

„DONEV INVESTMENTS HOLDING“ AD

AS A SHAREHOLDER DIRECTLY OWNING 37 600 000 SHARES, REPRESENTING A TOTAL OF 27.89% OF THE CAPITAL AND OF THE VOTES IN THE GENERAL MEETING OF SHAREHOLDERS OF "SOPHARMA" AD

EXTEND

TENDER OFFER

UNDER THE TERMS AND CONDITIONS OF THE TENDER OFFER UNDER ART. 149B OF THE LAW ON PUBLIC OFFERING OF SECURITIES

FOR THE PURCHASE OF

ISIN:	BG11SOSOBT18
TYPE OF SHARES:	ORDINARY, DEMATERIALISED, REGISTERED, FREELY TRANSFERABLE
NOMINAL VALUE:	1 (ONE) LEV
NUMBER OF SHARES SUBJECT TO THE OFFER:	UP TO 11 000 000 SHARES
OFFERED PRICE PER SHARE:	4. 50 (FOUR LEVA AND FIFTY STOTINKI)

THE FINANCIAL SUPERVISION COMMISSION IS NOT RESPONSIBLE FOR THE ACCURACY OF THE DATA IN THE TENDER OFFER

THE DATE OF REGISTRATION OF THIS TENDER OFFER WITH THE FINANCIAL SUPERVISION COMMISSION IS 28.11.2022

Applications:

1. Decision of the Board of Directors of "DONEV INVESTMENTS HOLDING" AD of 28.10.2022, to make a tender offer for the purchase of shares to the remaining shareholders of "SOPHARMA" AD, pursuant to Art. 149b, para. 1 of the LPOS
2. Certificate issued by the Bulgarian Stock Exchange (BSE) regarding the trading of "SOPHARMA" shares;
3. Declaration under Art. 151, para. 3 of the LPOS;
4. Application form for acceptance/withdrawal of the Tender Offer
5. Note 1 - acquisition chronology
6. Bank reference proving the availability of funds to finance the Tender Offer.

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1. TYPE OF TENDER OFFER AND INFORMATION ON THE PURPOSE OF THE ACQUISITION OF THE SHARES

At a meeting of the Board of Directors of "DONEV INVESTMENTS HOLDING" AD held on 28.10.2022 (**the "Tender Offeror" or the "Offeror"**) – a shareholder directly owning 37 600 000 ordinary, dematerialised shares with voting rights representing 27.89% of the capital and voting rights at the General Meeting of Shareholders of "SOPHARMA" AD (the "Company") held on 28 October 2022, it was resolved that "DONEV INVESTMENTS HOLDING" AD should take steps to increase its participation in the capital of "SOPHARMA" AD, by acquiring directly and through related parties more than 1/3, namely - up to 41.49% of the votes in the General Meeting of Shareholders of the Company, by purchase under the tender offer pursuant to Art. 149b of the Law on Public Offering of Securities, made to all other shareholders of "SOPHARMA" AD of up to 11 000 000 ordinary, dematerialised, registered, freely transferable shares, with ISIN BG11SOSOBT18, representing 8.16% of the capital and votes in the General Meeting of Shareholders of "SOPHARMA" AD (the **"Tender Offer"** or the **"Offer"**).

The purpose of the Acquisition is to enable the Offeror to own a more significant proportion of the capital and voting shares of the Company, enabling it to participate more actively in determining the strategy, policy, investments and development of the Company.

By this Tender Offer and in accordance with the adopted resolution of the Board of Directors dated 28.10.2022, the Tender Offeror exercises its right under Art. 149b, para. 1 of the LPOS to make a tender offer for the purchase of the shares of the remaining shareholders of "SOPHARMA" AD.

- The Tender Offeror holds directly **more than 5 per cent of the votes in the General Meeting of Shareholders of the Company**, namely 37 600 000 ordinary, dematerialised shares with voting rights, representing 27.89% per cent of the capital and votes in the General Meeting of Shareholders of "SOPHARMA" AD;
- The Tender Offeror holds through related parties a total of 7 332 199 ordinary, registered, dematerialised shares representing 5.44% per cent of the capital and of the votes at the General Meeting of Shareholders of "SOPHARMA" AD.
- It is the intention of the Tender Offeror **to acquire, directly and through related parties, more than 1/3**, namely up to 41.49% of the votes in the General Meeting of Shareholders of the Company, by registering this Tender Offer under Art. 149b of the LPOS, addressed to all other shareholders of "SOPHARMA" AD for the purchase of up to 11 000 000 shares of "SOPHARMA" AD.

The Financial Supervision Commission (FSC) has not yet taken a position on the draft of this Proposal.

2. DETAILS OF THE PROPOSER

2.1. General information

The Offeror is "DONEV INVESTMENTS HOLDING" AD, a company established and operating as a joint stock company under Bulgarian law, with its registered office and registered address in the town of Sofia, 1000, Vazrazhdane district, "Positano" Str. №12; phone: +359 (2) 9880016; electronic address (e-mail) ivandonev@dih.bg; electronic web-site: none. "DONEV INVESTMENTS HOLDING" AD is entered in the Commercial Register and the Register of Non-Profit Legal Entities maintained by the Registry Agency ("Commercial Register") with **UIC 831915121**.

The object of the Proposer is as follows: *participation in the capital of other commercial companies; acquisition and management of investments in other companies; acquisition of financial assets for the purpose of trading, raising of funds by issuing securities and subsequent investment of the funds raised, investment management and investment operations, consultancy services, translation activities and all activities in the territory of the country or abroad not prohibited by law.*

The name of the Proposer is "DONEV INVESTMENTS HOLDING" AD. The company was established under the name "Sofia" AD, and subsequently on 14.05.2008, the current name of the company - "DONEV INVESTMENTS HOLDING" AD was entered in the Commercial Register of the Registry Agency.

As of the date of registration of the corrected Tender Offer with the Financial Supervision Commission – 13.01.2023, "DONEV INVESTMENTS HOLDING" AD has a fully paid-up **capital of BGN 29 500 000**.

The Legal Entity Identifier code is 529900M68G247LNXVB33.

2.2. Management bodies of the Proposer

"DONEV INVESTMENTS HOLDING" AD is managed by a Board of Directors (BoD) composed of the following members:

- **PhD Ognian Ivanov DONEV**, business address: Sofia, 1000, Vazrazhdane district, "Positano" Str. № 12 - Chairman of the Board of Directors;
- **Ivan Ognianov DONEV**, business address: Sofia, 1000, Vazrazhdane district, "Positano" Str. № 12 – Member of the Board of Directors and Executive Director;
- **Rositsa Dimcheva DONEVA**, business address: Sofia, 1000, Vazrazhdane district, "Positano" Str. № 12 – Member of the Board of Directors.

According to its Articles of Association, "DONEV INVESTMENTS HOLDING" AD is represented by its Executive Director - Ivan Ognianov Donev.

2.3. Significant shareholders. Control over the Offeror

As at the date of registration of this Tender Offer, **the shareholders holding directly and/or through related parties more than 5% of the votes** in the General Meeting of the Offeror are as follows:

PhD Ognian Ivanov Donev - shareholder, who as of the date of registration of the corrected Tender Offer with the Financial Supervision Commission - 13.01.2023 directly owning 29 346 300 shares or 99.48% of the capital and votes in the GMS of "DONEV INVESTMENTS HOLDING" AD.

The business address of **PhD Ognian Ivanov Donev** is in the town of Sofia, 1000, Vazrazhdane district, "Positano" Str. № 12.

PhD Ognian Ivanov Donev exercises control over "DONEV INVESTMENTS HOLDING" AD within the meaning of § 1c, item 1 of the Additional Provisions of the Commercial Act and § 1, item 14 of the Additional Provisions of the Law on Public Offering of Securities, as he directly owns more than 50 per cent of the votes in the General Meeting of Shareholders of "DONEV INVESTMENTS HOLDING" AD.

There are no agreements for the exercise of voting rights at the GMS of "DONEV INVESTMENTS HOLDING" AD.

3. DETAILS OF THE AUTHORIZED INVESTMENT INTERMEDIARY

The authorized investment intermediary for this Tender Offer is “**Karoll**” AD (the Intermediary), with registered office and registered address. Sofia 1303, district Vazrazhdane, bul. "Hristo Botev" №57, telephone: +359 (2) 4008 250, fax +359 (2) 4008 331, e-mail: office@karoll.bg and electronic page: www.karollbroker.bg. “Karoll” AD operates as an investment intermediary on the basis of License number RG-03-0053/18.04.2006, issued on the basis of Decision № 117-IP of 18.06.1997 of the Securities and Stock Exchange Commission, Decision № 332-IP of 16.08.2000 of the State Securities Commission and Decision № 189-IP/15.03.2006 of the Financial Supervision Commission (FSC).

4. DETAILS OF THE COMPANY - SUBJECT OF THE TENDER OFFER

4.1. General information

"SOPHARMA" AD is a joint stock company with public status within the meaning of Art. 110, para. 1 of the LPOS. The company is registered in the Commercial Register and the Register of Non-Profit Legal Entities, maintained by the Registry Agency, with the company name "SOPHARMA" AD and UIC 831902088.

The Company's registered office, registered address, telephone number, contact e-mail address, website and identification code are as follows:

Headquarters and address of management: 1220 Nadezhda, Sofia "Iliensko Shose" Str. № 16;

Address for correspondenc: 1220 Nadezhda, Sofia "Iliensko Shose" Str. № 16

Telephone: +359 (2) 8134200, **fax:** +359 (2) 9360286;

E-mail: mail@sopharma.bg;

Website: <https://www.sopharmagroup.com>

LEI code: 097900BGGW0000048796.

