AGREEMENT

FOR CONVERSION BY MERGER

Today, 23.01.2023, the current conversion agreement was concluded between:

1. **“SOPHARMA” AD**, UIC 831902088, headquarters and management address in the city of Sofia, "Nadezhda" district, "Iliensko Shosse" Blvd. № 16, represented by Simeon Ognianov Donev in the capacity of procurator of the company, Personal identification number: *********, identity card №*******, issued on ******** by the Ministry of the Interior - Sofia, address: Sofia 1000, **********, hereinafter referred to as "Accepting Company" or "Sopharma", on the one hand, and

2. "BIOPHARM ENGINEERING" AD, UIC 119055339, with headquarters and management address in the city of Sliven, Trakia Blvd. № 75, represented by the Executive Director Valentina Taneva Koleva-Hadzhieva, with Personal identification number: **********, with Identity card № **********, issued on ********** by the Ministry of the Interior-Sliven, hereinafter referred to as **"Transforming Company"** or **"Biopharma Engineering"**

each of them also referred to individually as a "party" and collectively as "parties".

The parties taking into account that:

(A) The Board of Directors of the Transforming Company has decided on its transformation, to be carried out by merging it into the Accepting Company, at its meeting held on 26.10.2022 and has assigned its Executive Director to sign this contract with his decision from a meeting held on 26.10.2022;

(B) The Board of Directors of the Accepting Company made a decision to transform by merging the Converting Company into it, at its meeting held on 26.10.2022 and assigned its Executive Director to sign this contract with its decision from a meeting held on 26.10.2022;

(C) In view of the conversion decisions referred to in letters (A) and (B), the Parties intend to carry out a merger, as specified in Art. 262 of the Commercial Law, as a result of which all the property of the Transforming Company will pass to the Accepting Company, which will become its legal successor, and the Transforming Company will be terminated without liquidation.

(D) Art. 262e, para. 1 of the Commercial Law requires the conclusion of a contract between the Parties in connection with their conversion in the manner described in letter (B) above.

BY THIS AGREEMENT, the Parties agree as follows:

SECTION 1

DEFINITIONS AND INTERPRETATION

Article 1.1 Definitions

For the purposes of this Agreement, unless otherwise expressly provided or the context clearly requires otherwise:

"Effective Date of the Merger" means the date on which the Merger becomes effective pursuant to Art. 263g, para. 1 of the Commercial Law.

"Merger Date for Accounting Purposes" means the date as of which the acts performed by the Transforming Company are deemed to have been performed by the Accepting Company for accounting purposes pursuant to Art. 263g, para. 2 of the Commercial Law.

"Verifier's report" means a report prepared by the Verifier, pursuant to Article 262m of the Commercial Law.

"Report of the management body" means the report prepared by the Board of directors of each of the companies involved in the conversion pursuant to Art. 262i of the Commercial Law.

"Merger" means a merger as defined in Art. 262, para. 1 of the Commercial Law, as a result of which all the assets of the Transforming Company will pass to the Accepting Company and the latter will become its universal successor. The converting company will be dissolved without liquidation and all its assets, liabilities, property and non-property rights and obligations will pass to the Accepting Company.

"Verifier" shall mean a certified public accountant or a specialized auditing firm registered with the Bulgarian Institute of Certified Public Accountants, meeting the requirements of Art. 262l, para. 3 of the Commercial Law, and entered in the list pursuant to Art. 123, I. 3 of the Law on Public Offering of Securities.

"Merger Decision" means the decisions to be taken by the General Meetings of the two companies participating in the merger pursuant to Art. 262o of the Commercial Law.

"Governing Body" means the Board of Directors of the relevant Party.

"Article of association" means the statutes of the relevant Party in force at the time.

Article 1.2. Internal references

References to sections, articles, paragraphs and annexes refer to sections, articles, paragraphs and annexes of this Agreement, unless expressly stated otherwise.

