

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

**INFORMATION OF SOPHARMA AD ON FACTS  
AND CIRCUMSTANCES WHICH HAVE OCCURRING  
AS AT 31 DECEMBER 2017**

- 1.1. No change in the persons controlling the Company.
- 1.2. (Annulled – State Gazette, issue 63 from 2016).
- 1.3. (Annulled – State Gazette, issue 63 from 2016).
- 1.4. (Annulled – State Gazette, issue 63 from 2016).
- 1.5. (Annulled – State Gazette, issue 63 from 2016).
- 1.6. No opening of bankruptcy proceedings against the company or its subsidiary or any significant events related to production.
- 1.7. No acquisition, use or disposition of high-value assets under art. 114, par. 1, item 1 of POSA – none.
- 1.8. Decision on conclusion, termination and cancellation of joint venture agreements.

On 04.04.2017 a contract for the sale of the Group's participation through the subsidiary SIA Briz, Latvia was concluded in the amount of 50% in the joint venture OOO Vivaton Plus, Belarus.

- 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 02.06.2017, 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 2017.
- 1.11. (Annulled – State Gazette, issue 63 from 2016).
- 1.12. (Annulled – State Gazette, issue 63 from 2016).
- 1.13. (Annulled – State Gazette, issue 63 from 2016).
- 1.14. (Annulled – State Gazette, issue 63 from 2016).
- 1.15. (Annulled – State Gazette, issue 63 from 2016).
- 1.16. (Annulled – State Gazette, issue 63 from 2016).
- 1.17. (Annulled – State Gazette, issue 63 from 2016).
- 1.18. (Annulled – State Gazette, issue 63 from 2016).
- 1.19. (Annulled – State Gazette, issue 63 from 2016).
- 1.20. (Annulled – State Gazette, issue 63 from 2016).
- 1.21. No conclusion or performance of essential contracts, which do not relate to the ordinary business of the Company.
- 1.22. (Annulled – State Gazette, issue 63 from 2016).
- 1.23. (Annulled – State Gazette, issue 63 from 2016).
- 1.24. (Annulled – State Gazette, issue 63 from 2016).
- 1.25. (Annulled – State Gazette, issue 63 from 2016).

- 1.26. (Annulled – State Gazette, issue 63 from 2016).
- 1.27. (Annulled – State Gazette, issue 63 from 2016).
- 1.28. (Annulled – State Gazette, issue 63 from 2016).
- 1.29. (Annulled – State Gazette, issue 63 from 2016).
- 1.30. No initiation or termination of a court or arbitration proceedings relating to claims or liabilities of the company or its subsidiary, with the price of the claim at least 10% of the company's equity.
- 1.31. Purchase, sale or pledge of shares in companies of the issuer or its subsidiary in 2017.

Sopharma AD (the “Company”) notifies that on 20 March 2017 Sopharma AD, 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 were 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 prepared a report.

As a result of the merger, all shareholders of the transferring company Medica AD, with the exception of the receiving company Sopharma AD, which is also a shareholder of the transferring company, received shares of Sopharma AD and became shareholders of it. Against one share of Medica AD each shareholder pursuant to art. 261b, app. 1 of the CA received 0.8831 treasury shares of the capital of Sopharma AD. All other conditions concerning the merger procedure are included in the Contract.

On 25 April 2017, Sopharma AD received an approval from the Financial Supervision Commission of the Contract for transformation through merger and an additional agreement to it from 20 March 2017, signed on 31 January 2017 between Sopharma AD, hereinafter referred to as the "Beneficiary Company" and Medica AD, hereinafter referred to as "Transforming Company", in accordance with the requirements of Art. 262th and the following from the Commercial Law, as a result of which all the assets of Medica AD were transferred to Sopharma AD and the latter became its legal successor. Medica AD was ceased 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 report of the appointed auditors of the participants in the transformation under Art. 262m of the Commercial Law.

On 17 March 2017 Sopharma AD made a tender offer under Article 149, para 6 of the Public Offering of Securities Act to purchase the shares of the remaining shareholders of Unipharm AD at a price of BGN 4,350 per share. The tender offeror states that it does not own 1 342 234 shares representing 22.37% of the total number of ordinary shares with ISIN code BG1100154076 and from the votes in the General Meeting of Unipharm AD and makes this Offer to the other holders of ordinary shares of Unipharm AD. On 25 April 2017 Sopharma AD submitted to the FSC a correction of the tender offer pursuant to 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. On 16.05.2017 the Financial Supervision Commission (FSC) approved the tender offering.

5 April 2017 Sopharma AD received a decision from the Commission for Protection of Competition that the acquisition of shares of the capital of Doverie Obedinen Holding AD is not subject to preliminary notification under art. 24, para 2 from the Law on Competition at this stage.

On 18 April 2017 Sopharma AD notifies that after receiving a permission from the Moldova Competition Commission, Sopharma AD acquired 51% of the Moldova pharmaceutical distributor RAP Pharma International.

In July "Sopharma" AD acquired 75% from the capital of the successful start-up for development and registration of food additives "Aromania" ([www.arolife.bg](http://www.arolife.bg)).