The Company's activities include production of medicines and chemical-pharmaceutical preparations, trade in the country and abroad, scientific research activities in the field of phytochemistry, chemistry and pharmacy.

4.2. Management bodies of the Company

"SOPHARMA" AD is a joint stock company with a one-tier management system. The Company is governed by a Board of Directors with the following composition:

- **PhD Ognian DONEV** – chairman of the Board of Directors and Executive Director, *business address 1220 Nadezhda, Sofia "Iliensko Shose" Str. №16;*
- **Vessela STOEVA** – Deputy Chairman, *business address 1220 Nadezhda, Sofia "Iliensko Shose" Str. № 16;*
- **Bissera LAZAROVA** – Member, *business address 1220 Nadezhda, Sofia "Iliensko Shose" Str. № 16;*
- **Aleksandar TCHAOUSHEV** – Member, *business address 1220 Nadezhda, Sofia "Iliensko Shose" Str. № 16;*
- **Ivan BADINSKI** – Member, *business address 1220 Nadezhda, Sofia "Iliensko Shose" Str. № 16;*

The mandate of the current composition of the Board of Directors expires on 04.06.2026.

5. SHARES OF "SOPHARMA" AD HELD BY THE TRADING OFFEROR

As of the date of this Tender Offer, the Offeror "DONEV INVESTMENTS HOLDING" AD **holds in total, directly and through related parties, 44 932 199 ordinary, registered, dematerialised shares representing 33.33% of the capital and of the votes at the General Meeting of Shareholders of "SOPHARMA" AD.** Each share entitles the holder to one vote at the GMS, the right to a dividend and a liquidation share proportionate to the nominal value of the share.

5.1. Directly held shares

At the time of making this Tender Offer, the Offeror "DONEV INVESTMENTS HOLDING" AD directly owns **37 600 000 ordinary, registered, dematerialised shares representing 27.89% of the capital and votes in the General Meeting of Shareholders of "SOPHARMA" AD.**

5.2. Shares held through related parties and indirectly under Art. 149, para. 2 of the LPOS

As of the date of this tender offer, the Offeror "DONEV INVESTMENTS HOLDING" AD holds through **related parties a total of 7 332 199 ordinary, registered, dematerialised shares representing 5.44 per cent of the capital and of the votes at the General Meeting of Shareholders of "SOPHARMA" AD, distributed as follows:**

1. Through a related party, **PhD Ognian Ivanov DONEV - 6 608 350 ordinary, registered, dematerialised shares representing 4.90 per cent of the capital and of the votes in the General Meeting of "SOPHARMA" AD:**

- Business address: Sofia, 1000, Vazrazhdane district, Positano Str. № 12
- Telephone (fax): +359 2 988 00 16;
- E- mail: Ivandonev@dih.bg;
- electronic page on the Internet: none
-

PhD Ognian Ivanov DONEV is the beneficial owner of "DONEV INVESTMENTS HOLDING" AD, a shareholder who, as of the date of registration of the adjusted Tender Offer with the Financial Supervision Commission - 13.01.2023 holds 29 346 300 shares or 99.48% of the capital and votes in the GMS of "DONEV INVESTMENTS HOLDING" AD. The Proposer and PhD Ognian Ivanov Donev are related persons within the meaning of Art. 148h, in conjunction with paragraph 1, item 44, letter "a" of the Additional Provisions of the LPOS.

2. Through a related party **Rositsa Dimcheva Doneva - 135 000 ordinary, registered, dematerialised shares representing 0.10 per cent of the capital and of the votes in the GMS of "SOPHARMA" AD:**

- Business address: Sofia, 1000, Vazrazhdane district, Positano Str. № 12
- Telephone (fax): +359 2 988 00 16;
- E- mail: Ivandonev@dih.bg;
- electronic page on the Internet: none

Rositsa Dimcheva Doneva is the wife of PhD Ognian Ivanov Donev - the beneficial owner of "DONEV INVESTMENTS HOLDING" AD, a shareholder who, as of the date of registration of the adjusted tender offer with the Financial Supervision Commission - 13.01.2023, holds 29 346 300 shares or 99.48% of the capital and votes in the GMS of "DONEV INVESTMENTS HOLDING" AD. The Proposer and Rositsa Dimcheva Doneva are related persons within the meaning of Art. 148h of the LPOS, in conjunction with 1, item 13, letter "d" of the Additional Provisions of the LPOS (spouse of the person exercising control over the Offeror)

3. Through a related party **Ivan Ognianov Donev - 393 399 ordinary, registered, dematerialised shares representing 0.29 per cent of the capital and of the votes in the GMS of "SOPHARMA" AD:**

- Business address: *Sofia, 1000, Vazrazhdane district, Positano Str. № 12*
- Telephone (fax): +359 2 988 00 16;
- E- mail: *Ivandonev@dih.bg;*
- electronic page on the Internet: none

Ivan Ognianov DONEV is the son of PhD Ognian Ivanov Donev - the beneficial owner of "DONEV INVESTMENTS HOLDING" AD, a shareholder who, as of the date of registration of the adjusted tender offer with the Financial Supervision Commission - 13.01.2023, holds 29 346 300 shares or 99.48% of the capital and votes in the GMS of "DONEV INVESTMENTS HOLDING" AD. The Proposer and Ivan Ognianov Donev are related persons within the meaning of Art. 148h of the LPOS, in conjunction with Section 1(13)(d) of the Additional Provisions of the LPOS (son of the person exercising control over the Offeror)

4. Through a related party **Simeon Ognianov Donev - 195 450 ordinary, registered, dematerialised shares representing 0.15 per cent of the capital and of the votes in the GMS of "SOPHARMA" AD**

- Business address: *Sofia, 1000, Vazrazhdane district, Positano Str. № 12*
- Telephone (fax): +359 2 988 00 16;
- E- mail: *Ivandonev@dih.bg;*
- electronic page on the Internet: none

Simeon Ognianov Donev is the son of PhD Ognian Ivanov Donev - the beneficial owner of "DONEV INVESTMENTS HOLDING" AD, a shareholder who, as of the date of registration of the adjusted tender offer with the Financial Supervision Commission - 13.01.2023, holds 29 346 300 shares or 99.48% of the capital and votes in the GMS of "DONEV INVESTMENTS HOLDING" AD. The Proposer and Simeon Ognianov Donev are related persons within the meaning of Art. 148h of the LPOS, in conjunction with Section 1(13)(d) of the Additional Provisions of the LPOS (son of the person exercising control over the Offeror)

5. **The proposer does not indirectly own, according to Art. 149, para. 2 of the LPOS shares with voting rights in the General Shareholders' Meeting of "SOPHARMA" AD.**

5.3. Shares of "SOPHARMA" AD held by the members of the management and control bodies of the Offeror

I. The Chairman of the Board of Directors of the Offeror - **Phd Ognian Ivanov Donev** directly holds **6 608 350 ordinary, registered, dematerialised shares representing 4.90% of the capital and votes in the GMS of "SOPHARMA" AD:**

- Business address: *Sofia, 1000, Vazrazhdane district, Positano Str. № 12*
- Telephone (fax): +359 2 988 00 16;
- E- mail: *Ivandonev@dih.bg;*
- electronic page on the Internet: none

Phd Ognian Ivanov Donev holds through related persons **Rositsa Dimcheva Doneva** (wife) - 135 000 ordinary registered dematerialised shares representing 0.10 per cent of the capital and votes in the GMS of "SOPHARMA" AD, **Ivan Ognianov Donev** (son) - 393 399 ordinary registered dematerialised shares representing 0.29 per cent of the capital and votes in the GMS of "SOPHARMA" AD and **Simeon**

Ognianov Donev (son) - 195 450 ordinary shares, registered, dematerialised shares representing 0.15 per cent of the capital and of the votes in the GMS of "SOPHARMA" AD:

2. **Rositsa Dimcheva Doneva**, member of the Board of Directors of "DONEV INVESTMENTS HOLDING" AD, directly holds **135 000 ordinary, registered, dematerialised shares representing 0.10 per cent of the capital and of the votes at the GMS of "SOPHARMA" AD:**

- Business address: *Sofia, 1000, Vazrazhdane district, Positano Str. № 12*
- Telephone (fax): +359 2 988 00 16;
- E- mail: *Ivandonev@dih.bg;*
- electronic page on the Internet: none

Rositsa Dimcheva Doneva owns through related parties **PhD Ognian Ivanov Donev** (husband) - 6 608 350 ordinary, registered, dematerialised shares, representing 4.90 per cent of the capital and votes in the GMS of "SOPHARMA" AD, **Ivan Ognianov Donev** (son) - 393 399 ordinary, registered, dematerialised shares, representing 0.29 per cent of the capital and votes in the GMS of "SOPHARMA" AD and **Simeon Ognianov Donev** (son) - 195 450 ordinary shares, registered, dematerialised shares representing 0.15 per cent of the capital and of the votes in the GMS of "SOPHARMA" AD:

3. The Executive Director and member of the Board of Directors **Ivan Ognianov Donev** directly owns **393 399 ordinary, registered, dematerialized shares, representing 0.29 per cent of the capital and of the votes in the GMS of "SOPHARMA" AD:**

- Business address: *Sofia, 1000, Vazrazhdane district, Positano Str. № 12*
- Telephone (fax): +359 2 988 00 16;
- E- mail: *Ivandonev@dih.bg;*
- electronic page on the Internet: none

Ivan Ognianov Donev owns through related persons **PhD Ognian Ivanov Donev** (father) - 6 608 350 ordinary, registered, dematerialised shares representing 4.90 per cent of the capital and votes in the General Meeting of "SOPHARMA" AD, **Rositsa Dimcheva Doneva** (mother) - 135 000 ordinary, registered, dematerialised shares representing 0.10 per cent of the capital and votes in the General Meeting of "SOPHARMA" AD and **Simeon Ognianov Donev** (brother) - 195 450 ordinary shares, registered, dematerialised shares representing 0.15 per cent of the capital and of the votes in the General Meeting of "SOPHARMA" AD:

The members of the Board of Directors of the Offeror do not indirectly, under Art. 149, para.2 of the LPOS shares of the capital and votes in the General Meeting of "SOPHARMA" AD.