Article 1.3. Meaning of some words and expressions

(a) whenever the words "include" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation";

(b) the phrases "of this Agreement" and "in this Agreement", and phrases of similar import, refer to this Agreement a whole and not to any particular provision hereof, unless otherwise expressly stated;

(c) the use of the plural form of any defined term does not change the meaning stated in the definition, and the use of words in a particular genus includes the meaning of those words in all other genera;

(d) the grammatical forms of a word or expression defined in this Agreement have their corresponding meaning.

Article 1.4. References to legal provisions

References to any statutory provision include a reference to all amendments and additions to the relevant Act, to statutory provisions which supersede repealed provisions, and to all regulations, rules, decrees and orders issued under, or in compliance with the legal provision.

SECTION 2

BASIC INFORMATION ABOUT THE PARTIES.

Article 2.1. Basic information about the Transforming Company

"Biopharm Engineering" AD, UIC 119055339, with headquarters and management address in the city of Sliven, Trakia Blvd 75. The capital of "Biopharm Engineering" AD is BGN 5 540 000, divided into 13 850 ordinary, registered, available, freely transferable shares, each with a par value of BGN 400, representing one class of ordinary shares. "Biopharm Engineering" AD has no different classes of shares in issue. "Biopharm Engineering" AD is not a public company within the meaning of Art. 110 et seq. LPOS.

Към 31.12.2022 година акционери, притежаващи 5 на сто или повече от акциите с право на глас от капитала на "Биофарм-инженеринг" АД са:

Shareholder	**Share of capital (%)**
"Sopharma" AD,, UIC: 831902088, Sofia, "Iliensko shose" № 16	97,15

Article 2.2. Basic information about the Accepting Company

"Sopharma" AD is a joint-stock company, EIK 831902088, with its registered office and management address in the city of Sofia, "Nadezhda" district, "Iliensko Shosse" Blvd. № 16. The company's capital is 134 797 899 (one hundred and thirty-four million seven hundred and ninety-seven thousand eight hundred and ninety-nine) BGN, paid in full. The company's capital is divided into 134 797 899 (one hundred and thirty-four million seven hundred and ninety-seven thousand eight hundred and ninety-nine) ordinary registered non-voting shares with a nominal value of BGN 1 (one) each. "Sopharma" AD is a public company within the meaning of Art. 110 et seq. of the LPOS and is entered in the register under Art. 30, para. 1, item 3 of the ZKFN with decision № 57 since 01.10.1998.

As of 31.12.2022, shareholders owning 5 percent or more of the voting shares of the capital of "Sopharma" AD are:

Shareholder	**Share of capital (%)**
"Donev investments holding" AD, UIC 831915121, Sofia, "Positano" Str. № 12	27,89

“Telecomplect invest” AD, UIC 201653294, Sofia, "Krasno Selo", 69-73 Totleben Blvd., 4th floor	20,68
CUPF “Alianz Bulgaria”, UIC: 130477720, Sofia, “Damyan Gruev” Str. 42	5,23
“Telso” AD UIC: 131176385, Sofia, “Positano” Str. № 12	5,14
“Sopharma” AD, UIC: 831902088, гр.София, “Iliensko shosse” blvd. № 16	10,00

Article 2.3. As of the date of signing this Agreement:

The Accepting company owns 13 455 shares of the capital of the Transforming Company;

The Transforming Company does not own shares of the capital of the Accepting Company;

The Transforming company does not own its own shares;

The Accepting company owns 13 479 188 own shares. The receiving company acquired the shares under this article as a result of a decision of a Regular General meeting of shareholders of "Sopharma" AD held on 23.06.2010, amended by a decision of an extraordinary general meeting of shareholders held on 30.11.2011, extraordinary general meeting shareholders' meeting held on 01.11.2012 and extraordinary general meeting of shareholders held on 02.28.2013 and the company's Articles of Association.

Article 2.4. The parties confirm that the implementation of the Merger is subject to the prior approval of the Financial Supervision Commission and will be completed upon receipt of such approval.

