



SOPHARMA AD

Sopharma AD as a shareholder directly holding 7,318,665 shares, representing 33.34% of the capital and the votes in the General Meeting of Shareholders of Sopharma Imoti REIT

SETS OFF

TENDER OFFER

by the order of art. 149, para. 1 of the LPOS for repurchase of 14,632,655 shares, representing 66.66% of the capital and votes in the General Meeting of Sopharma Imoti REIT.

SOPHARMA IMOTI REIT



PART I

BASIC INFORMATION

ISIN NUMBER:	BG1100031068
EXCHANGE CODE ON BSE-SOFIA:	SFI
TYPE OF SHARES:	ORDINARY, DEMATERIALIZED, REGISTERED, FREELY TRANSFERABLE
NOMINAL VALUE:	BGN 1 (ONE LEV)
OFFERED SHARE PRICE:	BGN 8.20




The Financial Supervision Commission is not responsible for the accuracy of the data in this tender offer

THE TENDER PROPOSAL WAS REGISTERED WITH THE FINANCIAL SUPERVISION COMMISSION ON JUNE 7, 2022.

This document is a translation of the original text in Bulgarian, in case of divergence the Bulgarian original is prevailing.



Investors may inspect the original of this document, obtain a copy free of charge and obtain further information on it at the offices of:

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

Based on Art. 149, para. 1 of the LPOS, Sopharma AD (the "Offeror") submits the present Tender Offer (the "Tender Offer" or the "Offer") for purchase of 14,632,655 shares from all other shareholders in Sopharma Imoti REIT (the Company).

As of the date of this Offer, Sopharma AD directly owns 7,318,665 ordinary, dematerialized voting shares, representing 33.34% of the capital and of the votes at the General Meeting of Shareholders of Sopharma Imoti REIT.

2. DATA FOR TRADE OFFEROR

2.1. GENERAL INFORMATION

The trade offeror is Sopharma AD. Sopharma AD is a joint stock company with public status within the meaning of Art. 110, para. 1 of the LPOS. Sopharma AD is established in the Republic of Bulgaria and is entered in the Commercial Register kept by the Registry Agency, under the company name Sopharma AD, UIC 831902088, with registered office and address of management: Sofia, Nadezhda district, 16 Iliensko shosse Str., phone 028134200, electronic address (e-mail) mail@sopharma.bg and electronic website www.sopharma.bg and with LEI code 097900BGGW0000048796.

According to Art. 5 of the Articles of Association of the Company, the subject of activity of Sopharma AD is: production of medicines and chemical-pharmaceutical preparations, trade activity in the country and abroad, research activity in the field of phytochemistry, chemistry and pharmacy.

As of the date of registration of the Tender Offer, Sopharma AD has a capital of BGN 134,797,899, which has been fully repaid.

With a decision of the Sofia City Court of February 17, 1990 (case №480 of 1990) registered a subsidiary of the company "Pharmacy" with the name "Sopharma", based in Sofia, 16 Iliensko Shosse and with subject of activity: design, research, engineering-implementation, production and trade activity in the field of fine organic synthesis of medicinal substances and intermediates, dosage forms, hygienic-prophylactic preparations, raw materials and semi-finished products for them, biotechnological products for health and export needs. The company has a statutory fund of BGN 34,061 thousand. There is no change in the name of the company from its registration to the date of this tender.

2.2. MANAGEMENT BODIES OF THE PROPOSER

Sopharma AD has a one-tier management system with a Board of directors of five members as follows:

- Ognian Ivanov Donev, business address: Sofia 1756, 5 Lachezar Stanchev Str., Sopharma Business Towers, Tower A, 17th floor - Chairman of the Board of directors and Executive Director
- Vessela Lyubenova Stoeva, business address: Sofia 1756, 5 Lachezar Stanchev Str., Sopharma Business Towers, tower A, floor 16 - Deputy - chairman of the BoD
- Bissera Nikolaeva Lazarova, business address: Sofia, 44 Galichitsa Str., 3rd floor - member of the BoD
- Alexandar Viktorov Tchaoushev, business address: Sofia, 16 Iliensko Shosse Str. - independent member of the BoD
- Ivan Venetskov Badinski, business address: Sofia, 16 Iliensko Shosse Str. - member of the BoD and procurator

The current mandate of the Board of directors of Sopharma AD is 5 years and expires on June 4, 2026.

The company has two procurators:

- Ivan Venetskov Badinski, business address: Sofia, 16 Iliensko Shosse Str - member of the BoD and procurator
- Simeon Ognianov Donev, business address: Sofia 1756, 5 Lachezar Stanchev Str., Sopharma Business Towers, Tower A, 15th floor - procurator

2.3. SIGNIFICANT SHAREHOLDERS. CONTROL OVER THE OFFEROR

As of the date of this tender offer, the persons whose voting right in the GMS of Sopharma AD directly reaches 5% of the capital of the Company are as follows:

- "Donev Investments Holding" AD, UIC: 831915121, registered office and address of management: Sofia, post code 1000, Vazrazhdane district, 12 POSITANO Str., owns directly 37 581 363 shares or 27.88% of capital on Sopharma AD and respectively 27.88 % of the voting rights in the General Meeting of Shareholders of the Company.
- "Telecomplex invest" AD UIC: 201653294, registered office and address of management: Sofia, post code 1000 Blvd. 9 Slaveykov Square, owns directly 27 881 287 shares or 20.68% of capital on Sopharma AD and respectively 20.68% of rights of the voting rights in the General Meeting of Shareholders of the Company.
- ZUPF "Allianz Bulgaria" owns directly 7 054 547 shares or 5.23% of the capital of Sopharma AD and respectively 5.23% of the voting rights in the General Meeting of Shareholders of the Company.
- Sopharma AD, UIC: 831902088, with registered office and address of management: Sofia, Nadezhda district, 16 Iliensko Shosse Str., has bought back and owns directly 13 055 000 shares or 9.68% of capital of Sopharma AD and respectively owns 9.68% of the voting rights in the General Meeting of Shareholders of the Company.

As of the date of this tender offer there are no other legal or natural persons to own, directly or indirectly, and / or through related parties, participation in the capital of Sopharma AD, reaching 5% of the capital.

As of the date of preparation of the tender offer, there are no persons who have an indirect participation in Sopharma AD, according to the provision of Art. 146, para. 1, item 5 of the LPOS.

As of the date of the tender offer, Sopharma AD has no known persons exercising control over the company directly or indirectly and / or through related parties. The company is not aware of any agreements, the effect of which may lead to a change in control at a later date.

As of the date of the tender offer, Sopharma AD does not know the agreements for exercising the right to vote at the general meeting of the trade offeror.

3. DETAILS OF THE CONSULTANT AND THE AUTHORIZED INVESTMENT INTERMEDIARY

3.1. CONSULTANT

The consultant of Sopharma AD for conducting the present tender offer is Main Capital AD, UIC 202402882 with registered office and address of management - Sofia 1404, Triaditsa district, 98 Gotse Delchev Blvd., ent. 2, office 11.

3.2. AUTHORIZED INVESTMENT INTERMEDIARY

The authorized investment intermediary for this tender offer is MK Brokers AD, UIC 175007052, with registered office and address of management Sofia, 8 Tsar Osvoboditel Blvd., 4th floor, telephone +359 24942269, e-mail office@mkb.bg and web-site, <https://mkb.bg/contacts/>.

MK Brokers AD is a licensed Bulgarian Investment Intermediary with license № RG-03-217 / 05.05.2020, issued by the FSC for carrying out activity as an investment intermediary. The company has been licensed by the FSC since 2006 (former name DISL Securities AD and license № 264-IP dated 05.04.2006).

4. DATA FOR THE COMPANY, WHICH IS OBJECT OF THE TENDER OFFER

4.1. GENERAL INFORMATION

Sopharma Imoti REIT has its registered office and address in Sofia 1756, 5 Lachezar Stanchev Str., B. A, floor 20. Phone: 02 42 50 120; e-mail: office@sbt.bg; website: www.sopharma-imoti.com.

Sopharma Imoti REIT is a joint stock company with a special investment purpose and is a public company within the meaning of the LPOS. The company was established on March 20, 2006, registered in the Republic of Bulgaria, entered in the Commercial Register and has UIC 175059266.

By Decision № 347-FVC of the Financial Supervision Commission (FSC) of 25.05.2006 Sopharma Imoti REIT has a license № 25-FVC / 29.05.2006 to carry out its activities.

The subject of activity is investing the funds raised through the issuance of securities in real estate through the purchase of property rights and other real rights over real estate, construction and improvements in them, in order to provide them for management, lease renting, leasing, renting and / or selling them.

The capital of the company amounts to BGN 21,951,320 distributed in 21,951,320 dematerialized registered shares with a par value of BGN 1 each.

4.2. MANAGEMENT BODIES

Sopharma Imoti REIT has a one-tier management system with a three-member Board of Directors. The management of the Company in the person of the Board of Directors has the following composition as of 31 December 2021:

- Bissera Lazarova - Chairman of the BoD;

- Boris Borisov - Executive Member of the BoD;
- Stefka Obretenova - Member of the BoD.

The company is represented and managed by the executive director Boris Borisov.

5. SHARES OF SOPHARMA IMOTI OWNED BY A TRADE OFFEROR

5.1. SHARES DIRECTLY OWNED BY THE OFFEROR AND THE MANNER OF THEIR ACQUISITION

As of the date of this tender offer, Sopharma AD directly owns 7,318,665 ordinary, registered, dematerialized shares with a nominal value of BGN 1 each, representing 33.34% of the capital and voting rights in Sopharma Imoti REIT. Each ordinary share gives the right to vote at the General Meeting of Shareholders, the right to dividend and liquidation share in proportion to its nominal value.