Table 2, item 5.4 below and Note 1 to this Proposal contain information on the transactions of acquisition of shares with voting rights in the GMS of "SOPHARMA" AD by the members of the Board of Directors of the Offeror, including the date of acquisition of the shares.

5.4. Chronology and mode of acquisition

In the period from the incorporation of "SOPHARMA" AD to the present time, the Offeror has acquired, directly and through related parties, a total of **44 932 199 ordinary, registered, dematerialised shares representing 33.33% of the capital and votes at the General Meeting of Shareholders of "SOPHARMA" AD.** Due to the large amount of information, a summary is presented below (Table 1) showing the sequence of acquisitions over the period, with data aggregated for individual periods. A detailed account of the sequence of all sale and purchase transactions as a result of which the Offeror, directly and through its affiliates, has acquired its current interest in the capital of

“SOPHARMA” AD, including the date, type of transaction, number of shares subject to the transaction and the share of capital and votes at the GMS following each of the transactions, is set out in Note 1 to the Tender Offer. For 2022, there are no transactions resulting in the Proposer or its affiliates acquiring shares in the capital of “SOPHARMA” AD, other than those described in Table 1 and Note 1.

Table 1 and Note 1, respectively, also contain relevant information on the transactions of acquisition of shares with voting rights in the General Meeting of Shareholders of “SOPHARMA” AD by the members of the Board of Directors of the Offeror, including the date of acquisition of the shares.

Table 1: ACQUISITION HISTORY (AT THE END OF 2003 THE NUMBER OF SHARES WAS 66 000 000, AT THE END OF 2006 THE NUMBER OF SHARES WAS 132 000 000, AT THE DATE OF THE TENDER OFFER THE NUMBER OF SHARES IS 134 797 899)

Person	Number of acquired shares	Number of shares after the transaction	Share of capital	Shares of capital after the transaction	Current share of capital
“DONEV INVESTMENTS HOLDING” AD	37 600 000	37 600 000	27.89%	27.89%	27.89%
1998-2002	154 975	154 975	2.58%	2.58%	
2003-2005	1 995 916	2 150 891	3.02%	3.26%	
2006-2014	31 208 979	33 359 870	23.64%	25.27%	
2015-2022	4 240 130	37 600 000	3.15%	27.89%	
Ognian Ivanov Donev	6 608 350	6 608 350	4.90%	4.90%	4.90%
2004-2005	77 822	77 822	0.12%	0.12%	
2006-2014	(77 822)	-	0.00%	0.00%	
2015-2021	6 608 350	6 608 350	4.90%	4.90%	
Rositsa Dimcheva Doneva	135 000	135 000	0.10%	0.10%	0.10%
2003	31 900	31 900	0.05%	0.05%	
2004-2005	892	32 792	0.00%	0.05%	
2006-2014	45 728	78 520	0.00%	0.06%	
2015-2021	56 480	135 000	0.04%	0.10%	
Ivan Ognianov Donev	393 399	393 399	0.29%	0.29%	0.29%
2002-2003	195	195	0.00%	0.00%	
2004-2005	4 268	4 463	0.01%	0.01%	
2006-2014	6 537	11 000	0.00%	0.01%	
2015-2021	382 399	393 399	0.28%	0.29%	
Simeon Ognianov Donev	195 450	195 450	0.15%	0.15%	0.15%
2016-2021	195 450	195 450	0.15%	0.15%	
Total	44 932 199	44 932 199	33.33%	33.33%	33.33%

6. DETAILS OF THE SHARES - SUBJECT OF THE OFFER

"DONEV INVESTMENTS HOLDING" AD does not own (directly, through related parties or indirectly under Article 149, paragraph 2 of the LPOS) 89 865 700 ordinary, dematerialised, registered, freely transferable shares with ISIN BG11SOSOBT18, representing 66.67% of the capital and of the votes at the General Meeting of Shareholders of “SOPHARMA” AD. In accordance with a resolution of the Board of Directors of the Offeror dated 28.10.2022, the Offeror intends to increase its stake in the Company's capital by acquiring directly and through related parties more than 1/3, i. e. up to 41.49% of the votes in the General Meeting of Shareholders of the Company, by way of purchase under the Tender Offer pursuant to Art. 149b of the LPOS, addressed to all other shareholders of “SOPHARMA” AD of up to 11 000 000 ordinary, dematerialised, registered, freely transferable shares, with ISIN BG11SOSOBT18, representing 8.16% of the capital and votes in the General Meeting of Shareholders of “SOPHARMA” AD.

7. OFFERED PRICE PER SHARE

"DONEV INVESTMENTS HOLDING" AD offers to purchase the shares of all shareholders in the Company at a price per share of BGN 4.50 (four leva and fifty stotinki).

As required by Art. 150, para. 8 of the LPOS, the offered price per share in this Tender Offer may not be lower than the weighted average market price of the shares for the last 6 months prior to the registration of the Tender Offer.

The shares of "SOPHARMA" AD are listed on the Bulgarian Stock Exchange and the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S. A). Taking into account the insignificant volume of transactions in the Company's shares on the Warsaw Stock Exchange, in calculating the weighted average share price for the last six months prior to the Offer and applying by analogy the provisions of REGULATION № 41 of 11 June 2008 on the requirements for the content of the justification of the share price of a public company, including the application of valuation methods, in the case of a reorganisation, a joint venture agreement and a tender offer, the trading data from the "Bulgarian Stock Exchange" AD, the trading venue where the largest volume of the Company's shares was traded in the six-month period prior to the registration of the Offer, has been taken into account. A statement with data on the trading price of the Company's shares on the "Bulgarian Stock Exchange" AD for the six months preceding the date of registration of the Proposal is attached to this Proposal.

The offered price is higher than the weighted average market price per share for the last six months, which is BGN 4.4853 according to the attached certificate.

8. COMPENSATION FOR THE RIGHTS OF THE SHAREHOLDERS, WHICH MAY BE LIMITED PURSUANT TO ART. 151A, AL. 4 OF LPOS, INCLUDING THE ORDER AND METHOD OF ITS PAYMENT AND THE METHODS OF ITS DETERMINATION

In accordance with the Articles of Association and the public status of the Company, there are no restrictions on the free transfer of shares of "SOPHARMA" AD and/or on the exercise of the voting rights thereon, respectively there is no hypothesis of Art. 151a of the LPOS, and no compensation is payable by the Offeror under the said statutory text.

Restrictions under Art. 151a of the LPOS have not been agreed in an agreement between the shareholders of "SOPHARMA" AD or between the Company and its shareholder. The hypothesis under Art. 151a, para. 3 of the LPOS is not available.

9. DEADLINE FOR ACCEPTANCE OF THE TENDER OFFER

The deadline for acceptance of the Tender Offer is 28 (twenty-eight) days, starting from the day following the date of publication of the Tender Offer on the website of the Specialised Financial Website www.x3news.com. The Offeror may extend the period for acceptance of the Tender Offer within the maximum period of 70 days and increase the Offer Price per Share. In this case, the purchase of the Shares shall be made at the higher price in respect of all Shareholders accepting the Offer, whether before or after the price increase.

The changes referred to in the preceding sentence shall be registered with the Financial Supervision Commission and shall be submitted to the management body of the public company subject to the Tender Offer, to the representatives of the employees of the Offeror or to the employees where there are no such representatives, and to the regulated market on which the shares of the Company are admitted to trading. Changes are published immediately on the specialised finance website www.x3news.com.

Other changes to the Tender Offer, apart from extending the deadline for acceptance of the Tender Offer and

increasing the Offer Price per Share, shall be registered with the Financial Supervision Commission and may be published on the website of the specialized financial website www.x3news.com, if the Commission does not issue a prohibition order within 3 business days.

Changes to the Tender Offer, including extensions to the acceptance period and increases to the Offer Price per Share, may not be published later than 10 days prior to the expiry of the original acceptance period.

In the case of a published competitive tender offer under the terms and conditions of Section III of Ordinance №13/22.12.2003 for a tender offer for the purchase and exchange of shares, the period under this Tender Offer shall be deemed extended until the expiry of the period for acceptance of the competitive tender offer pursuant to Art. 21, para. 2 of Regulation №13.

A subsequent extension of the deadline for acceptance of this Tender Offer within the maximum period of 70 days shall extend the deadline for acceptance of all Tender Offers in cases where the deadline for acceptance expires before the subsequently extended deadline, notwithstanding the provision of Art. 150, paragraph 12 of the LPOS.

10. THE TERMS OF THE FINANCING OF THE ACQUISITION OF THE SHARES, INCLUDING WHETHER THE OFFEROR WILL USE ITS OWN FUNDS OR BORROWINGS

The Tender Offeror "DONEV INVESTMENTS HOLDING" AD will use its own funds and borrowed funds provided by credit institution licensed in the country to finance the acquisition of the shares.