SECTION 3

MERGER

Article 3.1. Merger

By this Agreement, the Parties agree to carry out the Merger by performing all the actions specified therein, as well as all other actions that are necessary for the implementation of the Merger and the actions that should be carried out as a consequence thereof.

Article 3.2. Actions of the Merger

According to Art. 262g, para. 2, point 7 and art. 263g, para. 2 of the Commercial Law The Parties agree that the Effective Date of the Merger for accounting purposes will be 01.01.2023.

Article 3.3. The effective date of the Merger for accounting purposes.

According to Art. 262g para. 2, point 7 and art. 263g, para. 2 of the Commercial Law the Parties agree that the Effective Date of the Merger for accounting purposes will be 01.01.2023.

Article 3.4. Real property that passes from the Transforming Company to the Accepting Company as a result of the Merger.

A description of the real estate that passes from the Transforming Company to the Accepting Company as a result of the Merger is contained in Note № 3 to this Agreement.

SECTION 4

FAIR SHARE PRICE. PRICE JUSTIFICATION.

REPLACEMENT RATIO

Article 4.1. As a result of the Merger, the shareholders of the Transforming Company, other than the Accepting Company which is also a shareholder of the Transforming Company, will acquire shares in the capital of the Accepting Company and become shareholders thereof. The parties agree that the capital of the Accepting Company will not be increased with a view to carrying out the Merger, and the shareholders of the Transforming Company will acquire already issued shares of the capital of the Accepting Company, as in Section 6 of the Agreement, under the terms and in the manner of the current legislation and the provisions of the Regulations of the "Central Depository" AD.

Article 4.2. In order to determine the fair values of the Parties' Shares in applying the methods set forth in Art. 5 of Regulation №41 and the possibilities of minimum deviations due to rounding, the Parties accept that the final calculations of the fair values per share, as well as the total fair values of the two companies, shall be rounded down to the second decimal place. In determining the Exchange Ratio by dividing the Fair Price per Share of the Transforming Company by the Fair Price per Share of the Accepting Company, the Parties shall assume rounding down to the second decimal place. The parties find and accept the following summarized financial data on the amount of the net asset value of each of the companies involved in the reorganization as of 23.01.2023.

The registered capital of the Transforming Company is BGN 5 540 000, divided into 13 850 ordinary, registered, available, freely transferable shares, each with a par value of BGN 400. According to the above calculated fair value per share of "Biopharm Engineering" AD, the fair value (net asset value) of the company is BGN 296 251,50.

The registered capital of the Accepting Company is BGN 134 797 899, divided into 134 797 899 dematerialised registered shares with voting rights and a nominal value of BGN 1 each. According to the latest published consolidated audited financial statements as at 31.12.2017, Sopharma AD owns 13 479 188 treasury shares and in this connection, there are 121 318 711 shares outstanding, on the basis of which the fair value calculations have been made According to the fair value per share of "Sopharma" AD calculated above, the fair value (net asset value) of the company is BGN 750 824 297,43.

Article 4.3. Based on the circumstances found and accepted, the Parties find and accept the following fair value of the Shares as of 23.01.2023:

To the Transforming Company: the fair value per share of “BIOPHARM ENGENEERING” AD is BGN 21,39;

To the Accepting Company: the fair value per share of Sopharma AD is BGN 5.57.

Article 4.4. The fair value of the shares of the companies involved in the conversion has been determined on the basis of generally accepted valuation methods, a description of which and the rationale for the price is contained in Note 1 and Note 2 to this Agreement.