Table №1 Purchases and sales of shares of Sopharma AD in Sopharma Imoti REIT

Year of acquisition	Purchases / (sales) / receipts, net	Total at the end of the year
2007	12 577	215 077
2008	(214 163)	914
2009	(1 100)	(186)
2010	286	100
2011	46 766	46 866
2012	34 504	81 370
2013	(50 714)	30 656
2014	(30 656)	-
2015	8 695	8 695
2016	(8 695)	-
2017	48 391	48 391
2018	276 381	324 772
2019	131 694	456 466
2020	373 356	829 822
2021	6 362 961	7 192 783
2022	125 882	7 318 665

5.2. SHARES HELD BY THE OFFEROR THROUGH RELATED PARTIES OR INDIRECTLY UNDER ART. 149, PARA. 2 OF LPOS

There are none.

5.3. SHARES HELD BY THE MEMBERS OF THE MANAGEMENT AND CONTROL BODIES OF THE OFFEROR

Chairman of the Board of directors and executive Director of Sopharma AD Ognian Donev owns 2,130,919 ordinary, registered, dematerialized shares with a nominal value of BGN 1 each, representing 9.70% of the capital and voting rights in Sopharma Imoti REIT. Ognian Donev owns directly 1,733,200 shares, representing 7.90% of the capital and voting rights in "Sopharma Imoti" REIT. The shares were acquired in the period October 2007 - June 2022. Ognian Donev owns indirectly 397,719 shares, representing 1.80% of the capital and voting rights in Sopharma Imoti REIT: 397,119 shares through Donev Investments Holding AD and 600 shares through Sofprint Group AD, which is a subsidiary of Donev Investments Holding AD.

6. SHARES OF SOPHARMA IMOTI REIT, WHICH SOPHARMA AD WISHES TO ACQUIRE

Sopharma AD submits the present tender offer to the holders of 14,632,655 ordinary, registered, dematerialized shares with a nominal value of BGN 1 each, ISIN: BG1100031068, which are not held by Sopharma AD.

7. OFFERED PRICE PER SHARE

Sopharma AD offers to purchase the shares of the other shareholders in Sopharma Imoti REIT at a price per share of BGN 8.20 (“offered price”).

According to Art. 150, para. 7 of the LPOS the offered price per share may not be lower than the highest value among:

- the fair share price calculated in accordance with Ordinance №41 of 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 cases of transformation, joint venture agreement and tender (Ordinance 41);
- the weighted average market price of the shares for the last 6 months before the registration of the offer, respectively before the date on which the obligation under Art. 149, para. 1 or 6, if the tender offer has not been registered by that date and this price is higher than the weighted average market price of the shares for the last 6 months before the registration of the offer;
- the highest price for one share, paid by the offeror, by the persons related to him or by the persons under Art. 149, para. 2 during the last 6 months before the registration of the Proposal, respectively before the date on which the obligation under Art. 149, para. 1 or 6, if the tender offer has not been registered by that date and this price is higher than the highest price per share paid by the same persons in the last 6 months before the registration of the Offer; in cases where the share price cannot be determined according to the previous sentence, it shall be determined as the higher between the last issue value and the last price paid by the trading offeror.

The price offered by Sopharma AD is higher than the fair price per share, calculated in accordance with Ordinance №41 and specified in the Justification of the fair price as part 2 of the Offer (BGN 6.23).

The price offered by Sopharma AD is higher than the weighted average market price per share for the last six months before the registration of the Offer (which is BGN 6.616 according to the attached certificate from the Bulgarian Stock Exchange AD).

The price offered by Sopharma AD is higher than the last price per share, paid by the Offer, the persons related to it or by the persons under Art. 149, para. 2 of the LPOS. The highest price paid by the Bidder is BGN 8.15. The last transaction at this price was made on 19.05.2022. Transactions at 8.15 were realized in the period 16.02.2022 – 19.05.2022.

8. COMPENSATION BY VIRTUE OF ART. 151A, PARA. 4 OF THE LAW ON LPOS

According to Art. 20 of the Articles of Association of Sopharma Imoti REIT, the shares of the Company are freely transferred, in compliance with the requirements of the current legislation for transactions with dematerialized securities. The Articles of Association and other acts of the company may not create restrictions or conditions regarding the transfer of shares. Therefore, the provision of Art. 151a, para. 4 of the LPOS is not applicable, and no compensation is due by the Proposer under this provision of the law.

9. TERM FOR ACCEPTANCE OF THE TENDER OFFER

The deadline for acceptance of the tender offer is 28 days from the date of publication of the tender offer on www.x3news.com.

The trade offeror may extend the term for acceptance of the tender offer within the maximum period allowed by law of 70 (seventy) days from the day of publication of the tender offer (as provided in Article 155, paragraph 4 of the LPOS). The change is registered in the FSC without the explicit approval of the FSC and is published immediately through the Information Agency "X3news.com". The change is submitted to the Board of directors of the Company, to the representatives of the Employer's employees or to the employees when there are no such representatives, as well as to the regulated market where the Company's shares are admitted to trading (Bulgarian Stock Exchange AD).

Changes in the tender offer within the meaning of Art. 155, para. 4 of LPOS cannot be published later than 10 days before the expiration of the term for its adoption, according to art. 33, para. 4 of Ordinance №13 of the FSC.

If a competitive tender offer is made under the terms and conditions of Art. 20 - 23 of Ordinance №13 of December 22, 2003 on tender offer for purchase and exchange of shares ("Ordinance №13") and if the term for acceptance of the competitive tender offer expires after the term for acceptance of the present offer, the term for acceptance of all previously published proposals shall be extended until the deadline for acceptance of this competitive tender offer, regardless of the provision of Art. 150, para. 12 of LPOS.

