of the CA and the report of the examiner under art. 262m of the CA for transformation through merger between Sopharma Group, Sofia, UIC 831902088 and Medica AD, Sofia, UIC 000000993 were filed with the FSC for approval pursuant to art. 124, par. 1 of the Public Offering of Securities Act (POSA). As a result of the merger, all assets of Medica AD shall be transferred to Sopharma Group and the latter shall become its legal successor. Medica AD shall be terminated without

liquidation. On 20 March 2017 Sopharma Group, Sofia, UIC 831902088 and Medica AD, Sofia, UIC 000000993 signed an annex to the Contract for transformation through merger reflecting the comments by the FSC. All documents will be filed with the FSC for approval pursuant to art. 124, par. 1 of the Public Offering of Securities Act (POSA) after an independent certified evaluator prepares a report. As a result of the merger, all shareholders of the transferring Group Medica AD, with the exception of the receiving Group Sopharma Group, which is also a shareholder of the transferring Group, will receive shares of Sopharma Group and become shareholders of it. Against one share of Medica AD each shareholder pursuant to art. 261b, app. 1 of the CA shall receive 0.8831 treasury shares of the capital of Sopharma Group. All other conditions concerning the merger procedure are included in the Contract. The two companies are about to vote the merger on their respective AGMs.

- On February 22, 2017, the deletion of Medica - Health Ltd in the Commercial Register of the Registry Agency
- On 04.04.2017 a contract was signed for the sale of the Group's participation through the subsidiary SEA Briz, Latvia in the amount of 50% in the joint venture ООО Виватон плюс, Belarus. Under the terms of the contract, the transaction should be finalized within 30 days of the date of its conclusion.
- On 05.04.2017 Sopharma AD received a decision of the CPC that the acquisition by Sopharma AD of shares of the capital of Doverie United Holding AD at this stage is not subject to prior notification under Art. 24, para. 2 of the LPC. Sopharma AD will take appropriate action in reaching the established thresholds requiring a tender offer to the other shareholders of Doverie United Holding AD.
- On April 18, 2016, Sopharma AD announced that the Company acquired 51% of the capital of the Moldovan distributor of medicinal products RAP Pharma International after obtaining permission from the Moldovan Competition Commission to realize the acquisition
- On 18.04.2017, the Group acquires an additional 50% of the shares in ZAO Interfarm, Belarus through its subsidiary SOOO Britetrade, Belarus, as a result of which it acquires control of the company.
- Sopharma Trading AD entered in the Commercial Register a subsidiary under the name of Sofarmacy 7 EOOD, with headquarters in Sofia, Izgrev District, 5 Lachezar Stanchev Str., Sopharma Business Towers Building A, 12th floor. The company will operate under UIC 204501313 and its manager is Valeria Vidulova-Kaneva.
- The Board of Directors, pursuant to art. 223 of the Commercial Act /CA/ and art. 115 of the Public Offering of Securities ACT /POSA/, convenes an Extraordinary Meeting of Shareholders of Sopharma Group, which shall be held on 24 April 2017 at 11:00 at the Group's headquarters in

Sofia, at: 5 Lachezar Stanchev Str., Building B and in the absence of quorum on 8 May 2017 at the same place, the same time and with the same agenda:

1. Approval of Substantiated report by the Board of Directors for transactions under art. 114, par. 1 of POSA; Draft decision: EGM approves the Substantiated report, prepared by the Board of Directors, for transactions under art. 114, par. 1 of POSA, with the participation of the public Group SOPHARMA GROUP.

2. Authorization of the Board of Directors of the Group to conclude a contract for provisioning of collateral in the form of a corporate guarantee in the form of a mortgage on a real estate owned by Sopharma Group and a special pledge on machines and equipment, as a collateral under a contract with a Financial Institution (Raiffeisenbank Bulgaria) for an investment credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter One of the Substantiated report; Draft decision: EGM authorizes the Board of Directors of the Group to conclude a contract for provisioning of collateral in the form of a corporate guarantee according to the terms and conditions, listed in Chapter One of the Substantiated report, i.e. conclude a contract for provisioning of collateral in the form of a corporate guarantee in the form of a mortgage on a real estate owned by Sopharma Group and a special pledge on machines and equipment, as a collateral under a contract with a Financial Institution (Raiffeisenbank Bulgaria) for an investment credit provided to the subsidiary Sopharma Trading AD.