Article 4.5. Based on the fair price of the shares of the companies involved in the conversion, an exchange ratio of 3.84 is formed, which means that one share of the Transforming Company ("Biopharm Engineering" AD) should be exchanged for 3.84 shares of the Accepting Company ("Sopharma" AD). The ratio of replacement of shares is determined as of 23.01.2023 the property of the Accepting company (Sopharma AD) is increased with the part of the clean value of the property of the Transforming company ("Biopharm Engineering" AD), which corresponds to the shares of the shares of the shares The capital of the Transforming company (Biopharm Engineering AD), which are not owned by the Accepting company (Sopharma AD). Thus, the part of the pure property of the Transforming company (Biopharm Engineering AD), which increases the pure property of the Accepting company (Sopharma AD) is BGN 296 251,50 and the total value of the clean property of the Accepting company (Sopharma AD) increases to BGN 751 120 548,93.

In view of the provisions of Art. 261b of the Commercial Law, when forming the ratio of exchange of shares of the Accepting Company with shares of the Transforming Company, after the Merger the principle of equivalence is observed, as the shares in the Accepting Company acquired by the shareholders of the Transforming Company, including the additional cash payments under section 5 below, are equivalent to the fair value of the shares they owned before the Merger in the Transforming Company.

Article 4.6. The number of shares of the Accepting Company that each shareholder of the Transforming Company receives shall be determined by multiplying the number of shares of the Transforming Company held by the relevant shareholder by the exchange ratio adopted pursuant to Article 4.5 of this Agreement. The resulting whole number is the number of shares in the capital of the Accepting Company that the relevant Shareholder receives. The sum of the whole numbers of shares received for each shareholder gives the amount of shares, and the difference paid out as per the procedure in section 5 below. In order to comply with the requirement that all shareholders of the Transforming Company, other than “Sopharma” AD, receive shares in the Accepting Company, the parties to this Agreement agree that shareholders holding an insufficient number of shares in the Transforming Company shall each receive one share in the Accepting Company as provided in Article 5.3 below.

SECTION 5

CASH PAYMENTS. PAYMENT TERM

Article 5.1. Due to the mathematical impossibility of exchanging the shares of each individual shareholder in the Transforming Company with shares in the Accepting Company of a fully

equivalent value, the difference up to this value will be compensated by additional cash payments in the corresponding amount.

Article 5.2. The amount of the cash payment to each shareholder is determined by multiplying the number of shares owned by him in the Transferring Company by the accepted exchange ratio according to Art. 4.5 of this Agreement. The resulting integer is the number of shares in the Accepting Company that the respective shareholder receives. The difference above this whole number is multiplied by the fair price of one share of the capital of the Accepting Company, and the result is the amount of the monetary payment due in BGN. This result represents a monetary claim of the shareholder to the Accepting Company.

Article 5.3. Shareholders of the Transferring Company who, as a result of the calculation, should receive less than one share in the Accepting Company shall receive one share in the Accepting Company and the difference up to the full fair value thereof shall be for the account of the Accepting Company. The difference is calculated by multiplying the number of shares held by the relevant shareholder in the Transferring Company by the calculated fair value per share of the Transferring Company. The resulting number is subtracted from the fair value per share of the Accepting Company's capital stock.

Article 5.4. Based on the book of shareholders of the Transforming Company as of 31.12.2022, the expectations of the Parties under this Agreement are that the total amount of monetary payments to the shareholders will be in the amount of approximately BGN 2 000 (two thousand). Thus, in view of the absolute value of the sum of all additional cash payments, the requirement of art. 261b, an. 2 of the Commercial Law will be observed.

Article 5.5. The claims of the shareholders under Art. 261b, para. 2 of the Commercial Law become required from the Effective Date of the Merger. Repayment will be made in cash at the cash desk of the Accepting Company at the address of the city of Sofia, Nadezhda district, Iliensko Shosse №16. The receivables will be paid to the shareholders of the Transforming Company within 5 (five) years from the date, on which they became due.

SECTION 6

CONDITIONS REGARDING THE DISTRIBUTION AND TRANSFER OF THE SHARES BY THE ACCEPTING COMPANY. RIGHT TO EXIT

Article 6.1. The shareholders of the Transforming Company acquire shares in the Accepting Company in exchange for the shares of the Transforming Company held by them in accordance with the provisions of this Agreement. To the extent that the Accepting Company owns its treasury shares, the capital of the Accepting Company will not be increased with a view to carrying out the Merger, and the shareholders of the Transforming Company will acquire already issued shares from the capital of the Accepting Company.