Subsequent extension of the term for acceptance of a tender offer within the maximum period allowed by law of 70 days (according to 155, para 4 of LPOS) extends the term for acceptance of all tender proposals in cases when the term for acceptance of the latter expires before subsequent extensions term, regardless of exceeding the maximum admissible term of 70 days, established in art. 150, para. 12 of LPOS.

10. FINANCING THE PURCHASE OF SHARES

To finance the purchase of the shares of Sopharma Imoti REIT, Sopharma AD will use its own funds and free funds on credit lines from financial institutions in Bulgaria.

As proof of the availability of the necessary funds, references from the following financial institutions are attached:

- Raiffeisenbank (Bulgaria) EAD
- DSK Bank AD
- Eurobank AD BULGARIA
- ING Bank NV - Sofia
- UniCredit Bulbank AD

11. THE INTENTIONS OF THE TRADE OFFEROR FOR THE FUTURE OPERATIONS OF SOPHARMA IMOTI AND THE TRADER

11.1. TRANSFORMATION OR LIQUIDATION AND TRANSFER OF CONTROL

No reorganisation, termination or transfer of control of third parties over Sopharma Property REIT and the Offeror is envisaged for a period of three years after the conclusion of the transaction.

11.2. CHANGE IN CAPITAL

The offeror has no intention of changing the capital of "Sopharma Imoti" REIT within a period of three years from the termination of the tender offer. "Sopharma" AD intends to increase its capital through the exercise of issuing warrants. The issue can be exercised until January 2025. The number of warrants is 44,932,633. Each warrant entitles its holders to subscribe for shares from a future capital increase at an exercise value of BGN 4.13 per 1 new share.

11.3. CHANGES IN OPERATING ACTIVITIES AND FINANCIAL STRATEGY FOR THE CURRENT FINANCIAL YEAR AND THE FOLLOWING YEAR

The Trade offeror has no intention to make changes in the operational activities and financial strategy of the Company and the trade offeror for the current financial year and for the next three years from the end of the tender offer.

11.4. CHANGES IN MANAGEMENT OR STAFF

Three years after the end of the tender, the offeror has no intention to make changes in the management bodies or staff of the Company and the Trade offeror or in their employment contracts, which are a result of the tender offer.

11.5. CHANGE THE DIVIDEND DISTRIBUTION POLICY

Sopharma AD distributes dividends according to the terms and conditions provided for in the LPOS, the CA and the Articles of Association of the company. The proposal for distribution and payment of dividends is voted by the GMS. Sopharma Imoti REIT is a company with special purpose. According to Art. 29 of the Law for the companies with special investment purpose, these companies must distribute as annual dividend not less than 90 per cent of the profit for the financial year, determined by the order of para. 3 of the same law and in compliance with the requirements of Art. 247a of the Commercial Law.

No change in the dividend policy of both companies is expected as a result of this tender offer.

11.6. IMPACT THAT THE TENDER OFFER MAY HAVE ON EMPLOYEES AND PLACE OF BUSINESS

The trade offeror does not believe and does not anticipate that the current Tender offer will have any impact on the employees of Sopharma Imoti REIT and Sopharma AD, nor is there any plan in this regard for a period of three years after the conclusion of the transaction.

The trade offeror has no plans to change the main place of business of the two companies for a period of three years after the conclusion of the transaction.

11.7. STRATEGY AND PLANS OF THE TRADE OFFEROR REGARDING BOTH COMPANIES

The trade offeror has no plans to change its current strategy and that of Sopharma Imoti REIT for a period of three years after the conclusion of the transaction. The trade offeror has the following strategic plans for the company and the trade offeror (insofar as the offer may have an impact):

11.7.1. Summary

Sopharma AD is an economic group consisting of the Parent Company and its subsidiaries in Bulgaria and abroad. The parent company manages its interests in its subsidiaries and associates in order to increase the financial results of each company and the Group as a whole. The main asset of Sopharma Imoti REIT is Sopharma Business Towers, where the offices of the administrative department of Sopharma AD and its subsidiaries are located.

The increase of the share of Sopharma AD in Sopharma Imoti REIT will allow a trade offeror to:

- to actively participate in the management and to implement innovative management practices;
- to help the company to be financed on more favorable terms;
- to increase its financial income (from the dividend distributed by the Company).

11.7.2. Key moments in the strategy

The key points of the strategic plan envisage Sopharma Imoti REIT to:

- optimizes its property portfolio in the country;
- to look for ways to finance on more favorable terms.