A bank reference from "UniCredit Bulbank" AD is attached as proof of the availability of the necessary funds.

11. THE INTENTIONS OF THE OFFEROR FOR THE FUTURE ACTIVITIES OF THE COMPANY AND OF THE OFFEROR-LEGAL ENTITY AS FAR AS IT IS AFFECTED BY THE TENDER OFFER FOR A PERIOD OF THREE YEARS AFTER THE CONCLUSION OF THE TRANSACTION

11.1. For conversion or dissolution of companies

At the time of registration of the Tender Offer, the Tender Offeror has no intention to convert, terminate or transfer to third parties control of the two companies for a period of three years after the closing of the transaction.

11.2. For changes in the amount of the companies' capital within three years from the conclusion of the transaction

In the period between the date of the initial registration of the Tender Offer with the Financial Supervision Commission - 28.11.2022 and the date of registration of the corrected Tender Offer with the Financial Supervision Commission - 13.01.2023, the Tender Offeror has increased its capital from BGN 25 000 000 to BGN 29 500 000 by issuing 4 500 000 new ordinary shares, registered, freely transferable shares, with one voting right, nominal and issue value of BGN 1 each. The offeror does not foresee any other changes in its registered capital for a period of three years after the conclusion of the transaction.

According to Art. 25 of the Articles of Association of "SOPHARMA" AD on 21.05.2021, the Board of Directors of the Company shall determine the parameters and take a decision on the issuance of warrants in an initial public offering. By Decision № 804 - E of 04.11.2021 the Financial Supervision Commission registered an issue of 44 932 633 book-entry, freely transferable and registered warrants with an issue value of BGN 0.28 issued by "SOPHARMA" AD under Art. 112 b, para. 11 of the LPOS. The underlying asset of the warrants issued is future ordinary, registered, uncertificated, freely transferable shares carrying one vote in the General Meeting of Shareholders to be issued by the Company conditionally, for the sole benefit of the warrant holders. Each

subscribed warrant entitles the holder to subscribe for one share of a future issue. The holders of the warrants may exercise their right to subscribe for the relevant number of shares of a future capital increase of the Company within a 3-year period at a fixed price of BGN 4.13 per share. The exercise right shall commence from the date on which the issue of warrants is registered with the "Central Depository" AD - 16.11.2021. The warrants shall be admitted to trading on the main market BSE of the "Bulgarian Stock Exchange-Sofia" AD as of 17.11.2021.

According to Art. 25 of the Articles of Association of "SOPHARMA" AD, on 07.07.2022 at its meeting the Board of Directors of the Company has adopted a resolution for the issuance under the conditions of initial public offering of an issue of warrants as follows. Issue price per warrant: BGN 6.10 Number of warrants: 26 959 580. Minimum issuance success threshold: 13 479 790 units. Period during which the right may be exercised: 5 years. The remaining parameters of the issue will be described in a Prospectus for Public Offering, which should be adopted by the Board of Directors by a subsequent resolution and receive the relevant approval from the Financial Supervision Commission. As at the date of the Proposal, the Board of Directors has not passed a subsequent resolution to adopt a Prospectus for the Public Offering.

As of the date of the Proposal, the Offeror does not foresee and has no information about any other changes in the amount of the capital of "SOPHARMA" AD except for the ones described above.

11.3. The core business and financial strategy of the companies for a period of three years following the transaction

No changes are foreseen in the core business and financial strategy of the two companies for the period.

11.4. For changes in the composition of the management bodies, staff and terms of employment contracts for a period of three years after the conclusion of the transaction

No changes to the composition of the governing bodies of the two companies are envisaged for the period as a result of the Proposal. The Offeror does not plan any reduction or material increase in the number of employees or in the terms and conditions of employment at "SOPHARMA" AD (including its subsidiaries) during the period. The Tender Offer is not expected to have an impact on the employees of "DONEV INVESTMENTS HOLDING" AD during the period.

11.5. For the dividend distribution policy for a period of three years after the conclusion of the transaction

"SOPHARMA" AD distributes dividends in accordance with the terms and conditions provided for in the LPOS, the Commercial Law and the Articles of Association. During the next three years, any decision on future profit distribution among the shareholders of "SOPHARMA" AD will be taken by the General Meeting of Shareholders depending on the financial situation of the Company in compliance with the legal requirements and the Articles of Association.

"DONEV INVESTMENTS HOLDING" AD shall distribute profits in accordance with the procedure and under the conditions provided for in the Commercial Law and the Memorandum of Association of the Company.

"DONEV INVESTMENTS HOLDING" AD does not foresee any change in its current profit distribution policy within three years from the closing of the transaction.

11.6. Impact that this Tender Offer may have on the employees and place of business of the Companies

The Proposal is not expected to have an impact on the employees of "SOPHARMA" AD (including the employees of its subsidiaries) and "DONEV INVESTMENTS HOLDING" AD during the period. No change in the place of business of "SOPHARMA" AD (including its subsidiaries) and "DONEV INVESTMENTS HOLDING" AD is

envisaged for the period.

11.7. Strategic plans of the Offeror for "SOPHARMA" AD for a period of three years after the conclusion of the transaction

SUMMARY

"DONEV INVESTMENT HOLDING" AD is a joint stock company whose main activity is related to the management of interests in subsidiaries and associated companies. The main business lines in the company's investment portfolio are:

- **investment in "SOPHARMA" AD** - as one of the main shareholders, "DONEV INVESTMENTS HOLDING" AD actively participates in the development of the Company, and over the years has supported "SOPHARMA" AD both in its expansion and in periods of stagnation, participating as a pledger of its own assets in securing the external financing of the Company through bank loans;
- **investments in "SELSO" EOOD and "SOFPRINT GROUP" AD** - as the majority shareholder in these companies, "DONEV INVESTMENTS HOLDING" AD defines the strategy and finances their activities, which are related to:
 - "SELSO" EOOD - research and development; purchase and sale of raw materials and supplies for the implementation of research and development activities; production and marketing of the products resulting from the research and development activities carried out; commercial representation and intermediation; internal and external trade;;
 - "SOFPRINT GROUP" AD – advertising, publishing, pre-press, printing, repair, trade and warehousing, rental of real estate.
- **Investments in "SOPHARMA BILDINGS" REIT, "SOPHARMA IMOTI" REIT, "SIN CARS INDUSTRY" AD, "SOFCONSULT GROUP" AD, "PHARMA LOGISTICA" AD** - the minority stake of "DONEV INVESTMENTS HOLDING" AD in these companies, which operate in the real estate, pharmaceutical and automotive sectors, does not allow the company to make strategic decisions and influence the direction of its business development, which is determined by the major shareholder. At the same time, this participation is a source of stable income in the form of dividends and allows "DONEV INVESTMENTS HOLDING" AD to expand its activities by investing in other areas in order to diversify its portfolio.

The acquisition of a larger stake of "DONEV INVESTMENTS HOLDING" AD in "SOPHARMA" AD will allow "DONEV INVESTMENTS HOLDING" AD:

- to play a more active role in determining the strategic development of "SOPHARMA" AD;
- play a more active role in the implementation and application of processes and best practices in the management of "SOPHARMA" AD;
- to have a greater influence on the direction of the investment policy of "SOPHARMA" AD. both in terms of projects in existing subsidiaries and investments in new segments (if cost-effective);
- to support in operational plan the major investment projects of the companies of "SOPHARMA" AD;
- to support the activities of "SOPHARMA" AD in possible strategic partnerships with Bulgarian and foreign contractors.

"SOPHARMA" AD is a leading Bulgarian manufacturer, exporter and local distributor of health-related products with a strong presence in Eastern and South-Eastern Europe. The company offers a wide range of prescription drugs, OTCs, medical devices and other health-related products. "SOPHARMA" AD operates in the following areas:

- production of pharmaceutical products, including medicines, mainly generic, plant-based substances and food supplements, which is mainly carried out by "SOPHARMA" AD;
- production of medical devices and medical cosmetics, such as patches, dressings and sanitary products,

concentrated in a production site in the city of Sandanski, which is mainly carried out by "SOPHARMA" AD;

- distribution of pharmaceutical products, medical supplies, sanitary materials, vitamins, food supplements and cosmetics, which is mainly carried out by the subsidiary company "SOPHARMA TRADING" AD;
- The portfolio also includes other activities (production and trading of infusion solutions, secondary packaging of pharmaceutical products, rental of real estate, production, collection, purchase, extraction and sale of herbs and medicinal plants, etc.), which have a non-significant share in the consolidated results.

