

**INFORMATION OF SOPHARMA AD ON FACTS
AND CIRCUMSTANCES WHICH HAVE OCCURRING
IN 2016**

- 1.1. No change in the persons controlling the Company.**
- 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**
- 1.8. No decision on conclusion, termination and cancellation of joint venture agreements.**
- 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.
- 1.30. 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**

The *structure* of the Group includes Sopharma AD as a parent company and the subsidiaries stated below:

<i>Subsidiaries</i>	<i>31.12.2016</i>	<i>31.12.2015</i>	<i>Date of</i>	<i>Date of</i>
	<i>Interest</i>	<i>Interest</i>	<i>acquisition</i>	<i>disposition</i>
	<i>%</i>	<i>%</i>	<i>of control</i>	<i>of control</i>
<i>Companies in Bulgaria</i>				
<i>Sopharma Trading AD*</i>	72.58	72.13	08.06.2006	
<i>Pharmalogistica AD</i>	84.93	78.37	15.08.2002	
<i>Electroncommerce EOOD</i>	100	100	09.08.2005	
<i>Biopharm Engineering AD</i>	97.15	97.15	10.03.2006	
<i>Sopharma Buildings REIT</i>	40.39	40.75	04.08.2008	
<i>Momina Krepost AD</i>	93.54	92.78	01.01.2008	
<i>Unipharm AD *</i>	77.89	52.06	27.10.2010	
<i>Phyto Palauzovo AD</i>	95	95	21.09.2012	
<i>Sopharmacy EOOD**</i>	72.40	72.13	19.01.2015	
<i>Sopharmacy 2 EOOD**</i>	72.40	72.13	05.06.2015	
<i>Sopharmacy 3 EOOD**</i>	72.40	72.13	02.12.2015	
<i>Sopharmacy 4 EOOD**</i>	72.40	-	29.02.2016	
<i>Sopharmacy 5 EOOD**</i>	72.40	-	01.03.2016	

<i>Pharma Online EOOD**</i>	72.40	72.13	03.12.2015
<i>Medica AD</i>	97.96	66.72	26.10.2015
<i>Medica-Zdrave EOOD (in process of liquidation)**</i>	97.96	66.72	26.10.2015
<i>Veta Pharma AD</i>	68.05		11.11.2016

* effective percentage of interest

** indirect interest

<i>Subsidiaries</i>	<i>31.12.2016</i>	<i>31.12.2015</i>	<i>Date of</i>	<i>Date of</i>
	<i>Interest</i>	<i>Interest</i>	<i>acquisitio</i>	<i>disposal of</i>
	<i>%</i>	<i>%</i>	<i>n of</i>	<i>control</i>
			<i>control</i>	
<i>Companies abroad</i>				
<i>SIA Briz</i>	66.13	66.13	10.11.2009	
<i>SOOO Brititrade **</i>	52.90	51.91	10.11.2009	
<i>PAO Vitamini</i>	99.56	99.56	18.01.2008	
	-	51		
<i>Ivančić and Sinovi d.o.o.</i>			10.04.2008	09.05.2016
<i>Sopharma Warsaw SP. Z.O.O.</i>	100	100	23.11.2010	
<i>Sopharma Trading d.o.o. Belgrade**</i>	72.58	72.13	05.06.2015	
<i>Sopharma Poland Z.O.O. – in liquidation</i>	60	60	16.10.2003	
<i>Medica Balkans S.R.L.**</i>	-	66.72	26.10.2015	24.03.2016
<i>OOO Tabina **</i>	62.82	58.86	08.04.2011	
<i>SOOO Brizpharm **</i>	46.26	39.41	20.12.2012	
<i>ODO Alean **</i>	62.96	64.81	07.02.2013	
<i>OOO Sopharma Ukraine</i>	100	100	07.08.2012	
<i>OOO Farmaceut Plus **</i>	42.98	42.98	31.05.2013	
<i>UAB TBS Pharma**</i>	33.73	33.73	01.03.2013	
<i>ODO Vestpharm **</i>	62.96	62.82	04.07.2013	
	-	46.29		
<i>OOO NPK Biotest **</i>			02.09.2013	26.08.2016
<i>ODO BelAgroMed **</i>	62.96	50.26	30.07.2013	
<i>TOO Sopharma Kazakhstan</i>	100	100	06.11.2014	
<i>OOO Danapharm**</i>	48.94	48.14	28.02.2015	
<i>OOO Galenapharm**</i>	48.94	48.14	28.02.2015	
<i>ODO Medjel**</i>	48.94	48.14	28.02.2015	
<i>ODO Alenpharm-plus**</i>	48.94	48.14	30.06.2015	
<i>OOO Farmatea**</i>	22.39	33.73	30.11.2015	
<i>OOO Mobil Line **</i>	48.94	-	16.02.2016	
<i>ODO SlaiusLine**</i>	48.74	-	18.11.2016	

