

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF SOPHARMA AD – SOFIA, 24 APRIL 2017

I. Constituting the General Meeting of Shareholders

The Extraordinary Meeting of Shareholders of Sopharma AD was held on 24 April 2017, at 11.00 in Sofia, 5 Lachezar Stanchev Str., building B of commercial complex Sopharma Business Towers. It was attended by shareholders and their representatives, as per the annex to the Minutes listing the present shareholders and representatives of shareholders, containing the number of shares present and represented.

The EGM was opened by the Executive Director of Sopharma AD Mr. Ognian Donev. He announced the result of the registration of the shareholders and their representatives, conducted on the basis of the list of shareholders, containing information about the shares, owned by them with voting rights at the Extraordinary General Meeting, provided by the Central Depository AD, namely:

The registered capital of the company is 134 797 899 BGN, divided into 134 797 899 registered dematerialized shares with a nominal value of BGN 1.

The shares with voting rights at the General Meeting of the Company as at 10 April 2017 – the date, as at which the shareholders registered in the register of the Central Depository AD have a voting right at the General Meeting, are **129 135 485** /one hundred and twenty-nine million, one hundred and thirty five thousand, four hundred and eighty five/. As a result of shares buyback, as at the same date – 10 April 2017, the Company has bought back **5 662 414** /five million, six hundred and sixty two thousand, four hundred and fourteen/ treasury shares and according to the regulations of art. 187a, par. 3 of the Commercial Act (CA) all rights on them, including the voting right, have been suspended until the moment of their transfer.

42 shareholders were registered for participation at the Extraordinary General Meeting. 40 722 221 shares are represented personally and 49 286 510 shares - by proxy. The total number of the represented shares is 90 008 731, which is 66.773% or more than ½ of the capital.

There is a quorum for holding the General Meeting and it may be conducted and take valid decisions.

ELECTION OF MANAGEMENT BODY OF THE SESSION OF THE GENERAL MEETING:

1. Proposals for the management body of the session:

For Chairperson – Pelagia Viatcheva

For Secretary – Nikolay Georgiev

For Tellers: Kristina Atanasova, Maria Nedkova, Jeni Asenova

Voting results:

VOTED “FOR”: 90 008 731 shares or 100% of the represented capital and 66.773% of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

The EGM elected the proposed persons for Chairperson, Secretary and Tellers of the Extraordinary General Meeting.

FINDINGS OF THE CHAIRPERSON AND THE SECRETARY OF THE MEETING:

After opening the session of the EGM, the Chairperson and the Secretary notified the shareholders about the following circumstances:

1. On the basis of art. 223, par. 5 of the CA the invitation was announced in the Commercial Register with registration from 17 March 2017, as well as on the electronic site of the Company. The announcement was within the statutory period under art. 223, par. 5 of the Commercial Act and in compliance with the requirements of the Public Offering of Securities Act for notifications to the Financial Supervision Commission, the Bulgarian Stock Exchange and the Public regarding the convening of the General Meeting of Shareholders, the agenda and the draft decisions.

2. According to a list of the present and represented shareholders, certified by the Chairperson and the Secretary, ***Personally represented are 40 722 221 shares and by proxy – 49 286 510 shares. The total number of represented shares with voting rights is 90 008 731, which represents 66.773% or more than ½ of the capital.***

All represented and registered shares for participation at the General Meeting are valid and with voting right.

3. 10 shareholders are represented by a power of attorney. The powers of attorney are meeting in form and content all the requirements of the POSA. Powers of attorney have been provided electronically and within the period determined in the Invitation to the EGM by eight shareholders, holding a total of 49 286 510 shares.

4. The following **members of the Board of Directors are present** at the EGM:
Ognian Ivanov Donev – Chairman of the Board of Directors and Executive Director
Vessela Liubenova Stoeva - Deputy-chairperson of the Board of Directors;

5. No shareholders have exercised their voting right by correspondence or electronically.

6. The General Meeting was attended by the following guests:

1. Jivko Krasimirov Kostov
2. Stoian Ivanov Manchev

Voting results:

VOTED “FOR”: 90 008 731 shares or 100% of the represented capital and 66.773% of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

The majority of shareholders attending the General Meeting and the representatives of shareholders agreed to allow the guests to be present in the room of the General Meeting without voting rights.