The risks that would prevent the company from adhering to its strategy are:

- **Risks related to real estate investing** - The operational and financial results of Sopharma Imoti REIT are linked to the specific factors that affect the sector in which the Company operates. Income from or the value of real estate may be affected by the overall state of the economic environment in Bulgaria, the general supply of real estate and real estate with a specific purpose or location, by reducing demand for real estate, reducing the attractiveness of from the Company real estate, competition from other investors, increase in operating costs. At the same time, the financial results of the Company depend on the price and the opportunities for attracting capital for investments. The revenues of the Company, which are formed from the realization of periodic receivables under lease agreements, are influenced by the timely and proper payment of the tenants of the real estate owned by the Company.
- **Risks specific to the company** - In the course of its normal activities the Company may be exposed to various specific risks, the most important of which are: credit risk, liquidity risk, management policy, force majeure events, dependence on key employees, operational risk, risk of insufficient working capital for dividend payments, investment financing.
- **Credit risk** - In carrying out its activities, the Company is exposed to credit risk, which is associated with the risk that one of its customers will not be able to fully and within the usual time limits. The collection of receivables is monitored on an ongoing basis. For this purpose, a daily review is made by the financial and accounting department by clients, as well as the received receipts, by analyzing the unpaid amounts and the status of receivables from clients. In order to control the risk, the Company monitors the immediate payment of newly incurred liabilities.
- **Risk of insufficient working capital for payment of dividends** - Special investment purpose companies are required to distribute at least 90% of the profit for the year in the form of dividends. Therefore, the Board of directors is responsible for the precise management of inflows and outflows in the Company so that it has sufficient cash to pay the dividend. The company pursues a conservative liquidity

management policy, through which it constantly maintains an optimal liquidity reserve, including by providing adequate credit resources and facilities.

- **Financing real estate investments** - The success of the company depends largely on the ability to acquire real estate on favorable terms, including timely and affordable financing. As a result of the global financial crisis, banks have significantly limited the financing of investors and increased the requirements for their creditworthiness, and these increased requirements are still in force today. In this regard, the Company will plan its investments and the funds necessary for their financing in a timely manner, which, however, does not guarantee that profitable investment opportunities will not be missed due to a possible lack of funding. On the other hand, a possible increase in market interest rates will lead to an increase in the costs of the Company for servicing loans.

11.7.3. The necessary resources for the implementation of the strategic plan

"Sopharma" AD is a holding structure that possesses significant managerial, financial and technological resources and is capable of attracting additional resources. The management potential of the company is proven. The management of "Sopharma Imoti" REIT also has proven capabilities in real estate management. The implementation of the strategy will not require additional human resources in the next three years after the close of the tender.

The optimization of the portfolio of "Sopharma Imoti" REIT will not require additional financial resources other than those generated by the company's operational activities. "Sopharma" JSC has the opportunity to support "Sopharma Properties" REIT in finding external financing under more favorable conditions. This would have a favorable impact on financial results.

"Sopharma Imoti" REIT will not need technological resources for the fulfillment of strategic goals.

11.7.4. Activity of the companies for the last 5-8 years

The main activity of Sopharma Imoti REIT in the next 5-8 years will continue to be related to real estate investments. Sopharma AD also does not anticipate a change in its subject of activity in the next 5-8 years.

11.7.5. Market Analysis

In 2021 there is an increase in vacant office space in Sofia. There is also an increase in completed new projects, an increase in rented space and a deduction of rental prices. The office market is still struggling to return to pre-COVID-19 levels, but it can still be said that the market is in the early stages of recovery. In 2021 there is a tendency to move tenants from older to newer buildings with better technical characteristics. Rents remain stable. In 2021, the average rent of a Class A building is in the range of 12 to 14 euros per square meter and in the center of Sofia up to 15 euros per square meter.

In the second half of 2021 in Sofia were completed approximately 130 thousand square meters of office space and in 2022 is expected to reach 135 thousand square meters.

The main advantage of Sopharma Imoti REIT in this market is the low indebtedness of the company. Sopharma Imoti REIT has assets of BGN 88.5 million, but the company's total liabilities are only BGN 14.4 million. Another advantage is the properties in which the company has invested. Sopharma Business Tower is one of the most recognizable office buildings in Sofia.

A significant number of joint-stock companies with a special investment purpose operate on the real estate market in the country. The real estate market is local, and for this reason, those companies that own office properties mainly in Sofia can be considered competitors of "Sopharma Imoti" REIT.

The main competitor can be considered "Bulgaria Real Estate Fund" REIT due to the significant financial resources of this fund, and due to the fact that it has significant investments in office space in Sofia. One of the most

important assets of the fund are Office building 1 in Business Park Sofia (balance sheet value as of 31.03.2022: 17,574 thousand BGN), Office building "Kambanite" (balance sheet value as of 31.03.2022: 22,700 thousand BGN) and office building Sofia Tech Park (balance sheet value as of 31.03.2022: BGN 74,261 thousand). The total assets of "Bulgaria Real Estate Fund" REIT as of 31.03.2022 amount to BGN 149,052 thousand.

"CCB Real Estate Fund" REIT can also be considered a competitor of the company. As of 31.03.2022, it owns total assets worth BGN 45,023 thousand. The fund owns an office property on "Korab planina" street in Sofia worth BGN 4,364 thousand.