3. Authorization of the Board of Directors of the Group to conclude a contract as a co-debtor for a contract between a Financial Institution (Raiffeisenbank Bulgaria) for an investment credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1, item 2 of POSA, according to Chapter Two of the Substantiated report; Draft decision: EGM authorizes the Board of Directors of the Group to conclude a contract as a co-debtor for a contract between a Financial Institution (Raiffeisenbank Bulgaria) for an investment credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1, item 2 of POSA, according to Chapter Two of the Substantiated report.

4. Authorization of the Board of Directors of the Group to conclude a contract as a co-debtor with a Financial Institution (DSK Bank Bulgaria) for an overdraft credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1, item 2 of POSA, according to Chapter Three of the Substantiated report; Draft decision: EGM authorizes the Board of Directors of the Group to conclude a contract as a co-debtor with a Financial Institution (DSK Bank Bulgaria) for an overdraft credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1, item 2 of POSA, according to Chapter Three of the Substantiated report.

5. Authorization of the Board of Directors of the Group to conclude a contract as a co-debtor with a Financial Institution (Societe Generale Expressbank Bulgaria) for an investment credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter Four of the Substantiated report; Draft decision: EGM authorizes the Board of Directors of

the Group to conclude a contract as a co-debtor with a Financial Institution (Societe Generale Expressbank Bulgaria) for an investment credit provided to the subsidiary Sopharma Trading AD – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter Four of the Substantiated report.

6. Authorization of the Board of Directors of the Group to conclude a contract for rent of real estate as a tenant with Sopharam Properties REIT as a renter – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter Five of the Substantiated report; Draft decision: EGM authorizes the Board of Directors of the Group to conclude a contract for rent of real estate as a tenant with Sopharam Properties REIT as a renter – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter Five of the Substantiated report.

7. Authorization of the Board of Directors of the Group to conclude a contract for trade of medicinal products with the subsidiary Sopharma Kazakhstan AD – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter Six of the Substantiated report; Draft decision: EGM authorizes the Board of Directors of the Group to conclude a contract for trade of medicinal products with the subsidiary Sopharma Kazakhstan AD – a transaction within the scope of art. 114, par. 1 of POSA, according to Chapter Six of the Substantiated report.

- Sopharma Trading AD has reached agreement and agreement to acquire PharmaStor pharmacies with the intention of their subsequent joining Sopharmacy's family. The merger of SOpharmacy and PharmaStor will provide a stronger market position for the two chains so that they can meet the increasing needs of Bulgarian patients for quality health services. The merger will also bring a larger scale for the operations of Sopharma Trading AD in the retail segment of the pharmacy market. The acquisition is subject to prior approval by the Commission for the Protection of Competition.
- On April 24, 2017, an Extraordinary General Meeting of Shareholders of Sopharma Trading AD took place, where decisions were taken to empower the Board of Directors of the Company to conclude the transaction from the scope of Art. 114, para. 1, item 2 of the Public Offering of Securities Act, under the conditions and within the terms, according to Section I, II and III of the Motivated Report, prepared by the Board of Directors, as well as approval of the Motivated Report of the Board of Directors under Art. 114a, para. 1 of the Public Offering of Securities Act regarding the expediency and conditions of transactions from the scope of Art. 114, para. 1 of POSA.
- The Group acquires an additional 50% of the shares in ZAO Interfarm, OO Vivaton Plus, acquiring control of these companies.
- Pursuant to Art. 100k., Para. 1 of the Public Offering of Securities Act, please be informed that on 25.04.2017 Sopharma AD received approval of the Financial Supervision Commission of the Contract for transformation by merger and an additional agreement with it from 20.03.2017,

signed on 31.01.2017 between "SOPHARMA" AD, hereinafter referred to as "Receiving Company" and "MEDICA" AD, hereinafter referred to as "Transforming Company", in accordance with the requirements of Art. 262e and ff of the Commercial Law as a result of which all the assets of Medica JSC will be transferred to Sopharma AD and the latter will become its successor. Medica AD will cease without liquidation. The Financial Supervision Commission also approved the reports of the management bodies of the two companies prepared in accordance with the provisions of Art. 262 and of the Commerce Act and the record of the appointed examiners of the participants in the transformation under Art. 262m of the Commercial Law. As a result of the merger, all shareholders of the transforming Medica AD, with the exception of the receiving company Sopharma AD, which is also a shareholder in the transforming company, will acquire shares in the capital of Sopharma AD and become shareholders in it. Against each of its shares by Medica AD each shareholder of the company on the grounds of Art. 261b, ap. 1 of the Commercial Code will acquire 0.8831 of the repurchased shares of the capital of Sopharma AD. A vote on the transformation of the GMS of the two companies is forthcoming. Please, on the grounds of Art. 100k, para. 1 of the Public Offering of Securities Act to make the above information public.