Article 6.2. The shareholders of the Accepting Company have the right to acquire shares from the Transforming Company as of the date of the general meeting of the shareholders of the Transforming Company, at which the decision under Art. 262o of the Commercial Law for approval of the Merger.

Article 6.3. "Central Depository" AD, in its capacity as a depository under Art. 264h, para. 5 of the Commercial Law, carries out the transfer of already issued shares from the Accepting Company

to the accounts of the shareholders. Pursuant to Art. 127 of the Law on the Public Offering of Securities, the transfer takes effect from the moment of its registration in "Central Depository" AD. Pursuant to Art. 136, para. 2 of the Law on the Public Offering of Securities "Central Depository" AD keeps the book of shareholders of the Accepting Company.

Article 6.4. Within 7 days from the entry of the Merger in the commercial register, the Board of Directors of the Accepting Company will submit to "Central Depository" AD an application for the transfer of already issued shares (treasury shares) of the Accepting Company to the accounts of the shareholders of the Transforming Company, to which implements the decisions of the General Meetings of the shareholders of the Transforming Company and the Accepting Company to approve the Merger, a transcript of the entry of the Merger in the commercial register, a list of the shareholders of the Transforming Company who receive shares from the Accepting Company as a result of the Merger, is indication of the number of shares for each individual shareholder, as well as other documents required according to the Rules of "Central Depository" AD.

Article 6.5.„Based on the submitted application and list of shareholders of the Transforming Company, "Central Depository" AD distributes own shares of the Accepting Company in favor of the shareholders of the Transforming Company, who receive shares from the Accepting Company as a result of the Merger. The shares are distributed to the personal accounts of the shareholders of the Transforming Company. "Central Depository" AD issues a certificate of registration of the completed transfers.

Article 6.6. The shares of the Receiving Company are dematerialized, therefore no physical transfer of shares will take place. "Central Depository" AD issues a deed for the registration of the transfers of own shares of the Accepting Company in favor of the shareholders of the Transforming Company, who receive shares from the Accepting Company as a result of the Merger, therefore the Accepting Company does not intend to request the issuance of certification documents for individual transfers. Each shareholder may request to receive a certification document for the shares he owns through an investment intermediary - a member of "Central Depository" AD.

Article 6.7. Any shareholder of the Transforming Company who voted against the decision to convert by merger may leave the Accepting Company Termination of participation is carried out by a notarized notification to the Accepting Company within three months from the date of entry of the Merger in the commercial register. The departing shareholder has the right to receive the equivalent of the shares held by him before the conversion of the price specified in this Agreement. Within 30 days from the date of the notification of termination of participation under Art. 263c of the Commercial Law, the receiving company is obliged to buy back the shares of the departing shareholder. The departing shareholder may file a claim for monetary settlement within three months of the notification under Art. 263c, para. 1 of the Commercial Law. The shares of the departing shareholder are taken over by the Accepting Company and the rules for the acquisition of own shares apply to them, except for Art. 187a, para. 4 of the Commercial Law.

SECTION 7

DESCRIPTION OF SHARES IN THE ACCEPTING COMPANY. EXERCISE OF RIGHTS BY THE SHAREHOLDERS OF THE TRANSFORIMNG COMPANY WITH RESPECT TO THE ACCEPTING COMPANY, INCLUDING THE RIGHT TO PARTICIPATE IN PROFIT DISTRIBUTION

Article 7.1. All shares of the capital of the Accepting Company are ordinary, registered, non-voting, with a nominal value of BGN 1 (one) each.

Article 7.2. Each share gives the right to one vote in the general meeting of shareholders, the right to a dividend and a liquidation share commensurate with its nominal value, as well as other rights according to the applicable legislation.