Active Properties REIT has total assets as of 31.03.2022 worth BGN 26,831 thousand. The fund has the ambition to implement a large-scale project for a complex of multifunctional buildings in the city of Sofia with a total built-up area of 92,097 m². The complex is located on two neighboring Regulated land properties with a total area of 10,112 sq. m. facing Tsarigradsko Shosse Blvd., Iztok-Kuro Refinery area, at a distance of 3.5 km. from Sofia Airport. The project has been approved at the Technical Project stage by the Department of Architecture and Urban Planning of the Metropolitan Municipality.

11.7.6. Marketing plan

The main asset of the company is Sopharma Business Towers. In the emblematic towers of the Sopharma Business Towers project, reaching a height of 82 and 72 meters are located the office areas, which occupy a total area of 24,440 square meters and provide jobs for nearly 2,000 people.

The two office buildings are connected by a commercial part in which objects of diverse nature are located. The commercial mix of services has been carefully selected to meet the daily needs of the people working in the office part of the complex.

Another advantage, in addition to the provided more than 400 parking spaces, is the proximity of the metro station and public transport.

The competitive advantages of Sopharma Business Towers are:

- Certificate **class A** - the highest technological class for commercial and office space;
- Open spaces divided according to the client's preferences;
- Transparent facade that makes maximum use of natural light and as a result almost eliminates the need to use electricity for lighting. At Sopharma Business Towers, the **year-round working hours are at 82% natural light**. In diffuse light from outside (cloudy weather) at the point furthest from the facade, the measurements show 800 lux (500 required for the workplace);
- The facade of the towers prevents the passage of noise from the outside, providing excellent sound conditions in the building - **less than 30 decibels** (maximum allowable for Class A offices), thus providing the worker inside the best working conditions for efficiency and maximum productivity;
- The control of the light falling on the workplace is done through the blinds, which receive a signal from their own metro station and software change the angle depending on the solar load on the facade;
- The elemental facade has an opening part, which allows everyone to manage the space around them and avoid the feeling of claustrophobia.

The competitive advantages of the building allow Sopharma Property REIT to target potential tenants with high requirements for office space. The company attracts both companies looking for office space and retail outlets offering services to other tenants. The company's marketing plan is to capitalize on the competitive advantages of Sopharma Business Towers by offering its tenants space that is significantly more attractive than that available on the Sofia real estate market.

Sopharma Imoti REIT is currently carrying out small value improvements to the Sopharma Business Towers site. These improvements are intended to increase the competitiveness of the investment property.

The Company remains committed to improving its receivables collection and optimizing the management and maintenance costs of its investment properties, and to realizing the latter at increasing rental levels, valuing in

relative importance the maintenance of its long-term leases with reliable and bona fide counterparties, and achieving full rental occupancy of its entire investment portfolio.

11.7.7. Organisation and Management

No changes are envisaged in the composition of the management of Sopharma Imoti REIT. Sopharma AD also does not envisage changes in its own management during the next three years after the tender offer is completed.

11.7.8. Investments

Sopharma Imoti REIT does not intend to make significant new investments for a period of three years after the conclusion of the transaction.

11.7.9. Expected results

- Improving the competitive position of the company in the real estate market;
- Better profitability;
- More efficient property management;

11.7.10. Time schedule

The objectives of the strategy are permanent and are not limited by a defined timeframe.

12. PROCEDURE FOR ACCEPTANCE OF THE TENDER OFFER AND METHOD OF PAYMENT OF THE PRICE

12.1. PROCEDURE FOR ACCEPTANCE OF THE TENDER OFFER

The tender offer is accepted with an explicit written statement of intent and by depositing the supporting documents for ownership of the shares from the capital of Sopharma Imoti REIT with an investment intermediary. Necessary documents, which are respectively submitted by the shareholders accepting the Tender Offer are:

- i. Explicit written application for acceptance of the tender offer according to the model available at the places specified in this item;
- ii. depository receipt for the owned shares or other certifying documents for ownership;
- iii. when submitting an application by a natural person-applicant - an identity document;
- iv. when submitting an application by a local legal entity-applicant - data on UIC, with which the person is entered in the Commercial Register or data on BULSTAT Code for registration of the person in BULSTAT register, so that the Investment Intermediary can make inquiries in the Commercial Register or Register BULSTAT;
- v. when submitting an application by a foreign legal entity-applicant - certificate of current status, extract from a foreign register or other similar document issued not earlier than 1 month before the date of submission of the statement of intent, legalized with an apostille or other lawful order, accompanied by a translation into Bulgarian, prepared by a sworn translator, which shows at least the name, address and registered office of the shareholder - foreign legal entity and registration number, as well as the persons entitled to represent him - original or notarized copy. If, according to the practice in the respective country, the certificate or extract does not contain data on the persons entitled to represent

- the respective shareholder - foreign legal entity - a certificate issued by a foreign notary in the state of registration of the shareholder - foreign legal entity certifying that the persons who accept the offer are duly authorized or authorized to do so on behalf of the shareholder - foreign legal entity, legalized with an apostille or other lawful order, accompanied by a translation into Bulgarian, prepared by a sworn translator - original or notarized copy;
- vi. in case of submission of an application by a proxy - and an explicit notarized power of attorney and an identity document of the proxy;

Legal entities submit the application through their legal representatives or through a person authorized by them. Individuals submit the application in person, identifying themselves with an identity document, a copy of which is attached to the application or through a proxy, who identifies himself with a notarized explicit power of attorney and identity document. The investment intermediary shall keep for his archive the power of attorney, as well as a certified copy of the presented identity document.

