

TO

FINANCIAL SUPERVISION COMMISSION

Ex. No. SFI- 1 8 /1 9.07.2022 Sofia

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"SOPHARMA" AD, EIK 831902088,

with headquarters and address of management:

City of Sofia, 16 Iliensko Shose St.,

Entry number: 195-00-42 / 19.7.2022

COPY

The employees of "SOPHARMA PTOPERTIES" REIT

OPINION

FROM

BOARD OF DIRECTORS OF

"SOPHARMA PROPERTIES" REIT,

EIK 175059266, with headquarters and address at

Management: Sofia 1756, Lachezar Stanchev St. No. 5,

Sopharma Business Towers Complex, Building A, Floor 20,

CONCERNING

A corrected tender offer has been received from "SOPHARMA" AD, EIK 831902088, for the purchase of the shares of the remaining shareholders of "SOPHARMA PROPERTIES" REIT

BASIS:

Art. 152, para. 4 in connection with Art. 151, para. 5 of the Law on Public Offering of Securities

The Board of Directors of "SOPHARMA PROPERTIES" REIT, after examining the proceedings with entry No. SFI- 069/ 15.07.2022 notification accompanied by a corrected tender offer under Art. 149, para. 1 of the Law on the Public Offering of Securities (IPO) by

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"SOPHARMA" AD, EIK 831902088 , with its registered office and management address in the city of Sofia, Nadezhda district, 16 Iliensko Shosse Street (the "Commercial Offeror"), as a shareholder directly owning 7,318,665 shares, representing 33.34% of the capital and of the votes in the general meeting of shareholders of Sopharma PROPERTIES REIT, for the purchase of 14,632,655 shares, representing 66.66% of the capital and votes in the general meeting of Sopharma PROPERTIES REIT, from all other shareholders in Sopharma Properties REIT (the "Company"), hereby expresses the following opinion under Art. 152, para. 4 in connection with Art. 151, para. 5 of the LPA regarding the proposed transaction:

1. Statement of the Board of Directors regarding whether the amended tender offer is fair to the shareholders of "SOPHARMA PROPERTIES" REIT in view of the development of the Company and regarding the consequences of its acceptance on the Company and employees.

The applied methods of valuation of the shares and the analyzes and forecasts made in the justification of the price of the shares are in accordance with the nature and peculiarities of the activity of "SOPHARMA PROPERTIES" REIT.

The proposed price is BGN 8.20 per share. A justification has been presented, from which it can be seen that the provisions of the Law on Public Offering of Securities and Ordinance No. 41 of 11.06.2008 on the requirements for the content of the justification for the price of the shares of a public company, including the application of valuation methods, in cases of M&A, joint venture and tender offering adopted by the Financial Supervision Commission, have been complied with.

The offeror has no intention of changing the capital of the Company within a period of three years from the termination of the Commercial Offer.

The intentions of offeror are to preserve the main activity of "SOPHARMA PROPERTIES" REIT in the next 5-8 years.

The offeror does not declare any intention to make changes in the structure of the Company. No changes are foreseen in the composition of the Board of Directors or the Company's personnel three years after the end of the tender offer.

The opinion of the Board of Directors of "SOPHARMA PROPERTIES" REIT is that the tender offer is fair in relation to the shareholders to whom it is addressed. We believe that the proposed price is fair both in relation to the current state of the Company and considering the prospects for its development.

2. Information on the existence of agreements regarding the exercise of the right to vote on the shares of "SOPHARMA PROPERTIES" REIT.

The Board of Directors of "SOPHARMA PROPERTIES" REIT does not have information on the existence of agreements regarding the exercise of the right to vote on the Company's shares.

3. Data on the number of "SOPHARMA PROPERTIES" REIT shares held by the members of the Board of Directors and whether they intend to accept the offer.

As of the date of preparation of this opinion, the members of the Board of Directors own shares of the capital of "SOPHARMA PROPERTIES" REIT, as follows:

3.1. Boris Borisov, Executive Member of the Board of Directors - 810 000 shares representing 3.69% of the capital and votes in the Company's general meeting;

3.2. Bisera Lazarova, Chairman of the Board of Directors - 12,152 shares, representing 0.06% of the capital and votes in the Company's general meeting.

3.3. Stefka Obreshkova, Deputy Chairman of the Board of Directors - does not own shares.

The members of the Board of Directors who own shares of the capital of the Company do not intend to accept the Tender Offer.

4. Statement of the Board of Directors regarding the consequences of the acceptance of the Tender Offer on the Company and the employees, the strategic plans of the offeror for "SOPHARMA PROPERTIES" REIT and their possible impact on the employees and the place of activity.

The Board of Directors does not expect the acceptance of the Tender Offer, as well as the Strategic Plans of the Tender Offeror set out therein for a period of three years after the completion of the Tender Offer, to lead to consequences of a negative nature for the Company.

The offeror's strategic plans regarding "SOPHARMA PROPERTIES" REIT are:

No conversion, termination or transfer of control to third parties is foreseen over "SOPHARMA PROPERTIES" REIT for a period of three years after the conclusion of the transaction. The Offeror has no intention of changing the capital of "SOPHARMA PROPERTIES" REIT within a period of three years from the termination of the Tender Offer. The offeror has no intentions to make changes in the operational activity and financial strategy of "SOPHARMA PROPERTIES" REIT for the current financial year and for the next three years from the end of the tender offer.

The key moments of the strategic plan of the Offeror Trade provide that "SOPHARMA PROPERTIES" REIT are:

- to optimize its portfolio of properties in the country;
- to look for ways of financing under more favorable conditions.

There are no intentions to make significant new investments by the Company for a period of three years. The objectives of the strategy are of a permanent nature and are not limited by a defined time frame. Regarding the resources required for the implementation of the strategic plan, the Commercial Offeror states that:

the implementation of the strategy will not require additional human resources in the next three years after the completion of the tender offer, insofar as "SOPHARMA" AD is a holding structure that possesses significant management, financial and technological resources and is capable of attracting additional resources, the management potential of the company is proven, the management of "SOPHARMA PROPERTIES" REIT also has proven abilities in real estate management;

the optimization of the portfolio of "SOPHARMA PROPERTIES" REIT will not require additional financial resources apart from those generated by the company's operational activities, as the commercial offeror has the opportunity to support "SOPHARMA PROPERTIES" REIT in finding external financing under more favorable conditions , which would have a favorable impact on financial results;

"SOPHARMA PROPERTIES" REIT will not need technological resources for the implementation of strategic goals.

The expected results of the strategic plans of Trade Offeror are:

- improvement of the Company's competitive position on the real estate market;
- improved profitability;
- more efficient property management.

The offeror indicates that the increase of his share in the capital of the Company will allow him, among other things to:

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- actively participate in management and implement innovative management practices;
- help the Company to finance itself on more favorable terms.

Three years after the end of the tender offer, the Tender Offeror has no intention of making any changes to the management bodies or staff of "SOPHARMA PROPERTIES" REIT or to their employment contracts as a result of the submitted tender offer. The commercial offeror does not anticipate that the tender offer will have any impact on the employees of "SOPHARMA PROPERTIES" REIT, nor does it have any plans in this regard, for a period of three years after the conclusion of the transaction, including a change in the Company's main place of business for a period of three years after the conclusion of the transaction.

The opinion of the Board of Directors is that the offer will not affect the Company's employees and place of business for a period of three years after the completion of the tender offer.

date: July 19, 2022

BOARD OF DIRECTORS:

/signature/

Bisera Lazarova

/signature/

Stefka Obreshkova

/signature/

Boris Borisov