Article 7.3. From the Effective Date of the Merger, the shareholders of the Converting Company acquire all the rights that the law or the Articles of Association give to the shareholders of the Receiving Company, including the right to participate in the distribution of profits.

SECTION 8

RIGHTS GRANTED TO SHAREHOLDERS WITH SPECIAL RIGHTS AND TO HOLDERS OF SECURITIES OTHER THAN SHARES

Article 8. The parties confirm that neither the Transforming Company nor the Accepting Company have shareholders who have special rights related to their shares, and that neither the Transforming Company nor the Accepting Company has issued securities other than shares. In view of the above, the Parties agree that the provisions of Art. 262g, para. 2, item 8, proposal one of the Commercial Law and art. 123, para. 1, item 3 of the Law on Public Offering of Securities are inapplicable to the Merger.

SECTION 9

ADVANTAGES PROVIDED TO THE INSPECTORS UNDER ART. 262L OF THE COMMERCIAL LAW OR OF THE MEMBERS OF THE MANAGING OR CONTROL BODIES OF THE PARTIES

Article 9.1. The parties confirm that no special advantages are granted to the Inspectors under Art. 262l of the Commercial Law.

Article 9.2. The parties confirm that no special advantages are provided to the members of the management and control bodies of the companies involved in the transformation.

SECTION 10

OBLIGATIONS PRIOR TO THE EFFECTIVE DATE OF THE MERGER

Article 10.1. Actions preceding the holding of General Shareholders' Meetings

The parties undertake to make the necessary efforts to ensure the timely fulfillment of the following obligations through their Management Bodies:

(a) The parties shall submit to the Merger Examiners: (1) a copy of this Agreement, within 3 (three) business days after its execution and (2) without undue delay, any information and written documentation requested by the Merger Examiners, or which the relevant Management Authority deems necessary for the purposes of preparing the Auditors' Reports;

(b) The Parties shall ensure that the Examiners' Reports are prepared and made available in a timely manner;

(c) each Party shall ensure the timely preparation of the Report of its governing body;

(d) The management body of the Accepting Company submits an application to "Central Depository" AD for the upcoming conversion in view of the requirement of Art. 124, para. 2, item 7 of Laws on Public offering of securities;

(e) The Management Body of the Transforming Company submits an application to the Financial Supervisory Service for approval of this Agreement, the reports of the Management Bodies and the Auditors' Reports;

(f) each of the Parties submits this Agreement and the report referred to in point (c) above in the commercial register, according to Art. 262k, para. 1 of the Commercial Law;

(g) after receiving the approval from the Financial Supervisory Service pursuant to Art. 124, para. 1 of the LPOS, each Party will perform all the necessary actions for convening its General Meeting, including announcing the invitation to its shareholders in accordance with the provisions of the Commercial Law, the LPOS and the Articles of Association of the respective Party, the fulfillment of the obligation to provide information according to Art. 262n, para. 1 and 2 of Commercial law. Each Party will notify the other of the date on which its General Meeting is convened;

(h) each of the Parties provides timely information about the conversion in accordance with the requirements of Art. 130b of the Labor Code;

Article 10.2. Notifications of subsequent changes in the Parties' property rights and obligations

According to 262n, para. 4 of the Commercial Law, each Party will notify the other Party of changes in its property rights and obligations that occurred after the date of this contract. The notification under the previous sentence should be made no later than the date preceding the date on which the Party for which the notification is intended has scheduled its General Meeting to decide on the Merger.

Article 10.3. Subsequent changes in legislation

In the event that, after the conclusion of this Agreement, legislation changes in a manner that requires amendments and/or additions to this Agreement, the Parties will discuss amendments to this Agreement that they deem necessary and appropriate as soon as the relevant changes in legislation are made.