In case the shares of a shareholder who wishes to accept the Tender Offer are in the sub-register of another investment intermediary with Central Depository AD, the shareholder submits the application for acceptance and the necessary documents to this investment intermediary, which immediately notifies MK Brokers of the application and sends to MK Brokers a copy of the application, certified by an employee of the Internal Control Department.

Shareholders whose shares are kept with a depository bank or a custodian bank shall submit applications only through the investment intermediary serving them. In this case, a declaration from the relevant investment firm is required that the identity of the shareholder, or his legal representative has been identified in accordance with the rules set out above.

The places where the shareholders who have accepted the Tender Offer submit a written application for its acceptance and deposit the supporting documents for the shares held:

1. In the offices of all relevant licensed investment intermediaries;
2. In the offices of MK Brokers: Sofia 1000, 8 Tsar Osvoboditel Blvd., 4th floor. The time of acceptance of the applications within the term of the tender offer is every working day from 9:00 to 17:30.

For the outstanding issues above, the procedures of the Central Depository regarding legitimacy and representation, as well as the applicable internal rules and practices of the investment intermediary through which the application for acceptance of the tender offer is submitted shall apply.

12.2. TERM AND METHOD OF PAYMENT OF THE PRICE

Payment of the price will be made within 7 working days after the transaction. The transaction is considered concluded at the time of expiration of the tender offer under item 9, respectively of the extended term under item 9, and if so far the shareholder who accepted the tender offer has not submitted a written application for its withdrawal.

According to the contract concluded between the Trade offeror and MK Brokers in order to ensure the payment of the price to the shareholders who accepted the offer, the Trade offeror undertakes to provide the respective amount in its sub-account in MK Brokers. The amount is calculated by multiplying the number of shares requested for sale by the shareholders who accepted the Tender offer, according to a list prepared by MK Brokers and sent to the Tender offeror within one day after the Tender offer, multiplied by the offered price per share. In case the provided amount is insufficient, the Proposer is obliged, within one day after receiving a notification from MK Brokers to transfer the additional amount requested by him. Immediately upon receipt of the amount specified in the notification MK Brokers transfers the shares in the name of MK Brokers to Central Depository AD by registering a transaction on the Bulgarian Stock Exchange.

The payment of the share price of the shareholders who accepted the tender offer is made by MK Brokers in compliance with the provisions of the regulations for payments, namely in the following two ways:

- by bank transfer to the account indicated by the shareholder in the written application for acceptance of the Tender Offer;
- in the number of places under this item or in the bank account of the investment intermediary through which the written application was submitted, when it is submitted through another investment intermediary. Payment of cash will be made in compliance with legal requirements and restrictions under the Law on Restriction of Cash Payments - only for amounts of less than BGN 10,000.

The shareholders, who have accepted the Tender Offer through the investment intermediary serving them, receive the amount due to them through this intermediary. Payments to shareholders whose assets are held by a depository bank or a custodian bank shall be made at the respective depository bank or custodian bank.

The price of the acquired shares for the acquired shares of the shareholders who have not accepted the tender offer, who have not indicated a bank account, shall be credited to their analytical account with the respective investment intermediary and paid upon his appearance at the office of the respective investment intermediary or by bank transfer to an account specified by him, or in cash.

The right of the shareholder to receive the price of the shares may be exercised within the five-year limitation period, after which this right shall be extinguished by prescription and the unclaimed amounts shall remain in the Tender Offer.

MK Brokers registers the concluded transactions, as the expenses are at the expense of the Tender Offer. The trade offeror pays to MK Brokers all relevant registration fees and commissions (BSE, Central Depository, etc.) and / or bank fees.

Apart from the above-mentioned expenses, MK Brokers does not receive any other remuneration from the Tender offeror for the registration of the concluded transactions. MK Brokers does not deduct commissions or fees from the accepted shareholders for actions paid by the Tender Offer.

13. INFORMATION ON THE POSSIBILITY AND CONDITIONS UNDER WHICH THE TENDER OFFER MAY BE WITHDRAWN BY THE TENDERER AND THE RELEVANT APPLICABLE PROCEDURE

After its publication, the Tender offer cannot be withdrawn by the Trade offeror. An exception is allowed only under the conditions of Art. 155, para. 1 of LPOS and Art. 38, para. 1 - 3 of Ordinance №13: when the offer cannot be implemented due to circumstances beyond the control of the Tender Offer; the deadline for its adoption has not expired and the FSC has approved it.

On the day of registration of the withdrawal of the Tender Offer in the FSC, the Proposer will notify the management body of Sopharma Imoti REIT, the representatives of its employees or employees, when there are no such representatives, the regulated securities market on which the shares of Sopharma Imoti REIT are accepted. In the notification, the Trade offeror will explicitly state that the FSC has not yet taken a position on the withdrawal.

Within 7 days of its notification of the approval issued by the FSC, a Trading Offeror shall publish a notice of withdrawal of the tender offer www.x3news.com.