- On 25 April 2017 Sopharma AD presented an adjusted tender offer under Art. 149, para. 6 of the Public Offering of Securities Act for the purchase of the shares of the remaining shareholders of Unipharm AD at a price of BGN 4,350 per share. The Financial Supervision Commission (FSC) has not taken any interest in the submitted draft tender offer.

8. Miscellaneous.

- On 2 May 2017 Medica AD presented an invitation for the convening of a regular General Meeting of Shareholders and provided materials for the general meeting of shareholders, which will take place on 02.06.2017 at 15:30 in 1756, Sofia, "Lachezar Stanchev" № 5, Sopharma Business Towers, building A, fl. 9, with the following agenda: 1. Adoption of the annual reports of the Managing Board for the activity in 2016; 2. Adoption of the annual financial statements for 2016; 3. Adoption of the report of the registered auditors who have certified the annual financial statements for 2016; 4. Adoption of the audit committee's report on its activities in 2016; 5. Adoption of the Investor Relations Director report for the 2016; 6. Discharge of the members of the Supervisory Board (SC) and the members of the Managing Board (MB) for their activities in 2016; 7. Distribution of the Company's Profit for 2016. Draft Decision: The General Meeting of Shareholders adopts a decision for the distribution of the Company's profit for 2016, namely the entire net profit of the Company for 2016 amounting to BGN 2,126,585.81 (two million one hundred and twenty six thousand five hundred and eighty five BGN and 81 st.) to be allocated to retained earnings; 8. Adoption of a decision under Art. 48, para. 5 of the Articles of Association of the Company for the payment of additional remuneration to the Executive Director; 9. Appointment of a registered auditor to certify the annual financial statements of the Company for 2017; 10. Release of the Audit Committee and election of a new Audit Committee

of the Company; 11. Approval of the status of the Audit Committee of the Company as required by Part Four of the Independent Financial Audit Act; 12 Decision on transformation by merger of MEDICA AD, UIC: 000000993 at Sopharma AD, UIC: 831902088; 13. Approval of the Contract for transformation through the merger of MEDICA AD, UIC: 000000993, in Sopharma AD, UIC: 831902088, concluded on 31 January 2017 and of Supplementary Agreement No 1 of 20 March 2017 to it ; Approving the Report of the Management of MEDICA AD under Art. 262i of T3; 15. Approval of the Auditor's Report under Art. 262m CA on the transformation by merger of MEDICA AD, UIC: 000000993, in Sopharma AD, UIC: 831902088; 16. Adoption of a decision for termination of MEDICA AD without liquidation due to its transformation through merger into Sopharma AD.

- On 2 May 2017 Sopharma Trading AD presented an invitation for the convening of a regular General Meeting of Shareholders and materials for the General Meeting of Shareholders, to be held on 02.06.2017. From 1:30 pm in Sofia-1756, Lachezar Stanchev Str., Sopharma Business Towers Building B, floor 3, with the following agenda: 1. Adoption of the annual report of the Board of Directors on the company's activities in 2016; 2. Adoption of the Annual Activity Report of the Investor Relations Director in 2016; 3. Adoption of the Audit Report for the Audit of the Annual Financial Statements of the Company for 2016 4. Approval of the Audited Annual Financial Statement of the Company for 2016.5. Adoption of the Auditor's Report on the Audit of the Company's Consolidated Annual Financial Statements for 2016 6. Approval of the Audited Consolidated Annual Financial Statements of the Company for 2016 7. Adoption of the Report of the Board of Directors under Art. 12, para. 1 of Ordinance No 48 of 20 March 2013 on the requirements for remuneration. 8. Adoption of the report of the Audit Committee for its activity in 2016. 9. Adoption of a decision for distribution of the profits of the Company realized in 2016. Proposal for a decision: The General Meeting of Shareholders approves the proposal of the Board of Directors for the distribution of the profits of The company realized in 2016: The net financial result of BGN 13,340,128.58 / thirteen million three hundred and forty thousand one hundred twenty eight and fifty and eight stotinki / is divided as follows: BGN 1 334 012.86 one million three hundred and thirty four thousand and twelve BGN and eighty-six stotinki) is included in the Reserve Fund as a 10% reserve, BGN 9,871,502.70 / nine million eight hundred seventy-one thousand five hundred and two BGN and seventy stotinki / for distribution of a monetary dividend for the shareholders, BGN 2,134,613.02 / two million one hundred and thirty four thousand six hundred and thirteen BGN and two pennies / to be transferred as an additional reserve to the company. The proposed gross dividend per share is BGN 0.30 (thirty stotinki); 10. Adoption of a decision to discharge the members of the Board of Directors for their activity in 2016; 11. Determination of the remuneration of the members of the Board of Directors for 2017; 12. Adoption of a decision for the payment of variable remuneration to the Head of Sopharma Trading AD; 13. Selection of a registered auditor of the Company for 2017; 14. Termination of the mandate of the Audit Committee of Sopharma Trading AD; 15. Election of a member of the Audit Committee of Sopharma Trading AD; 16. Approval of rules for the activity