DESCRIPTION OF THE KEY POINTS OF THE STRATEGIC PLAN

The key points of the strategic plan foresee "SOPHARMA" AD:

- increase sales under its existing portfolio as well as by adding new products in categories in which the Company has a strategic interest. To this end, the company is actively exploring various opportunities to acquire products that would complement and diversify its own portfolio;
- to achieve a phased transformation of its production processes and facilities by optimising the Company's production capacity through the purchase and modernisation of new machinery and equipment and the transfer of production activities and technologies. In addition, a strategy has been developed and is in the process of being implemented to optimize the planning, procurement, production, distribution processes through active supply chain management. This would also allow new business segments to develop, such as potentially contract manufacturing;
- the continued operation of production in full compliance with EU good manufacturing practices;
- to diversify its distribution business, which is carried out through its subsidiary "SOPHARMA TRADING" AD. In 2015, "SOPHARMA TRADING" AD launched the development of its own retail pharmacy concept under the SOPharmacy brand. In 2017, the company acquired a chain of pharmacies "PharmaStop", which subsequently went under the SOPharmacy brand. In October 2020, the Company acquired the companies of the SCS "Franchise Group" AD as well as "Sanita Franchising" AD. As a result of the transaction, "SOPHARMA TRADING" AD acquired over 150 pharmacies across the country under the Sanita, Seiba and SCS brands. The plans foresee their transition under the SOPharmacy brand, a process that began in 2021. In the future, "SOPHARMA TRADING" AD aims to continue to strengthen its position on the Bulgarian market by expanding its pharmacy network in the country;
- to implement new technologies to support the automation of business processes in the SOPHARMA GROUP (the "Group");
- deepen operational synergies between Group companies, both within segments and between interrelated segments such as pharmaceutical manufacturing and distribution;
- to develop its staff through training in order to improve their qualifications and competencies and to maintain and maintain its reputation as an employer of choice with career development opportunities in the Group's segments, as well as to work closely with specialised higher education institutions and offer career start-ups to staff;
- to implement a diversity policy within the Group in order to create a work environment free from prejudice, cultivate an atmosphere of respect and mutual trust, nurture a corporate culture with mutual respect and value for each individual. Managers and employees shall conduct their business professionally, impartially, with dignity and integrity, avoiding conflicts of interest;
- implement a green policy to reduce the carbon footprint of the Group's companies through the use of renewable energy.

The implementation of the strategy depends on the impact and development of the following main risk factors, typical for the profile of "SOPHARMA" AD and the businesses in which the Group companies operate:

- non-systemic risks specific to the Group - risks from the impact of epidemics and pandemics; risks arising from dependence on the development of the world economy and trade; risk of political instability in traditional markets and regions, military action and/or sanctions; fraud and abuse risks; risks related to the regulatory framework governing the pharmaceutical business and environmental protection; risks

related to attracting and retaining experienced and skilled staff; credit, liquidity, currency and interest rate risk. Each of these risks affects the Group's segments to varying degrees;

- systemic risks related to the market and macro environment in which the companies operate. These risks cannot be managed and controlled by the Group.

"DONEV INVESTMENTS HOLDING" AD will maintain its core business, will follow its current strategy and will finance its operations from funds generated from operations (including dividends received from associates), profits from previous years, repayments of loans and interest from financing of subsidiaries and, if necessary, from borrowings. The Proposal is not expected to have an impact on the strategy and core business of "DONEV INVESTMENTS HOLDING" AD for the period.

RESOURCES REQUIRED FOR IMPLEMENTATION (PERSONNEL, TECHNOLOGY, FINANCE AND THEIR PROVISION)

PERSONNEL

In Bulgaria, "SOPHARMA" AD is among the largest employers with an average headcount at the end of the first nine months of 2022 of 1,686. The Group's average headcount for the same period was 4,735, of which 4,056 were Group employees in Bulgaria and 679 were overseas employees. Among the countries where the Group has employees are Ukraine, Poland, Serbia, Russia, Kazakhstan, Belarus, Georgia. The Group's Human Resources departments in Bulgaria and abroad have the experience and resources to attract, recruit, develop, motivate and promote employees at different levels of the organisation. Management has adopted a long-term approach to human resource management in the Group, involving on-site training, pre- and post-qualification of staff, and close collaboration with the country's academic community. The management is also experienced in importing personnel from abroad. In this regard, the implementation of the company's strategy will not be hindered by a lack of staff. Even in a period of pandemic, economic and political crises, the Company has established itself as a solid employer for all levels of its organizational structure. Following the outbreak of war in Ukraine, management immediately took all possible measures to ensure, as far as possible, the safety and financial stability of its Ukrainian employees in the city of Kiev and in the city of Uman, Ukraine, where the plant of the Ukrainian subsidiary PAO Vitamini is located. A large number of female staff and their families from the Kiev office were immediately evacuated to Bulgaria, with full support provided by the company.

TECHNOLOGY

Although oriented towards generic pharmaceutical products, "SOPHARMA" AD has been known for years for the traditional production of several unique products based on plant extracts obtained by its own technologies. These products are protected not only by a trademark, but also by a patent or company know-how. With respect to the generic products it manufactures, "SOPHARMA" AD relies on brand names for their market distinctiveness, all of which are registered trademarks of the Company. Over the years of its existence, "SOPHARMA" AD has generated and protected its industrial property. As a result, the Company owns a large number of industrial property objects, the majority of which are registered rights (trademarks, patents, designs) and a smaller number of unregistered objects - mainly technologies. These assets are the result of the Company's special policy towards product and technological innovation, in particular innovation. In its plans, "SOPHARMA" AD is moving towards a phased transformation of its production processes and facilities, which will require technical support within software and process projects that are related to both digitalization and optimization of production and sales processes. The need for such technological development is driven by the goals of developing eight to ten new products per year for the pharmaceutical business and increasing its revenues and profitability.

The future development of the other main company in the Group – "SOPHARMA TRADING" AD is related to the implementation of new technologies and automation of business processes. "SOPHARMA TRADING" AD is

constantly looking to implement solutions that add value and contribute to better efficiency in the operational plan. The company owns two of the most modern automated warehouses on the Balkan Peninsula. The goal is to continue to be a leader in the application of new technologies in the future.

The administrative activity of "SOPHARMA" AD is not directly dependent on technology. The Company uses standard software products for its operational work. An electronic model for consolidation of financial statements has been developed and is being implemented with in-house resources.

FINANCE

The financial resources required to implement the strategy will be raised primarily from the operating activities of the Group's operating companies, which have proven to generate sufficient cash. In case of additional needs, the Company will be able to use leasing or bank financing as it has a perfect reputation and high creditworthiness.

The Tender Offer is not expected to have a material impact on the resources (personnel, technology and finances) of "DONEV INVESTMENTS HOLDING" AD for the period.

DESCRIPTION OF THE COMPANY'S ACTIVITIES FOR A PERIOD OF 5 - 8 YEARS;

The Group's principal activities include:

- production of pharmaceutical products, including medicines, mainly generic, plant-based substances and food supplements;
- production of medical devices and medical cosmetics, such as plasters, dressings and sanitary hygiene products;
- distribution of pharmaceutical products, medical consumables, sanitary materials, vitamins, nutritional supplements and cosmetics.

Over the next 5-8 years, the Group will strive to achieve moderate annual growth and diversification of consolidated revenues. In the short and medium term, there is a level of uncertainty for business due to the economic crisis caused by the pandemic and the military conflict in Ukraine. The efforts of the teams in the Group companies from the individual segments will be focused on:

- **Manufacture - expansion of the product portfolio, which will lead to sustainable growth in the revenues and profitability of the Group**

"SOPHARMA" AD and its manufacturing subsidiaries have 10 pharmaceutical factories in Bulgaria, in accordance with the good production practices adopted in the EU, and one factory in Ukraine, owned by PAO "Vitamini", certified by the local authorities, which certificate is recognized in all CIS countries..

The Company has more than 200 products in its portfolio: incl. nearly 190 medicinal products and 11 groups of medical devices. Medicinal products mainly include generics and 15 traditional products, 12 of the products are plant-based. The Company's traditional products (in particular Tabex, Carsil and Tempalgin) make a major share to its export market income, while the company's generic products are of major importance for domestic sales, Analgin being the leader among these products.

The product portfolio of "SOPHARMA" AD focuses on the following therapeutic areas: cardiology, gastroenterology, pain management, cough and cold, immunology and dermatology, respiratory tract and asthma, neurology and psychiatry, urology and gynecology.

In addition, "SOPHARMA" AD and its subsidiaries are developing successfully in the following additional categories: production of infusion solutions, production of injection solutions, production of veterinary medicinal preparations.

"SOPHARMA" AD and its subsidiaries will strive to achieve a stable result of developing eight to ten new products per year for their pharmaceutical business with a horizon of 5-8 years.

Apart from Bulgaria, the main markets for finished products produced by the Group continue to be Russia and

Ukraine. The Company's plans are to increase its presence in the Russian market through increased investments in marketing and advertising activities and human resources. In addition, work is being done in the direction of expanding the portfolio and relations with various counterparties. In Ukraine, in view of the military conflict at this stage, the main immediate goal is to maintain the market presence of the Group, which is represented through its distribution company for the local market "Sopharma Ukraine" and the production company PAO "Vitamini". The latter produces and sells medicines, tablets, powders, oil solutions, syrups and tinctures. After the start of the war in Ukraine, the company continued to function and did not stop its production activities. The staff as of 30.09.2022 is 248 people, and the average workload for the nine months of 2022 is 42%. The plant's lower workload is a result of insufficient production workers as a result of the military conflict.

In the remaining traditional markets in Poland, Serbia, Belarus, Kazakhstan, Moldova, the countries of the Caucasus region and the Baltics, the Group continues its presence and plans in the medium term to strengthen its positions through additional marketing activities and the imposition of products in therapeutic groups in which there is potential for growth. The company will continue to look for opportunities for an even more active presence in a highly developing market such as that of Vietnam.

- **Distribution – business diversification and international expansion**

The subsidiary "SOPHARMA TRADING" AD is a leading distributor of pharmaceutical products and cosmetics in Bulgaria and abroad. "SOPHARMA TRADING" AD is the sole distributor on the Bulgarian market of certain pharmaceutical products of several leading international pharmaceutical and other healthcare companies such as Amgen, Astra Zeneca, GE Healthcare, Johnson and Johnson, Abbot Diagnostics, Hartmann, Novartis and Novo Nordisk. The company offers more than 15,000 products (in particular pharmaceuticals, medical equipment and devices, consumables, cosmetics, vitamins and nutritional supplements) in its portfolio, as well as specialized services (such as pharmacy software solutions and consulting services) and national logistics services. "SOPHARMA TRADING" AD cooperates with more than 400 partners and over 3 500 customers.