* effective percentage of interest

** indirect interest

- Unipharm AD is a subsidiary of Sopharma AD, the control thereon being acquired and exercised through the direct participation of the parent company in the ownership of Unipharm AD with 77.88% and the indirect participation of the parent company with 0.01% through the subsidiary Medica AD holding 0.01% of the capital of Unipharm AD;

- Sopharma Trading AD is a subsidiary of Sopharma AD, the control thereon being acquired and exercised through the direct participation of the parent company in the ownership of Sopharma Trading AD with 72.14% and the indirect participation of the parent company with 0.42% through the subsidiary Medica AD holding 0.43% of the capital of Sopharma Trading AD and Unipharm AD with 0.03% of the capital of Sopharma Trading AD;
- Sopharma Buildings REIT is a subsidiary by virtue of a written agreement for control concluded between Sopharma AD and other shareholders;
- Phyto Palauzovo AD is a direct subsidiary after the merger of Bulgarian Rose Sevtopolis AD into Sopharma AD (since 1 January 2015);
- Sopharmacy EOOD is a subsidiary of Sopharma Trading AD whereas the latter holds 100% of the capital of Sopharmacy EOOD;
- Sopharmacy 2 EOOD is a subsidiary of Sopharmacy EOOD whereas the latter holds 100% of the capital of Sopharmacy 2 EOOD;
- Sopharmacy 3 EOOD is a subsidiary of Sopharmacy EOOD whereas the latter holds 100% of the capital of Sopharmacy 3 EOOD;
- *Sopharmacy 4 EOOD is a subsidiary of Sopharmacy EOOD whereas the latter holds 100% of the capital of Sopharmacy 3 EOOD;*
- *Sopharmacy 5 EOOD is a subsidiary of Sopharmacy EOOD whereas the latter holds 100% of the capital of Sopharmacy 3 EOOD;*
- Sopharmacy 6 EOOD is a subsidiary of Sopharmacy EOOD whereas the latter holds 100% of the capital of Pharma Online EOOD;
- Sopharma Trading d.o.o. Belgrade is a subsidiary of Sopharma Trading AD whereas the latter holds 100% of the capital of Sopharma Trading d.o.o. Belgrade;
- Medica-Zdrave EOOD (in process of liquidation) is a subsidiary of Medica AD whereas the latter holds 100% of the capital of Medica-Zdrave EOOD;
- SOOO Brititrade, Belarus, is a subsidiary of Briz SIA, Latvia – Briz SIA holds 80% of the capital of SOOO Brititrade;
- OOO Tabina, Belarus, is a subsidiary through Briz SIA, Latvia – Briz SIA holds 95% of the capital of OOO Tabina;
- SOOO Brizpharm, Belarus, is a subsidiary through Briz SIA, Latvia – Briz SIA holds 69.25% of the capital of SOOO Brizpharm;
- ODO Alean, Belarus, is a subsidiary through Briz SIA, Latvia and its subsidiary SOOO Brititrade, Belarus – Briz SIA holds 76% of the capital of ODO Alean and SOOO Brititrade, Belarus – 24% of the capital of ODO Alean;
- OOO Farmacevt Plus, Belarus, is a subsidiary through Briz SIA, Latvia – Briz SIA holds 65% of the capital of OOO Farmacevt Plus;