The agenda, announced in the Commercial Register is as follows:

1. **Approval of Substantiated report by the Board of Directors for transactions under art. 114, par. 1 of POSA; Draft decision:** GM 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 company SOPHARMA AD.
2. **Authorization of the Board of Directors of the Company 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 AD 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:** GM authorizes 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 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 AD 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 Company 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:** GM authorizes the Board of Directors of the Company 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 Company 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:** GM authorizes the Board of Directors of the Company 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 Company 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:** GM authorizes the Board of Directors of the Company 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 Company 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:** GM authorizes the Board of Directors of the Company 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 Company 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:** GM authorizes the Board of Directors of the Company 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.

8. Miscellaneous.

Due to certain technical mistakes found in the invitation after it has been filed for registration with the Commercial Register, within the term under art. 19, para 1 from the Law on the Commercial Register the company has filed a correction, which was accepted and filed with the Register in accordance with the attached invitation and other documents due to which the valid agenda for today's EGM is the one listed above.

Not all shares with voting rights issued by the Company were represented at the EGM and therefore under art. 231, par. 1 of the Commercial Act reviewing issues not covered by the announced agenda is not possible. In the period and per the regulations of art. 223a of the CA no additional items have been included for consideration by the General Assembly and no additional draft decisions on the announced agenda items have been made, therefore and in connection with the provision of art. 118, par. 4 of POSA there will be voting only on draft decisions contained in the invitation to today's Extraordinary General Meeting of Shareholders of Sopharma AD.

The agenda includes items, the decisions on which, pursuant to the Articles of Association of the Company and the CA, require a qualified majority, which will be announced before the voting on a draft decision on the respective agenda item.

The decisions under items 2 to 7 inclusive of the agenda, on the grounds of Art. 114a, para. 4 of POSA shall be taken by the respective majority, as specified below, formed by the represented voting shares, with the exception of those held by persons meeting the conditions under Art. 114, para 6 of POSA due to their identification as interested persons for the respective transaction subject to approval by the General Meeting.

The decision on item 2 of the agenda, based on Art. 19, para 1, sentence two of the Company's Articles of Association and Art. 114a, para 2 of POSA, shall be taken by a majority of $\frac{3}{4}$ of the shares entitled to participate in the voting according to the above rules of art. 114a, para 4 of the Public Offering of Securities Act.

The decisions under items from third to seventh, inclusive from the agenda, shall be taken by a simple majority of the shares entitled to participate in the voting on the relevant item in accordance with the provision of art. 114a, para 4 of the Public Offering of Securities Act. In taking decisions under items 2 to 7 inclusive, the persons mentioned in the relevant section of the Reasoned Report as interested parties as well as all other persons in respect of whom the conditions of Article 114, para 6 of the Public Offering of Securities Act are met and they are identified as interested parties, whether explicitly mentioned in the Reasoned Report or not shall not be allowed to exercise their voting right.

The materials related to the agenda items of the General Meeting are available to shareholders at the time of the announcement of the invitation in the Commercial Register of the Registry Agency, and in the room where the General Meeting takes place. The materials of the General Meeting are also available in digital form on the official website of the company.

II. DEBATES AND DECISIONS ON THE AGENDA ITEMS

On item 1 of the agenda:

Approval of Substantiated report by the Board of Directors for transactions under art. 114, par. 1 of POSA; Draft decision: GM 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 company SOPHARMA AD.