The strategic plan for the Group's activities in the distribution sector includes diversification of business activities by entering the retail pharmaceutical market through active acquisitions of pharmacy chains, as well as continued international expansion of the distribution business beyond Bulgaria and Serbia.

"DONEV INVESTMENTS HOLDING" AD intends to continue to support the implementation of the above strategy for flexible management of "SOPHARMA" AD in order to achieve the objectives set out in the strategic plan.

ENVIRONMENTAL ANALYSIS - COMPETITIVE ADVANTAGES, COUNTERPARTIES (CUSTOMERS, SUPPLIERS), COMPETITORS AND COMPETITIVE PRICES, MARKET POTENTIAL AND VOLUME, MARKET GROWTH

- On February 24, 2022, Russian military forces started hostile invasion in Ukraine. Subsequently, a number of countries imposed sanctions on certain individuals and legal entities in Russia. It is expected that the war in Ukraine and related economic sanctions and other measures taken by governments around the world will have a significant impact on both local and global economies. As of the date of approval of these separate financial statements, the Company has no commercial counterparties included in sanctions lists published by the European Union. The company owns investments in two subsidiaries in Ukraine. As of the date of approval of these separate financial statements the assets of these subsidiaries companies are not physically affected by military activities, but it may be necessary in the future to reconsider the value of these investments depending on the development of the war and its impact on the activities of companies.

Global and European trends in the health care sector

Regarding the pharmaceuticals market, before the pandemic, the expectation was that it would grow at a very slow rate in developed EU countries (on average 0.8% per year). In 2020 and 2021, however, COVID-19 resulted in alternating periods of huge increases, decreases, and a brief return to forecast results.

COVID-19 has also influenced consumer attitudes towards healthy lifestyles, as they have started to spend more and more money and time on prevention and ensuring good health. This category is expected to continue to grow in the future.

However, the process that has seen the most development in the health care sector in recent years is digitisation. On the one hand is the development of online sales of health and beauty products, and on the other, telemedicine and remote monitoring of patients with chronic diseases are becoming increasingly important. Thus, innovative medical devices that support a healthy lifestyle and prevention have already started to enter the market. In terms of therapeutics, drug solutions for rare diseases and innovative ones continue to emerge as a key segment. Large pharmaceutical companies are devoting increasing resources and investment to the development of such products.

The main influence on the development of the Bulgarian pharmaceutical market is also the macroeconomic environment, but despite the global trends of declining growth and shrinking consumption, the pharmaceutical sector has been growing steadily, with Central and Eastern European markets identified as having the greatest potential.

Against this backdrop, "SOPHARMA" AD maintains its market share and for the first nine months of 2022 it occupies 2.45% of the total Bulgarian pharmaceutical market in value and 9.67% of sales in kind. The positions of the Company's main competitors in the country are as follows: Novartis – 7.04% (4.16% in units), Roche – 5.48% (0.14% in units), Merck Sharp Doh – 4.45% (0.14% in units), Pfizer – 3.80% (0.66% in units), Teva – 3.51% (9.35% in units), Swixx Biopharma – 3.06% (0.88% in units), Abbvie – 3.15% (0.06% in units), Astrazeneca – 2.98% (0.35% in units), Bayer – 2.64% (1.91% in units). The products with the largest share of sales in the country are Analgin, Sofazolone, Vicetin, Famotidine, Vitamin C, Paracetamol, Bromhexine, Methylprednisolone.

In the wholesale and retail pharmaceuticals segment, the trend of consolidation and concentration of players in this market continues. In the distribution business, "SOPHARMA TRADING" AD is the leading distributor of pharmaceuticals and cosmetics in Bulgaria with a market share for pharmaceuticals of 21.73%. The Group's main competitors in this sector are Fenix Pharma, Sting and Pharmnet. The market shares of these three companies for the period January - September 2022 are: "Fionix Pharma" - 22.11%; "Sting" - 21.02%; "Farmnet" - 16.44%. "Fionix Pharma" has four regional warehouses in Sofia, Plovdiv, Burgas and Veliko Tarnovo. It offers over 10,000 items - medicines, food supplements, cosmetics and more. It works with over 3,000 clients nationwide. "Sting" AD has five warehouses and supplies products to 2,700 pharmacies nationwide. "Pharmnet" has four warehouses in Sofia, Varna, Plovdiv and Veliko Tarnovo. In Serbia, the main competitors are Fionix, Vega and Pharmalogsitic.

The Group's main competitive advantage over other pharmaceutical companies operating on the Bulgarian market is the existence of its own wholesale and retail network in the country. The main activity of the subsidiary company "SOPHARMA TRADING" AD is related to wholesale and retail trade in pharmaceuticals, sanitary and hygiene materials, food additives and cosmetics with a total of over 15,000 items. The company has 100% national coverage in Bulgaria and Serbia through 4 distribution centers. The automated systems for warehouse management and distribution of medicines - KNAPP, implemented in the company's logistics centers in Sofia and Varna, are without analogue on the Balkan Peninsula.

For its part, "SOPHARMA TRADING" AD has been able to compete successfully thanks to being part of a large pharmaceutical group and having access to working capital and investment financing on favourable terms, which is an advantage when working with state-owned hospitals.

These synergies between the manufacturing and distribution businesses allow the Group to compete on an equal footing with both pharmaceutical giants and the large universe of pharmaceutical wholesalers and retailers at home and abroad.

MARKETING PLAN - TARGET SEGMENTS, MARKET COVERAGE STRATEGY, SALES PLAN, DISTRIBUTION AND ADVERTISING

"SOPHARMA" AD has developed a marketing strategy for the existing brands, as well as specially developed and approved by the management criteria for the inclusion of new products to the traditional portfolio both in terms of production and distribution business. New products are planned by country according to local needs and specificities. The Group's marketing strategy is underpinned by a media strategy that is in line with the Company's sales targets set out in its strategy detailed within this section.

Regarding the sales plan, the approach is moderate due to the still high uncertainty in the markets as a result of the conflict in Ukraine and the subsequent contraction of the global economy. Consolidated revenues are expected to grow moderately.

"DONEV INVESTMENTS HOLDING" AD as one of the main shareholders will monitor the implementation of the marketing strategy and will support its implementation.

ORGANISATION AND MANAGEMENT

"SOPHARMA" AD has a well-established and functioning organizational structure. No changes in the composition of the Company's governing bodies are anticipated during the period as a result of the Proposal. If necessary, the Company can be reinforced with suitable executives with proven professional skills. Diversification will be respected in accordance with the Diversity Policy.

The Company has agreed to comply with the National Corporate Governance Code adopted by the Bulgarian Stock Exchange, whose main objective is to promote and validate best practices in the field of corporate governance. "SOPHARMA" AD is one of the seven companies included in the index of companies with good corporate governance CGIX (Corporate Governance IndeX).

No changes in the composition of the management bodies of "DONEV INVESTMENTS HOLDING" AD are envisaged for the period as a result of the Tender Offer.

INVESTMENT

Depending on the Group's performance for the period and subject to compliance with the established rules and procedures for the management of investment activities and the commitments made to financial institutions to maintain a leverage ratio - net debt to earnings before interest, tax, depreciation and amortisation of no more than four times, the Group will invest in:

- Development of new product portfolios;
- Modernisation of production facilities;
- Digitalization of business activities;

The financial resources required for the implementation of the investment plan will be generated mainly from the operating activities of "SOPHARMA" AD and its subsidiaries. In case of additional needs, the Company will be able to use leasing or bank financing as it has a perfect reputation and high creditworthiness.

"DONEV INVESTMENTS HOLDING" AD is able to provide support where required in the form of assets to secure debt financing for specific capital intensive projects.

EXPECTED RESULTS

The expected results of the implementation of the strategy of "SOPHARMA" AD are:

- improving the Group's competitive position in existing markets where its companies operate and entering new ones by strengthening their competitive advantages, exploiting the opening market opportunities and multiplying the synergy effect between segments;

- increase the Group's profitability by reducing operating costs, using energy efficient and automated technologies and by improving asset utilisation;
- increasing operational capacity by investing in the development of new products;
- more efficient management of processes and resources through the implementation of specialised software and integrated management systems;
- Maintaining the Group's reputation as an employer of choice that strives to develop its staff through continuous training and to provide equal opportunities for career development, respecting cultural, ethnic, gender and other differences among employees;
- highlighting the Group as a socially responsible company that cares for the environment and biodiversity conservation, striving to reduce the harmful footprint of its activities;
- transformation of the Group from a regional player in the pharmaceutical sector to a mid-European one.

The implementation of "DONEV INVESTMENTS HOLDING" AD's strategy to increase its stake in "SOPHARMA" AD is expected to lead to an increase in the market value of its investment through improved profitability and better management of the risks associated with it.

TIMELINE - PHASES OF STRATEGY IMPLEMENTATION

The objectives of the strategy are of a permanent nature and are not limited by a defined timeframe. The strategy of "SOPHARMA" AD has been developed in a three-year horizon, with specific tasks and objectives for each year. On an annual basis, the Group's budget also sets targets by department against a developed financial model.

Each year, the strategy and financial model are updated and the tasks for the next three years are updated in relation to the current year.