Article 10.4. Actions after holding General Meetings

Provided that the General Meetings pass a resolution approving this Agreement:

(a) each Party will notify the respective territorial directorate of the National Revenue Agency about the Merger, within 3 (three) working days from the date of the Merger Decision for the respective Party according to Art. 77, para. 1 of the Tax and Insurance Procedural Code;

(b) The management body of the Receiving Company, on the basis of Art. 263. para. 1 of the Commercial Law, will apply for entry of the Merger in the Commercial Register.

SECTION 11

OBLIGATIONS AFTER THE EFFECTIVE DATE OF THE MERGER

Article 11.1. Administrative registrations

The parties undertake to comply with their obligations for administrative registrations in accordance with the provisions of the law. For the avoidance of doubt, registrations include:

(a) notification to the Financial Supervision Commission for registration of the Merger no later than 7 (seven) days from the date of entry of the Merger in the commercial register;

(b) registration of the transfer of already issued shares of the Accepting Company in "Central Depository" AD. The management body of the Accepting Company is obliged to apply for registration with the "Central Depository" AD for the transfer of already issued shares of the Accepting Company to the shareholders of the Transforming Company;

(c) entry in the property register. The management body of the receiving company submits the certificate of entry under Art. 263c, para. 1 of the Commercial Register for entry in the property register.

Article 11.2. Obligation of the Accepting Company for separate management

According to Art. 263k, an. 1 of the Commercial Law, the Accepting Company undertakes to separately manage the transferred property of the Transforming Company for a period of 6 (six) months from the Effective Date of the Merger. The members of the Accepting company's management body are jointly and severally liable to the creditors for the separate management.

SECTION 12

DECLARATIONS AND WARRANTIES

Article 12. Each Party represents and warrants to the other Party that each of the following statements is true and accurate in all respects as of the date of this Agreement and will be true and accurate as of the Merger Effective Date:

(a) Each Party:

- is a company duly incorporated and validly existing under the Commercial Law and the Law on Public Offering of Securities;

- has the requisite capacity to carry on its business as it is now carried on and to own, lease and operate all its property and assets; and

- is in good financial standing and able to pay its monetary obligations as they become due.

(b) Each of the Parties declares and warrants to the other Party that:

- has the necessary legal capacity to enter into this Agreement and fulfill its obligations under it;

- the conclusion of the Agreement and the fulfillment of the obligations under it are carried out with the proper authorization, in accordance with the law and the Statute of the Country, with the exception of the Decision on Infusion, which has not been taken as of the date of this Agreement;

- neither the conclusion of the Agreement nor the fulfillment of the obligations under it: are in contradiction or lead to a violation of the provisions of the Articles of Association or any other corporate document of the Party; constitute a violation of any law, regulation, decree or other regulatory act applicable to the Party, or judicial or administrative decision by which the Party is bound.

(c) Each of the Parties declares and warrants to the other Party that:

The country has complied and continues to comply with all applicable laws and regulations relating to the protection of personal data, prevention of discrimination, terms and conditions of employment, remuneration, working hours of employees, working conditions and occupational safety, and has had and has complied with, and continues to hold and comply with, any and all licenses and permits required by law to conduct the business of the Party; and the Party has not been, is not, and to its knowledge is not expected to be, in breach or default of any obligation under any contracts, licenses and permits, or with respect to the rights of any is a third party, to the extent that such breach or default would have an adverse effect on the Merger or on the Party's ability to perform its obligations under this Agreement.

SECTION 13

EFFECTIVENESS AND TERMINATION OF AGREEMENT

Article 13.1. Effectiveness and termination of Agreement

This Contract shall enter into force on the date of its signature by the Parties.

