

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

**INFORMATION OF SOPHARMA AD ON FACTS  
AND CIRCUMSTANCES WHICH HAVE OCCURRING  
IN FIRST QUARTER 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. No decision on conclusion, termination and cancellation of joint venture agreements.

1.9. (Annulled – State Gazette, issue 82 from 2007).

1.10. Change in the Company's auditors - The regular General Meeting of Shareholders of Sopharma AD, conducted on 17 June 2016 elected AFA OOD with address of management in Sofia, 38 Oborishte Str. as a registered auditor for auditing and verification of the Annual financial statements of the Company for 2016.1.11. (ОТМ. - ДВ, бр. 63 от 2016 г.)

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

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

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

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

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

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

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

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

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

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

1.21. No conclusion or performance of essential contracts, which do not relate to the ordinary business of the Company.

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

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

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

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

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

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

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

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

1.30. No initiation or termination of a court or arbitration proceedings relating to claims or liabilities of the company or its subsidiary, with the price of the claim at least 10% of the company's equity.

1.31. Purchase, sale or pledge of shares in companies of the issuer or its subsidiary in the first quarter 2017.

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 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 company Medica AD, with the exception of the receiving company Sopharma AD, which is also a shareholder of the transferring company, will receive shares of Sopharma AD 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 AD. All other conditions concerning the merger procedure are included in the Contract.

On 25 April 2017, Sopharma AD submitted a draft tender proposal, pursuant to Art. 149 paragraph 6 of the POSA, on the purchase of all shares of Unipharm AD from the other shareholders, to be considered by the FSC. At the date of issue of these financial statements, the Financial Supervision Commission has not taken up a position on the presented draft.

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.

Sopharma AD will undertake the respective actions once it reaches the thresholds requiring a tender offering to the remaining shareholders of Doverie Obedinen Holding AD..

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.

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.

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.

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

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Ognian Donev  
Executive director