On 1 December 2017 Sopharma AD increased its share in the capital of Doverie United Holding AD up to 32.49%.

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

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

1.34. Other circumstances which the company believes could be relevant for investors in deciding to acquire, sell or continue to hold publicly traded securities:

On 5 January 2017, a merger agreement was announced in the USA between Achieve Life Science, Inc., a company in which Sopharma AD holds 4.7% of the capital (Note 20), and OncoGenex Pharmaceuticals, Inc. The agreement has been submitted for consideration to the Securities and Exchange Commission (SEC). After the approval thereby, the name of the combined company will be renamed to Achieve Life Sciences Inc. and will be a public company and registered for trade in NASDAQ. Thus, it will have an easier access to capital, if additional capital is needed, for the purposes of obtaining an approval from the Food and Drug Administration for selling Tabex in the USA. As a result of the above described actions, Sopharma AD will hold 423,000 shares (3.525%) of the capital of Achieve Life Sciences Inc. In June, an approval was received from the American Securities and Exchange Commission for the merger of Achieve Life Sciences and OncoGenex Pharmaceuticals. OncoGenex's shareholders will vote on the transformation on 1 August 2017, and as a result, the newly formed company will start trading at NASDAQ with ticker ACHV.

Extraordinary Meeting of Shareholders of Sopharma AD was held on 24 April 2017 and the following decisions were adopted:

1. GM approved 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. GM authorized the Board of Directors of the Company to conclude a contract for provisioning of collateral in the form of a corporate guarantee according to the terms and conditions, listed in Chapter 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. GM authorized 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. GM authorized 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. GM authorized 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. GM authorized 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. GM authorized 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.

Annual Meeting of Shareholders of Sopharma AD was held on 2 June 2017 and the following decisions were adopted:

1. GM approved 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. AGM approved the Annual report of the Investor Relations Director for 2016;
3. AGM approved the Audit report on the audit of the annual financial statements of the Company for 2016;
4. AGM approved the audited annual financial statements of the Company for 2016;
5. AGM approved the audited annual consolidated financial statements of the Company for 2016;
6. AGM approved the report of the Audit Committee for 2016;
7. AGM accepted the proposal of the Board of Directors for the distribution of the profit of the company realized in 2016 and retained earnings from previous periods as follows: The total amount of the profit to be distributed amounts to BGN 38,249,890.71 / thirty-eight million two hundred forty-nine thousand eight hundred and ninety BGN and seventy one st. / of which BGN 37,769,879.20 / thirty-seven million seven hundred and sixty nine thousand eight hundred seventy-nine BGN and 20 st. / profit realized in 2016 and BGN 480,011.51 / four hundred and eighty thousand BGN and eleven levs and 51 st. / unallocated profit from past periods. After allocating 10% to a mandatory reserve, a dividend of BGN 0.10 (ten stotinki) per share shall be distributed. The amount left over after the allocation should be taken as an additional reserve of the company. The right to receive dividends shall be by the book of shareholders in the registers of the Central Depository as at the 14th day following the day of the General Meeting at which the Annual Financial Statement was adopted and a decision for the distribution of the profit was taken. The Company shall ensure the payment of the dividend voted to the shareholders at the General Assembly is distributed within three months of the date of decision for distribution. The cost for distributing the dividend is at the company's expense.
8. The payment of the dividend is done with the assistance of the Central Depository. The shareholders with 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.

9. AGM discharged from liability the members of the Board of Directors for their activities in 2016;
10. AGM elected a registered auditor to audit and certify the annual financial statements of the Company for 2017 according to the proposal of the Audit Committee, included in the agenda materials.
11. The GMS elected an Audit Committee in a composition as proposed by the Board of Directors.
12. The GMS adopted Rules of Procedure of the Audit Committee according to the requirements of Part Four of the Independent Financial Audit Act.
13. The General Meeting approved 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.
14. On the basis of Article 24, paragraph 3, letter "A" of the Articles of Association of the company, the AGM decided: the permanent remuneration of the members of the Board of Directors and the permanent remuneration of the Executive Director in 2017 unchanged.
15. Pursuant to art. 24, par. 3, letter B of the Articles of Association an additional fee of 1% /one percent/ of the net profit for 2016 according to the approved annual financial statements, shall be paid to the Executive Director of the Company;
16. AGM approved the decision for the distribution of 1% /two percent/ of the net profit for 2016 among the members of the senior management of the Company in compliance with the requirements of art. 26a, item 12 of the Articles of Association of the Company.
17. The General Assembly adopted a Substantiated report on the terms and conditions of a transaction from the scope of Art. 114, para 1, item 2 of POSA.
18. The General Meeting empowered the Board of Directors of the company to conclude a transaction for the inception of SOPHARMA AD as a co-debtor under the conditions of solidarity under a contract for a working loan between the subsidiary Sopharma Trading AD and a financial institution - ING Bank H .IN. - Sofia Branch according to the approved Substantiated Report.
19. The GMS approved the transformation through merger of Medica AD, 000000993 in Sopharma AD, UIC:831902088.
20. The GMS approved the Contract for transformation through merger of Medica AD, UID 000000993 in Sopharma AD, UIC:831902088 signed on 31 January 2017, as well as Annex №1 from 1 March 2017.
21. The GMS approved the Report by the Board of Directors of Sopharma AD under art. 262f of the CA.
22. The GMS approved the Report of the common examiner under art. 262m of CA regarding the transformation through merger of Medica AD in Sopharma AD.