This Agreement may be terminated prior to the Merger Effective Date:

(a) Before the votes by the General Meetings of the Parties on their decisions to approve this Agreement - (1) by mutual written agreement of the Parties or (2) unilaterally by each Party with written notice to the other Party; in the case of point (1) above, termination occurs on the date specified in the mutual agreement of the Parties, and in the case of point (2) above, termination occurs on the date specified in the unilateral notification and not earlier than the date on which this notice has been served on the other Party;

(b) In the event that the Financial Supervisory Commission refuses to grant approval of the merger, in which case this Agreement will be deemed terminated on the date on which the refusal becomes final;

(c) In case that the General Meeting of any of the Parties does not approve this Agreement; in this case, the termination occurs on the date of the General Meeting of Shareholders, at which a decision was made not to approve this Agreement;

(d) After the approval of the Agreement by the General Meetings and before entry of the Merger in the Commercial Register - with a decision of the General Meeting of any of the Parties to terminate the Agreement, this decision being taken by a majority of at least 3/4 (three quarters) of the votes of the shareholders present; in this case, the Party whose General Meeting voted to terminate the Agreement shall immediately notify the other Party, and termination shall take place on the date on which such notification is delivered;

(e) In case that the Commercial Register has refused to enter the Merger, in which case it shall be deemed terminated on the date on which the refusal of the Commercial Register took place.

Article 13.2. Liability on Termination

Each Party shall be liable for its failure to perform its obligations under this Agreement, and liability for obligations incurred and due prior to termination of this Agreement shall survive termination of this Agreement.

Each Party is responsible for damages suffered by the other Party, which are directly related to the termination of this Agreement, if this termination occurred on the basis of Art. 13.1, clause (a), subparagraph (2) of this Agreement, or if the termination would not have occurred if the defaulting Party had performed its obligations under this Agreement or its legal obligations related to the Merger.

SECTION 14

ADDITIONAL PROVISIONS

Article 14.1. Costs and fees

All costs and fees paid in connection with this Agreement or in connection with the Merger shall be for the account of the Party incurring such costs.

Article 14.2. Amendments to the Agreement

T This Agreement may be amended and supplemented only by mutual agreement of the Parties.

Article 14.3. Notifications

Any notification, request, demand, consent, approval or other communication in connection with this Agreement shall be in writing and shall be deemed received if delivered in person upon receipt thereof or sent by facsimile (the receipt of which is acknowledged), electronic mail (e-mail) or are sent by courier to the correspondence addresses of the Parties as specified in this contract, or to such other address as the Party subsequently notifies the other Party in writing. All such notices and other communications shall be deemed delivered on the date on which they are received by the addressee.

Article 14.4. Integrity of the Agreement

The Contract constitutes the entire agreement and supersedes all previous contracts, gtreaties. agreements and understandings between the Parties regarding the Merger, whether in written, electronic or oral form.

Article 14.5. Partial invalidity

Any provision of this Contract that is declared null, void or unenforceable by a court of competent jurisdiction shall not affect the validity or enforceability of the remaining provisions of this Agreement. In case that any provision of this Agreement is declared null, void or unenforceable by a final decision of a competent court. The parties will use their best efforts to agree to replace it with a valid and enforceable provision as close as possible in content and effect to the one that was declared void or unenforceable.

Article 14.6. Applicable law

This Agreement is subject to and interpreted in accordance with the laws of the Republic of Bulgaria.

Article 14.7. Settlement of disputes

All disputes arising out of or relating to this Agreement, including disputes arising out of or relating to its interpretation, invalidity, performance or termination, as well as disputes to fill gaps in the Agreement or adapt it to new circumstances shall be settled between the Parties by mutual

agreement. In the event that no agreement is reached, the dispute shall be referred to the competent Bulgarian court.

The following notes are an integral part of this Agreement:

Note № 1: Justification of the fair price of the shares of "Biopharm Engineering" AD for conversion by merging "Biopharm Engineering" AD into "Sopharma" AD;

Note № 2: Justification of the fair price of the shares of "Sopharma" AD for conversion through the merger of "Biopharm Engineering" AD into "Sopharma" AD;

Note № 3: Description of the immovable property that passes from the Transforming Company to the Accepting Company as a result of the Merger.

This contract is signed in 4 identical copies and signed as follows:

For “SOPHARMA” AD,

.....

For "BIOPHARM ENGINEERING" AD

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