12. THE PROCEDURE FOR ACCEPTANCE OF THE OFFER AND THE METHOD OF PAYMENT OF THE PRICE, INCLUDING DETAILS OF THE PLACE WHERE SHAREHOLDERS SHALL SUBMIT A WRITTEN APPLICATION FOR ACCEPTANCE OF THE OFFER AND DEPOSIT THE CERTIFYING DOCUMENTS FOR THE SHARES HELD; THE TERM AND METHOD OF PAYMENT OF THE PRICE BY THE OFFEROR

12.1. Procedure for acceptance of the Tender Offer

The tender offer shall be accepted by an explicit written statement (in a form) to the authorized investment intermediary "Karoll" AD or another licensed investment intermediary. Upon submission of the will for acceptance of the Tender Offer, the shareholders shall deposit with the selected investment intermediary the certifying documents for the shares held. Depository receipts and any other legally recognised document of authenticity will be accepted as authenticating documents. The will is filed:

A. Personally by shareholders - **individuals**. Individuals shall identify themselves to the investment intermediary with an official identity document, in compliance with the requirements of Regulation 38 on the requirements to the activity of investment intermediaries, the Law on the measures against money laundering and the Regulations for its implementation and all other applicable regulations;

B. By the legal representatives of the shareholders - **legal entities**. Legal entities shall be identified in compliance with the requirements of Regulation 38 on the requirements to the activity of investment intermediaries, the Anti-Money Laundering Measures Act and its implementing regulations and all other applicable regulations;

C. Through a proxy authorized by an express notarized power of attorney, subject to the requirements of Regulation 38 on the requirements for the activity of investment intermediaries. The proxy shall be legitimised in

accordance with all the requirements of the Anti-Money Laundering Measures Act and the Regulations for its implementation and all other applicable regulations to the activities of investment intermediaries.

When submitting the will to accept to “Karoll” AD through an investment intermediary, a declaration is required from the investment intermediary that the identity of the shareholder and his proxy (in the case of submission of the will through a proxy) has been removed in accordance with the rules mentioned above. The application for acceptance of the Tender Offer shall be accompanied by the documents certifying the ownership of the dematerialised shares in the capital of “SOPHARMA” AD - a depository receipt or another document certifying the existence and ownership of the shares.

12.2. Place where the shareholders submit a written application for acceptance of the Offer and deposit the certifying documents for the shares held

Written applications and documents are accepted at the offices of all investment intermediaries (which in turn transmit aggregated information to “Karoll” via a template form), or directly at the addresses of the Client Service Centres of “Karoll” AD:

<p>Head Office - Sofia str. "Zlatovruh" 1, Sofia 1164 Opening hours: Monday - Friday 09:00 - 18:00 Telephone: 02 / 4008 200 E-mail: info@karoll.bg</p>	<p>Office Vazrazhdane – Sofia blvd. "Hristo Botev" 57, Sofia 1303 Opening hours: Monday - Friday 9:00 - 13:00/14:00 - 18:00 Telephone: 02 / 4008 200 E-mail: info@karoll.bg</p>
<p>Office Burgas str. "Slavyanska" 75, et. 1, office 2 Opening hours: Monday - Friday 09:00 - 18:00 Mobile: 0895 / 559 237 E-mail: office_bourgas@karoll.bg</p>	<p>Office Varna str. „Preslav“ 20 Opening hours: Monday - Friday 09:00 - 18:00 Telephone: 052 / 617 919 GSM: 0895 / 559 236 E-mail: office_varna@karoll.bg</p>

More information can be found at the e-mail address of the Intermediary: www.karollbroker.bg.

12.3. Time of acceptance of applications within the Tender Offer period

Time of acceptance of applications within the framework of the Tender Offer by the authorized investment intermediary “Karoll” AD - every working day from 9.00-18.00. When accepting the Trade Offer through another investment intermediary - according to the working hours with clients of the selected intermediary.

12.4. Term for payment of the price by the Offerer

The Tender Offeror shall pay the price of the shares to the shareholders accepting the offer within 7 (seven) business days after the expiration of the acceptance period.

The transaction for acquisition of shares of “SOPHARMA” AD as a result of acceptance of the Tender Offer shall be deemed to have been concluded at the time of expiry of the deadline for acceptance of the Offer - respectively the extended deadline under Art. 155, paragraph 4 of the LPOS (if any) or the extended period under art. 21, para.

2 and 3 of Ordinance № 13 (in case of competitive bidding). Any person who has accepted the Tender Offer shall have the right to withdraw its acceptance at any time up to the expiry of the period for acceptance of the Offer, respectively the period extended pursuant to Art. 155, para. 4 of the LPOS for acceptance of the Tender Offer.

In the case of a published competitive tender offer, any shareholder who has accepted the Tender Offer has the right to withdraw acceptance of the Tender Offer within the extended acceptance period for the competitive tender offer.

12.5. Method of payment of the price by the Offerer

The shares acquired as a result of the Tender Offer shall be paid by "Karoll" AD at the expense of the Offeror within 7 business days after the conclusion of the transaction in accordance with Section 12 4. The price of the acquired shares of the shareholders who have accepted the Offer through another investment intermediary shall be paid by "Karoll" AD to a general bank account for the storage of client funds of the investment intermediary that has accepted from the shareholder the statement of acceptance of the Tender Offer and the certifying documents for ownership of the shares.

The price of the acquired shares of the shareholders who have accepted the offer through "Karoll" AD shall be paid to the general bank account for the storage of client funds of "Karoll" AD with IBAN: BG35 UNCR 7000 1522 1856 17, BIC: UNCRBGSF at "UniCredit Bulbank" AD.

After certification of the bank account of the respective investment intermediary that has accepted the application for acceptance of the Tender Offer, the shareholder may receive the amounts due to him either to the bank account specified by him in the application for acceptance of the Tender Offer or in cash, subject to the statutory limits.

Payments to shareholders whose assets are held with a custodian bank or custodian bank shall be made through the relevant custodian bank or custodian bank.

The shareholders' right to receive the share price is extinguished after the expiry of the general 5-year limitation period.

The price of the shares of the shareholders who have accepted the Tender Offer and who have not indicated a bank account in the application for acceptance shall be credited to their analytical bookkeeping account with the respective investment intermediary and shall be paid to the person upon his/her appearance at the intermediary's office, subject to the restrictions on cash payments or upon the shareholder's indication of a bank account. The crediting of the funds to a specified bank account or to an analytical client account with a relevant investment intermediary is sufficient to establish the payment of the Tender Offer Price. In the case of funds held in an analytical client account, the relevant client is not bound by a limitation period for its appearance and giving instructions for the disposition of those funds. The funds in an analytical client account are the property of the client, the holder of such account, and the client may dispose of such funds without regard to any limitation period in connection with the transaction under the Tender Offer.

12.6. Expenses for the shareholders accepting the Tender Offer

The Authorized Investment Intermediary "Karoll" AD will not collect any commission fee from those who accept the Tender Offer directly with it.

In respect of Shareholders who apply to accept the Offer through an investment intermediary other than "Karoll" AD, the commission to be charged will depend on the tariff or the stipulated commissions of that investment intermediary through which the acceptance is made.

The costs of payment of the bank charges for transfer of the amount due to the bank account of the relevant accepting shareholder (for shareholders who have accepted the Offer with "Karoll" AD), respectively to the client account of the relevant investment intermediary (for accepting shareholders who have accepted the Offer with another investment intermediary) are borne by "Karoll" AD.

13. INFORMATION ON THE APPLICABLE PROCEDURE IN CASE THE TENDER OFFER IS WITHDRAWN BY THE OFFEROR

After its publication, the Tender Offer may be withdrawn by the Tender Offeror in accordance with the terms and conditions of Article 155, paragraph 1 of the LPOS and Art. 38, paragraphs 1-3 of Regulation №13 - where the proposal cannot be implemented due to circumstances beyond the control of the Proposer, the time limit for its acceptance has not expired and the approval of the FSC is available. Within 7 days of being notified of the approval granted by the FSC, the Proposer shall post a notice of withdrawal of the Proposal on the Specialized Financial Website www.x3news.com as originally referred to in paragraph 16.

No later than 10 days before the expiry of the deadline for the acceptance of a competitive tender offer (if any), pursuant to Art. 38, para. 7 in conjunction Art. 39 of Regulation №13, the Offeror may withdraw this Tender Offer by accepting the Competing Tender Offer by registering the withdrawal with the FSC and notifying the management body of "SOPHARMA" AD, the "Bulgarian Stock Exchange" AD, the representatives of its officers or employees where there are no such representatives, "Karoll" AD and "Central Depository" AD of the withdrawal. In this case, by the end of the business day following the registration and notification referred to in the preceding sentence, the Tender Offeror shall publish a notice of the withdrawal of the Tender Offer on the website of the Specialised Finance Website www.x3news.com.

This tender offer may be withdrawn after publication and without the conditions of Art. 155, para. 1 of the LPOS. The offeror shall register the withdrawal of the tender offer with the Financial Supervision Commission and notify the management body of "SOPHARMA" AD, the "Bulgarian Stock Exchange" AD, the representatives of its employees or employees where there are no such representatives, "Karoll" AD and "Central Depository" AD of the withdrawal. By the end of the business day following the day of registration of the notice of withdrawal with the FSC, the Offeror shall publish a notice of the withdrawal of the Tender Offer on the website of the specialized financial website www.x3news.com.