The Chairperson put the draft decision of the Board of Directors to the vote

Voting results:

Validly cast votes are 90 008 731, representing 100% of the capital, represented at the General Meeting and 66.773% of the registered capital of the company. Of them:

VOTED "FOR": 90 008 731 shares or 100% of the represented capital and 66.773 % of the registered capital of the company

VOTED "AGAINST": none

VOTED "ABSTAINED": none

Under these results the GM took the following decision: GM 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 company SOPHARMA AD.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 2 of the agenda:

Authorization of the Board of Directors of the Company 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 AD 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: GM authorizes 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 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 AD 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.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Validly cast votes are 56 355 423, representing 100% of the capital, represented at the General Meeting with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company. Of them:

VOTED "FOR": 56 355 423 shares or 100% of the represented capital with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company

VOTED "AGAINST": none

VOTED "ABSTAINED": none

Under these results the GM took the following decision: GM authorizes 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 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 AD 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.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 3 of the agenda:

Authorization of the Board of Directors of the Company 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: GM authorizes the Board of Directors of the Company 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.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Validly cast votes are 56 355 423, representing 100% of the capital, represented at the General Meeting with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company. Of them:

VOTED “FOR”: 56 355 423 shares or 100% of the represented capital with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

Under these results the EGM took the following decision: GM authorizes the Board of Directors of the Company 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.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 4 of the agenda:

Authorization of the Board of Directors of the Company 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: GM authorizes the Board of Directors of the Company 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.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Validly cast votes are 56 355 423, representing 100% of the capital, represented at the General Meeting with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company. Of them:

VOTED “FOR”: 56 355 423 shares or 100% of the represented capital with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

Under these results the GM took the following decision GM authorizes the Board of Directors of the Company 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.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 5 of the agenda:

Authorization of the Board of Directors of the Company 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: GM authorizes the Board of Directors of the Company 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.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Validly cast votes are 56 355 423, representing 100% of the capital, represented at the General Meeting with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company. Of them:

VOTED “FOR”: 56 355 423 shares or 100% of the represented capital with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

Under these results the GM took the following decision: GM authorizes the Board of Directors of the Company 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.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 6 of the agenda:

Authorization of the Board of Directors of the Company 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: GM authorizes the Board of Directors of the Company 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.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Validly cast votes are 56 357 665, representing 100% of the capital, represented at the General Meeting with voting rights, 62.614% of the capital, represented at the General Meeting and 41.809% of the registered capital of the company. Of them:

VOTED “FOR”: 56 357 665 shares or 100% of the represented capital with voting rights, , 62.614% of the capital, represented at the General Meeting and 41.809% of the registered capital of the company

VOTED“AGAINST”: none

VOTED“ABSTAINED”: none

Under these results the EGM took the following decision: GM authorizes the Board of Directors of the Company 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.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 7 of the agenda:

Authorization of the Board of Directors of the Company 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: GM authorizes the Board of Directors of the Company 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.

The Chairperson put the draft decision of the Board of Directors to the vote.

Voting results:

Validly cast votes are 56 355 423, representing 100% of the capital, represented at the General Meeting with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company. Of them:

VOTED “FOR”: 56 355 423 shares or 100% of the represented capital with voting rights, 62.611% of the capital, represented at the General Meeting and 41.807 of the registered capital of the company

VOTED“AGAINST”: none

VOTED“ABSTAINED”: none

Under these results the GM took the following decision: GM authorizes the Board of Directors of the Company 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.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

On item 8 of the agenda

Miscellaneous.

The shareholders asked questions related to the Company, including such related to the ongoing transformation, which were exhaustively answered by the present members of the Board of Directors.

The agenda of the Extraordinary General Meeting of Shareholders of Sopharma AD was exhausted, therefore the Chairperson closed the meeting.

The present minutes were prepared and signed in three identical copies. An integral part of these minutes are: the list of the shareholders and shareholder representatives with the number of shares owned and represented by them, who were present at the Extraordinary Meeting of Sopharma AD; the powers of attorney by shareholders for representation at the General Meeting; current certificates of commercial registration for shareholders - legal entities and the materials for the convening and the agenda items of the General Meeting, conducted on 24 April 2017, Sofia.

CHAIRPERSON OF THE EGM

.....
Pelagia Viatcheva

SECRETARY OF THE EGM

.....
Nikolay Georgiev

TELLERS:

- | | |
|--------------------|---------------|
| 1. | 2. |
| Kristina Atanasova | Maria Nedkova |
| 3. | |
| Jeni Asenova | |

Sofia
24 April 2017