of the Audit Committee of Sopharma Trading AD; 17. Approval of the motivated report of the Board of Directors on the expediency and conditions of transactions from the scope of art. 114, para 1 of POSA; 18. Empowering the Board of Directors of the Company to conclude transactions from the scope of Art. 114, para 1, item 2 and item 3 of the Public Offering of Securities Act, in accordance with Sections I - XVIII of the Motivated Report prepared by the Board of Directors.

- On 4 May 2017 Sopharma Buildings REIT presented an invitation to convene a regular General Meeting of Shareholders, which will take place on 05.06.2017 at 14:00 in Sofia, 5, Lachezar Stanchev Str., Sofia Business Towers with the following agenda : 1. Adoption of the Annual Report of the Board of Directors on the activities of the Company in 2016; 2. Adoption of the Annual Activity Report of the Investor Relations Director in 2016; 3. Approval of the Auditor's Report for the Audit of the Annual Financial Statements of the Company for 2016; 4. Adoption of the Audited Annual Financial Statement of the Company for 2016; 5. Adoption of the Audit Committee's report on its activities in 2016; 6. Adoption of the Report of the Board of Directors on the Application of the Remuneration Policy of the Members of the Board of Directors of the Company for 2016; 7. Adoption of a decision for distribution of the financial result of the Company realized in 2016; Proposal for a decision: "The General Meeting of Shareholders approves the proposal of the Board of Directors not to distribute a dividend for 2016 on the grounds that the Company has completed the accounting year 2016 with a negative financial result. The resulting loss for 2016, amounting to 54,255.90 (fifty-four thousand two hundred fifty-five BGN and ninety stotinki), shall be covered by the accumulated reserves of the Company's Premiums Fund. "; 8. Adoption of a decision for discharge of the members of the Board of Directors of the Company for their activity in 2016; 9. Determination of the amount of the constant monthly remuneration of the members of the Board of Directors of the Company for 2017; 10. Election of a registered auditor of the Company for 2017; 11. Termination of the functions of the Audit Committee of the Company; 12. Election of members of the Audit Committee in accordance with the Independent Financial Audit Act; 13. Determined on the remunerations of the Audit Committee of the Company; 14. Approval of Statute of the Audit Committee of the Company. 15. Miscellaneous.
- The Management Board of Unipharm AD convenes a Regular General Meeting of Shareholders, which will be held on 21.06.2017 at 11.00 am at the headquarters of the company in Sofia, 3, Trayko Stanoev Str., With the following agenda: 1. Adoption Of the Annual Report of the Management Board on the company's activities in 2016. 2. Adoption of the Annual Activity Report of the Investor Relations Director in 2016. 3. Adoption of the Annual Financial Statement of the Company for 2016, verified and certified by Specialized audit firm 4. Admission of Specialist Report Audit company for auditing and certifying the company's annual financial report for 2016. 5. Adoption of a decision for the adoption of a Report of the Independent Audit Committee on its activities in 2016. 6. Adoption of a decision on the distribution of the profits of the company realized In 2016. Proposal for a decision: The General Meeting of Shareholders accepts the proposal of the Managing Board for distribution of the company's profit realized in

2016, namely: the profit for 2016 at the amount of BGN 282 806.19 / two hundred and eighty two thousand eight hundred and six BGN and nineteen stotinki / after allocating 10% / ten percent / legal reserve - BGN 28,280 / twenty-eight thousand two hundred and eighty BGN / to be distributed as follows: BGN 240,000 / two hundred and forty thousand / - for dividend of the shareholders - 0.04 / zero whole zero four / BGN for 1 / one / share number; The balance of the profit of BGN 14 526.19 / fourteen thousand five hundred twenty-six BGN and nineteen stotinki / shall be credited for additional reserves. The right to receive dividends shall have the persons entered in the registers of the Central Depository as shareholders on the 14th day After the day of the general meeting at which the annual financial statements were adopted and a profit distribution decision was taken. The Company shall ensure the payment of the dividend voted to the shareholders at the General Meeting within 3 months of its execution. The payment of the dividend is done 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 DSK Bank EAD in the country / 7. Adoption of a decision for exemption from Responsibility of the members of the Management Board for their activities in 2016. 8. Adoption of a decision to discharge the members of the Supervisory Board for their activity in 2016