Within three days of receipt of the notification from the FSC of the approval granted for the withdrawal of the Tender Offer, respectively of the notification from the Tender Offeror for the withdrawal of the Offer, "Karoll" AD and "Central Depository" AD shall ensure the conditions for the return of the depository receipts for the shares to the shareholders who accepted the Offer. In this case, any shareholder of "SOPHARMA" AD who has accepted the Offer or his expressly authorized proxy may obtain the deposited certification documents at the offices of the investment intermediary through which he has submitted the will to accept the tender offer. In the case of a shareholder who has accepted the offer through "Karoll" AD, the return can be made any working day from 9.00-16.00. The return is made upon presentation of an application (free text), proof of identity, and a notarized express power of attorney - for proxies. The return of the documents is not time-bound.

14. OPPORTUNITIES FOR AN ALREADY ACCEPTED OFFER TO BE WITHDRAWN BY THE SHAREHOLDER WHO ACCEPTED IT, PURSUANT TO ARTICLE 156, PARAGRAPH 1 OF THE LPOS

Acceptance of the Tender Offer may be withdrawn by a shareholder of "SOPHARMA" AD (or his/her proxy with a notarized express power of attorney) only before the expiration of the 28-day period for acceptance of the Tender Offer, respectively the extended period under Article 155, paragraph 4 of the LPOS (if any) or under Article 21, paragraphs 2 and 3 of Regulation №13 (if there is a published competitive tender offer). Acceptance of the Tender Offer may be withdrawn by submitting an express written notice of withdrawal of acceptance (in the form provided). In the event of a valid written notice of withdrawal of acceptance of the Tender Offer, the deposited certification documents for the shares held in the capital of "SOPHARMA" AD shall be returned immediately to the shareholder who originally accepted the Tender Offer, respectively to his/her proxy authorized by a notarized express power of attorney. The written declarations are submitted to the offices of the investment intermediary in which the shareholder has made the acceptance declaration and the investment intermediary, in turn, immediately provides the withdrawal declaration to "Karoll" AD. The return of the deposited certifying documents shall be

subject to the presentation of a proof of identity as well as a notarized express power of attorney - for proxies. The return of the documents is not time-bound.

After the expiration of the period for acceptance of the Offer, the shareholder may not withdraw his written statement of acceptance of the Offer and the transaction for the purchase and sale of shares resulting from the Tender Offer shall be deemed to have been concluded.

15. INFORMATION ON THE APPLICABLE PROCEDURE IF MORE SHARES ARE DEPOSITED FOR PURCHASE THAN THE MAXIMUM NUMBER OF SHARES SUBJECT TO THE TENDER OFFER

In this Tender Offer, the Offeror has pledged a maximum number of shares of "SOPHARMA" AD to be purchased which is less than the total number of shares of the Company that the Offeror does not own. In this regard, it is hypothetically possible that more Shares may be deposited for acquisition during the Offer Period than the maximum number of Shares set forth in the Tender Offer, namely 11 000 000 Shares. According to the requirements of Art. 149b, para. 2 of the LPOS, the Offeror is obliged to purchase all the voting shares of the shareholder accepting the Offer. If the number of Voting Shares tendered by all Shareholders accepting the Offer exceeds the maximum number of Shares tendered under the Tender Offer, the Offeror will purchase Shares from each of the accepting Shareholders in proportion to the number of Shares tendered by them. Accordingly, if, within the Offer Acceptance Period, the number of Shares deposited by all Accepting Shareholders exceeds the maximum number of Shares that the Offeror has indicated that it wishes to acquire (11,000,000 Shares), the Offeror will purchase Shares from each of the Accepting Shareholders in proportion (pro rata) to the number of Shares deposited by them. The proportion factor will be determined by the following formula:

$$\frac{\text{Number of shares deposited by Accepting Shareholders}}{\text{Maximum number of shares subject to the Offer (11 000 000 shares)}}$$

rounding its value to the **fifth** decimal place.

In the case of a proportionate (pro rata) purchase of Shares, the number of Shares acquired by each Accepting Shareholder is obtained by dividing the number of Shares deposited by the Accepting Shareholder by the proportion factor specified above. The resulting number is rounded down to the nearest whole number of shares and this is the number of shares that the Offeror acquires from the relevant Shareholder. An exception will be made only for Accepting Shareholders who have deposited only one share, and for them in all cases the rounding up will be to one share to comply with the requirement of Art. 149b, para. 2. In this case, the Tender Offeror will publish an announcement of the outcome of the Tender Offer on the dedicated financial website www.x3news.com in which it will announce that it will purchase Shares from each of the Accepting Shareholders in proportion (pro rata) to the Shares deposited by them and will also announce the relevant proportion ratio. Each Accepting Shareholder, or its expressly authorised proxy, may verify the exact number of Shares it has realised under the Tender Offer and obtain the deposited documents of title for the remaining unvested number of Shares (if any) at the offices of the investment intermediary through which it has applied for acceptance. Unacquired Shares will be held in a client account with the investment firm through which the relevant Accepting Shareholder has submitted an Acceptance Application until the Accepting Shareholder decides to dispose of the Shares. Accepting Shareholders who have accepted the Offer through "Karoll" AD may request the return of the certification documents for the remaining unvested number of Shares (if any) on any business day from 9.00 - 18.00 at the relevant office where they applied for acceptance. The return is subject to a written application (free text) and identification of the shareholder concerned. The return of the documents is not time-bound.

16. PLACE WHERE ADDITIONAL INFORMATION ABOUT THE OFFERER AND THE OFFER CAN BE OBTAINED

This Proposal is available to each of the shareholders of "SOPHARMA" AD on the electronic website, as follows: <https://www.sopharmagroup.com/bg/investitori/novini-za-investitori> as well as on the authorized investment intermediary "Karoll" AD: www.karollbroker.bg. A paper copy may be provided, upon request, at any of the Customer Service Centres of "Karoll" AD referred to in clause 12.2.

Additional information about the Offeror (including the annual financial statements for the last three years and the current Articles of Association of the Offeror) are available to shareholders of "SOPHARMA" AD at any of the customer service centres of the authorised investment intermediary "Karoll" AD, as referred to in section 12.2, as well as on the website of "Karoll" AD - www.karollbroker.bg and on the website of the Commercial Register and the Register of Non-Profit Legal Entities - www.brra.bg.

17. THE AGGREGATE AMOUNT OF THE OFFEROR'S EXPENSES IN MAKING THE OFFER IN ADDITION TO THE FUNDS REQUIRED TO PURCHASE THE SHARES

The total amount of the Offeror's expenses for the implementation of this Tender Offer (excluding the funds earmarked for the purchase of shares) amounts to approximately BGN 50 thousand, including for the remuneration of the investment intermediary, fees for the review of the Tender Offer by the Financial Supervision Commission, for the registration of the transactions on the "BSE" AD and the "Central Depository" AD, as well as for the necessary publications of the Offer.

18. WEBSITE OF THE INFORMATION AGENCY, WHERE THE TENDER OFFEROR WILL PUBLISH A NOTICE OF THE TENDER OFFER, ITS MATERIAL TERMS AND CONDITIONS UNDER ART. 151, AL. 4 OF THE LPOS AND THE OPINION OF THE MANAGEMENT BODY OF THE PUBLIC COMPANY - SUBJECT OF THE TENDER OFFER ON THE ACQUISITION AND THE RESULT OF THE TENDER OFFER

The Offeror will comply with its obligation to publish a notice of the Tender Offer and its material terms in accordance with the requirement of Art. 154, para. 1 of the LPOS, as well as the opinion of the management body of "SOPHARMA" AD, regarding the acquisition and the outcome of the Tender Offer, through publication in www.x3news.com.

19. APPLICABLE LAW CONCERNING CONTRACTS BETWEEN THE OFFEROR AND SHAREHOLDERS UPON ACCEPTANCE OF THE TENDER OFFER AND THE COMPETENT COURT

Matters relating to the Offer Price, the making of this Tender Offer, the contents of this document and its publication, the information disclosed to the employees of "SOPHARMA" AD and any other matters relating to and/or arising out of the contract entered into by the Tender Offeror and the Shareholders with the acceptance of the Offer shall be governed by the LPOS and applicable Bulgarian law.

The Bulgarian courts shall have jurisdiction to settle any disputes which may arise out of or in connection with the Tender Offer.

20. ANY OTHER CIRCUMSTANCES OR DOCUMENTS WHICH, IN THE OPINION OF THE OFFEROR, ARE RELEVANT TO THE TENDER OFFER BEING CONDUCTED

At the time of the preparation of the Tender Offer, there are no other circumstances or documents which, in the

opinion of the Offeror, are relevant to the Tender Offer being implemented.

THE FINANCIAL SUPERVISION COMMISSION IS NOT RESPONSIBLE FOR THE ACCURACY OF THE DATA CONTAINED IN THIS TENDER OFFER.

THE OFFEROR DONEV INVESTMENT HOLDING AD IS JOINTLY AND SEVERALLY LIABLE WITH THE AUTHORISED INVESTMENT INTERMEDIARY IP KAROL AD FOR DAMAGES CAUSED BY FALSE, MISLEADING OR INCOMPLETE DATA IN THIS TENDER OFFER, PURSUANT TO ART. 150 AL. 5 OF THE LPOS

THE OFFEROR AND THE AUTHORISED INVESTMENT INTERMEDIARY DECLARE BY THE SIGNATURES BELOW THAT THIS TENDER OFFER COMPLIES WITH THE REQUIREMENTS OF THE LAW.

FOR "DONEV INVESTMENTS HOLDING" AD:

FOR "KAROLL" AD:

IVAN DONEV

ANGEL RABADZHIYSKI

PETYA ROGOZYANSKA