- UAB TBS Pharma, Lithuania, is a subsidiary through Briz SIA, Latvia – Briz SIA holds 51% of the capital of UAB TBS Pharma;
- ODO Vestpharm, Belarus, is a subsidiary through Briz SIA, Latvia – Briz SIA holds 95% of the capital of ODO Vestpharm and its subsidiary SOOO Brititrade, Belarus – SIA Briz owns 76% and SOOO Brititrade 24% of the capital of ODO Vestfarm;
- OOO NPK Biotest, Belarus, is a subsidiary through Briz SIA, Latvia – Briz SIA holds 70% of the capital of OOO NPK Biotest;
- ODO BelAgroMed, Belarus, is a subsidiary through Briz SIA, Latvia and its subsidiary SOOO Brititrade, Belarus – Briz SIA holds 76% of the capital of ODO BelAgroMed and SOOO Brititrade, Belarus owns 24% of the capital of ODO BelAgroMed;
- OOO Danapharm, Belarus, is a subsidiary through Briz SIA, Latvia, and its subsidiary SOOO Brititrade, Belarus – Briz SIA holds 10% and SOOO Brititrade holds 80% of the capital of OOO Danapharm;
- OOO Galenapharm, Belarus, is a subsidiary through Briz SIA, Latvia, and its subsidiary SOOO Brititrade, Belarus – Briz SIA holds 10% and SOOO Brititrade holds 80% of the capital of OOO Galenapharm;
- ODO Medjel, Belarus, is a subsidiary through Briz SIA, Latvia, and its subsidiary SOOO Brititrade, Belarus – Briz SIA holds 10% and SOOO Brititrade holds 80% of the capital of ODO Medjel;
- ODO Alenpharm-plus, Belarus, is a subsidiary through Briz SIA, Latvia, and its subsidiary SOOO Brititrade, Belarus – Briz SIA holds 10% and SOOO Brititrade holds 80% of the capital of ODO Alenpharm-plus;
- OOO Farmatea, Belarus, is a subsidiary through Briz SIA, Latvia and its subsidiary OOO Pharmaceft Plus, Belarus – Briz SIA holds 2%, and OOO Pharmaceft Plus – 49% of the capital of OOO Farmatea;
- OOO Mobil Line, Belarus is a subsidiary through SIA Briz, Latvia and its subsidiary SOOO Brititrade, Belarus – SIA Briz owns 10%, and SOOO Brititrade – 80% of the capital of OOO Mobil Line;
- ODO SaliusLine is a subsidiary through SIA Briz, Latvia and its subsidiary SOOO Brititrade, Belarus and its subsidiary ODO Alenpharm-plus, Belarus – SIA Briz owns 10%, SOOO Brititrade – 80% and ODO Alenfarm – plus 5% of the capital of SaliusLine.

AVAILABLE-FOR-SALE INVESTMENTS

The carrying amount of the investments by company is as follows:

	<i>Country</i>	<i>31.12.2016</i>	<i>Interest</i>	<i>31.12.2015</i>	<i>Interest</i>
		<i>BGN '000</i>	<i>%</i>	<i>BGN '000</i>	<i>%</i>
Lavena AD	Bulgaria	2,883	11.21	1,567	11.03
Olainfarm AD	Latvia	1,796	0.77	1,553	0.77
Extab Pharma Inc. – USA	USA	290	5.00	290	5.00
OOO Pharmico	Belarus	172	2.00	172	2.00
Hydroizomat AD	Bulgaria	131	10.65	132	10.65
ODO DKM-Pharm	Belarus	100	2.00	100	2.00
BTF Expat Bulgaria	Bulgaria	82	0.32	-	-
OOO Set Aptek	Belarus	70	2.00	70	2.00
Sopharma Properties REIT	Bulgaria	64	0.18	39	0.05
Todorov AD	Bulgaria	37	4.69	22	4.74
Doverie United Holding AD	Bulgaria	-	0.02	-	-
Monbat AD	Bulgaria	-	-	2,805	19.88
Elana Money Market Fund	Bulgaria	-	-	257	1.14
MF Elana Eurofund	Bulgaria	-	-	252	6.34
DF Elana Agrocredit AD	Bulgaria	-	-	67	1.26
Other		97	-	98	-
Total		<u>5,722</u>		<u>7,424</u>	

The other available-for-sale financial assets as at 31 December 2016, amounting to BGN 97 thousand (31 December 2015: BGN 98 thousand), include a number of minority interests of the Group in the capital of five companies (31 December 2015: six companies).

The investments in Extab Pharma Inc., USA and all other companies in Belarus are valued and presented in the consolidated financial statements at acquisition cost.

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:

All circumstances, that the company considers important for the investors while making the decision to acquire, sell or continue to possess shares are revealed in public, including in the consolidated statement for 2016.