The FSC will immediately notify the regulated market, as well as the investment intermediary or the Central Depository, in which the supporting documents for the Shares are deposited for the issued approval for withdrawal of the Tender Offer.

In addition to the possibility and conditions for withdrawal of the Tender Offer discussed above, according to Art. 155, para. 1 of LPOS and Art. 38, para. 1 - 3 of Ordinance №13, the Trade offeror may withdraw the Tender offer in the following cases conditions and order, according to art. 38, para. 7 of Ordinance №13:

Not later than 10 days before the expiration of the term for acceptance of a competitive tender offer (if any), respectively of the extended term under Art. 21, para. 2 or para. 3 of Ordinance № 13, according to Art. 38, para. 7 in connection with Art. 39 of Ordinance № 13 The Trade offeror may withdraw this Tender offer by accepting the competitive tender offer and without the conditions under Art. 38, para. 1 of Ordinance № 13. In this case the Trade offeror will register the withdrawal in the FSC and will notify the management body of Sopharma Imoti REIT, the representatives of its employees or employees, when there are no such representatives, the regulated securities market where the shares of Sopharma Imoti REIT are traded, as well as the investment intermediary or the Central Depository, in which the supporting documents for the Shares have been deposited and have been accepted for trading. In this case, by the end of the working day following the registration and notification under the previous sentence the Trade offeror shall publish a notice for the withdrawal of the Tender offer in a central daily newspaper.

Within a 3-day period from the receipt of the notification from the Financial Supervisory Authority of the issued approval for the withdrawal of the Trade Offer, respectively from the receipt of the notification from the Trade Offeror for the withdrawal of the Trade Offer by accepting a competitive tender offer, the investment intermediary or the central depository of securities, at which the certification documents for the shares were deposited, provide conditions for the return of the certification documents to the shareholders who accepted the offer. The return of the documents is not limited by time.

14. INFORMATION ON THE POSSIBILITY FOR THE ACCEPTANCE OF THE TENDER OFFER TO BE WITHDRAWN BY THE SHAREHOLDER WHO ACCEPTED THE OFFER

Each shareholder may withdraw the acceptance of the offer until the expiration of the term of the Tender Offer, respectively of the extended term, if any.

The withdrawal shall be effected by an explicit written application in accordance with a template submitted personally by the shareholder or by his agent, having an explicit power of attorney with notarial endorsement of the signature, at the offices of the investment firm in which the shareholder has made a will for acceptance, and the will to withdraw is provided immediately by this investment intermediary to MK Brokers. The investment intermediary shall return the certification documents for ownership to the respective shareholder or his proxy at the places under item 12.1 within 3 days after receiving a valid written application for withdrawal. The return of the documents is not limited in time.

15. PLACE WHERE ADDITIONAL INFORMATION ABOUT THE PROPOSER AND THE PROPOSAL CAN BE OBTAINED

Additional information about the Tender offer and its annual and interim financial statements for the last three years and the Tender offer are available to the shareholders of Sopharma Imoti REIT at the investor contact address of Sopharma AD:

Investor Relations Department
5 Lachezar Stanchev Street
Sopharma Business Towers
tower A, floor 11
1756 Sofia
Tel .: (02) 4055 319, (02) 8134 319
Fax: (02) 4055 141, (02) 8134 141
e-mail: ir@sopharma.bg

16. THE TOTAL AMOUNT OF THE EXPENSES FOR THE IMPLEMENTATION OF THE TENDER OFFER

The costs of the Trade offeror for the implementation of the Tender Offer, including the remuneration of the investment intermediary, costs for legal services and the publication of the announcement, outside the funds required for the purchase of the Shares are expected to amount to BGN 30,000.

17. PUBLICATION OF THE TENDER OFFER

According to the requirements of LPOS, the Trade offeror will publish a notice for the Tender Proposal, its essential conditions under Art. 151, para. 4 of the LPOS, the opinion of the Management Board of Sopharma Imoti REIT, as well as the result of the Tender Offer of <http://www.x3news.com>.

18. OTHER DATA OR DOCUMENTS

The Trade offeror considers that there are no other data or documents that are relevant for the implementation of the Tender offer.

19. APPLICABLE LAW AND COMPETENT COURT

The provisions of the current Bulgarian civil and commercial law shall apply to the contracts between the Trade offeror and the shareholders upon acceptance of the Tender Offer. All disputes arising from the contracts between the Trade offeror and the shareholders upon acceptance of the tender offer will be resolved by the competent Sofia court.

The Financial Supervision Commission is not responsible for the accuracy of the data contained in the proposal.

Proposer, the authorized investment intermediaries MK BROKERS AD and Main Capital AD are jointly and severally liable for damages caused by incorrect, misleading or incomplete data in the proposal.

The trade offeror and Main Capital AD declare that the tender offer complies with the requirements of the law.

For Sopharma AD :

/Signature/

Ognian Donev

Executive Director

Sopharma AD

For Mane Capital AD :

/Signature/

Ilian Scarlatov

Executive Director

Main Capital AD

For MK Brokers AD

/Signature/

Ivan Valchev, Tsanko Kolovski

Executive Directors

MK Brokers