In July "Sopharma" AD acquired 75% from the capital of the successful start-up for development and registration of food additives "Aromania" ([www.arolife.bg](http://www.arolife.bg)).

On 24.07.2017, Sopharma AD initiated the payment of the dividend, voted on the AGM on 02.06.2017, at the amount of BGN 0.10 per share gross. The amount of dividend per share net (for shareholders physical persons only) - BGN 0.095.

On 12.09.2017 the Board of Directors of Sopharma AD decided to initiate the procedure for transformation of Sopharma AD under the conditions and by the order of Chapter XVI of the Commerce Act and Art. 122 and following of the Public Offering of Securities Act, to be implemented by merger into Sopharma AD of Unipharm AD, UIC 831537465, with headquarters and address of management City of Sofia, Studentski Grad, 3, Trayko Stanoev Str., and elected the investment intermediary ELANA TRADING AD, UIC 831470130, with headquarters and address of management in Sofia, 5, Lachezar Stanchev Str., as a consultant in connection with the implementation of the procedure transformation.

On 14.09.2017, on the grounds of Art.262d and the following of the Commercial Code Unipharm AD, transforming company, and Sopharma AD, a receiving company, have entered into a Transformation Agreement through a merger. The merger transformation agreement governs the way in which the transformation will take effect by merging Unipharm AD into Sopharma AD and the consequences for the transforming and the receiving company. The fair value of the shares of the companies involved in the transformation is determined on the basis of generally accepted valuation methods. On the basis of the fair value of the shares of the companies involved in the transformation, a replacement ratio of 0.891512 is formed, which means that one share of the transforming company Unipharm AD should be replaced by 0.891512 shares of the receiving company Sopharma AD. The companies have appointed auditors, whose conclusion is necessary before submitting the documents for transformation to FSC. At present, the Deputy Chairperson of the Financial Supervision Commission in charge of the Investment Activity Supervision Division has not granted approval under Art. 124 of the Public Offering of Securities Act of the transformation contract, of the reports of the management bodies under Art. 262i of the Commercial Law and the report of the examiner under Art. 262m of the Commercial Law.

On 27 September 2017, Sopharma AD provided information for the fulfillment of the obligation of Sopharma AD under Art. 149 para. 6 of the Public Offering of Securities Act and the right of the non-admitted shareholders under Art. 157b member: 1. The offeror has bought a total of 125 530 voting shares in the General Assembly of Unipharm AD; 2. 17 shareholders have applied for redemption under the right given to them by Art. 157b of POSA.

On 8 December 2017 the share of Rompharm AD in capital of Sopharma AD decreased from 10% to 9.41%.

On 20 December 2017 Sopharma AD received approval from the FSC of the Transformation Agreement through the merger of Unipharm AD with Sopharma AD as well as the reports of the management boards 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. On the basis of the fair value of the shares of the companies involved in the transformation, a replacement ratio of 0.891512 is formed, which means that one share of the transforming company Unipharm AD should be replaced by 0.891512 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 Transformation Agreement and the reports of the management boards to be approved by the GM of the two companies.

The total number of treasury shares as at 21 December 2017 is 9 032 980, representing 6.70 % of the capital of Sopharma AD.

On 16 January 2018 Sopharma AD published an invitation to an Extraordinary Meeting of Shareholders of Sopharma AD, which shall be held on 23 February 2018 at 11:00 at the Company's headquarters in Sofia, at: 5 Lachezar Stanchev Str., Building B and in the absence of quorum on 9 March 2018 at the same place, the same time and with the same agenda:

1. Taking a decision for transformation through merger of Unipharm AD into Sopharma AD.
2. Approval of the Contract for transformation through merger of Unipharm AD into Sopharma AD, concluded on 14.09.2017 and of Additional Agreement No1 of 08.11.2017 to it.
3. Approval of the Report of the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Unipharm AD into Sopharma AD.
4. Approval of the Auditor's Report under Art. 262m of the CA on the transformation through merger of Unipharm AD into Sopharma AD.
5. Approval of changes in the Company's Articles of Association.
6. Taking a decision for acquisition of own shares on the grounds of Art.187b of the Commercial Law and Art.111, para 5 of POSA under the following conditions: up to 10% of the total number of shares issued by the company, but not more than 3% in each calendar year; term of the acquisition - no longer than 5 (five) years; minimum price for acquisition - not less than the nominal value per share of the company's capital; maximum price for acquisition - BGN 5.50 per share; The General Meeting empowers the Board of Directors of the company to determine all other parameters of the acquisition and to carry out the necessary factual and legal actions for the implementation of the decision of the General Meeting of Shareholders.
7. Miscellaneous.  
Sopharma AD informs all interested parties that the interim financial statements of the Company as at 31 December 2017 have not been verified by a registered auditor.

---

Ognian Donev  
Executive director