- On 19 May 2017 Medica AD filed applications with the Bulgarian Stock Exchange - Sofia AD and with the Central Depository AD for the suspension of the trading with the company's shares from 01.06.2017 until the voting on 02.06.2017 for taking of a resolution for transformation through the merger of Medica AD.
- On 22 May 2017, the General Meeting of Shareholders of Momina Krepost AD was held in Veliko Tarnovo 3. The General Meeting of Shareholders: approves the Annual Report of the Board of Directors on the company's activities in 2016; Adopts the Annual Activity Report of the Investor Relations Director in 2016; Adopts the Auditor's Report on the Audit of the Annual Financial Statements of the Company for 2016; Approves the audited Annual Financial Statements of the Company for the year 2016; Adopts the Report of the Audit Committee on its activities in 2016; Adopt the proposal of the Board of Directors. For the distribution of the company's profit realized in 2016, namely: BGN 166 thousand to be taken as an additional reserve of the company. No dividend is distributed to the shareholders; Dismisses the members of the Board of Directors from responsibility for their activities in 2016; Elected as a registered auditor for 2017 the specialized auditing company Auditing - Auditing OOD; Adopts a report on the application of the remuneration policy of the members of the Board of Directors of Momina Krepost AD for 2016, decides the amount of the monthly remuneration of the members of the Board of Directors to be BGN 1,000; Elects an Audit Committee consisting of three people - Tsvetelina Stanimirova, Mihaela Tolina and Savina Mihaylova; Approves the Statute of the Audit Committee; Dismisses as a member of the Board of Directors Minko Ivanov Minkov; Elected Boris Anchev Borisov as a member of the Board of Directors of the company.

6. Transactions with related parties

The information concerning transactions with related parties is presented in details in the Notes to the financial report.

III. Information about the shares of Sopharma AD

The total number of shares issued by Sopharma, issued on 31.03.2017, is 134 797 899 with a nominal value of BGN 1 per share. All issued shares are registered, dematerialized, ordinary and indivisible, according to the Articles of Association of the Company. All issued shares are of one class. Each share gives equal rights to its holder in proportion to the nominal value of the share. The shares of Sopharma AD are traded on the official market of BSE - Sofia AD and on the official market of the Warsaw Stock Exchange. The shares participate in the formation of the SOFIX, BGBX40 and BGTR30 indices of BSE - Sofia AD.

The company's shares are included in the Dow Jones STOXX EU Enlarged Total Market Index with a weight of 0.11%, with a weight of 5% in Erste Bank Bulgaria Basket, in the Raiffeisen Bank's Raiffeisen Osteuropa Fonds certificate as well as in the new Dow blue-chip index Jones STOXX Balkan 50 Equal Weighted Index.

Sopharma AD is one of the three Bulgarian companies included in the Central and Eastern Europe (CEE) Index, which the Warsaw Stock Exchange began to calculate as of May 30, 2012. The index is called WIG-CEE and is the third after WIG-Poland and WIG-Ukraine, which is based on the country's country of origin. WIG-CEE is calculated on a common yield basis and includes dividend yield and share subscription rights.

Key indicators of the shares of Sopharma Group

	31.03.2017	31.12.2015
Total number of issued shares	134 797 899	134 797 899
Average-weighted number of outstanding shares for the last four quarters	128 995 575	129 338 967
Number of shares outstanding at the end of the period	129 984 317	129 261 264
Earnings per share in BGN	0,44	0,16
Price per share at the end of the period in BGN	3,90	2,687
Price/Earnings ratio (P/E)	8,86	16,79
Book value per share in BGN	3,65	3,21
Price/Book value ratio (P/B)	1,07	0,84
Sales per share in BGN	6,93	6,77
Price per share / Sales per share(P/S)	0,56	0,40
Market capitalization in BGN	525 711 806	362 201 955

Sopharma Group

Trade with shares of Sopharma Group on Bulgarian Stock Exchange – Sofia AD for the period 01 January 2017 – 31 March 2017

