

ANNEX NO 1

TO THE MERGER AGREEMENT OF 23.01.2023

Today, 21.03.2023, this Supplemental Agreement No. 1 to the Conversion Agreement entered into on 23.01.2023 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 the "Parties". Pursuant to Art. 14.2. of the Merger Transformation Agreement, concluded on 23.01.2023, this Additional Agreement was concluded for the following:

1. Article 2.3. of the Treaty shall have the following new wording:

"Article 2.3. On the date of signature of this Treaty:

The Transferee Company owns 13,455 shares of the capital stock of the Transferee Company;

The Transferee Company does not hold any shares in the capital of the Transferee Company;

The Transferee Company does not hold any treasury shares;

The Transferee Company owns 13 479 188 treasury shares. The Transferee Company has acquired the shares referred to in this Article as a result of a resolution of the Ordinary General Meeting of Shareholders of Sopharma AD held on 23 June 2010, as amended by a resolution of an Extraordinary General Meeting of Shareholders held on 30 November 2011, Extraordinary General Meeting of Shareholders held on 01.11.2012, Extraordinary General Meeting of Shareholders held on 28.02.2013 and Extraordinary General Meeting of Shareholders held on 23.02.2018 and the Articles of Association of the Company."2.

Article 4.2. of the Treaty shall have the following new wording:

"Article 4.2. In order to determine the fair values of the Parties' Shares when applying the methods set forth in Article 5 of Regulation No. 41 and to allow for minor deviations due to rounding, the Parties agree that the final calculations of the fair values per Share, as well as the aggregate fair values of the two Companies, shall be rounded down to the second decimal place. In determining the exchange ratio by dividing the fair value per share of the Converting Company by the fair value per share of the Transferee Company, the Parties assume rounding down to the second decimal place. The Parties find and adopt the following summary financial data of the amount of the net asset value of each of the companies involved in the Conversion as of January 23, 2023.

The registered capital of the Converting 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 plc, the fair value (net asset value) of the company is BGN 239,189.50.

The registered capital of the Receiving 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 accounts as at 31 December 2022, Sopharma AD owns 13,479,188 treasury shares and in this respect 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 853,270,700.67."

3. Article 4.3. of the Treaty shall acquire the following new wording:

"Article 4.3. On the basis of the circumstances ascertained and accepted, the Parties find and accept the following fair value of the Shares determined as of 23.01.2023:

To the Converting Company: the fair value per share of BIOPHARM-INGENERING AD shall be BGN 17.27;

To the Transferee Company: the fair value per share of Sopharma Inc. is BGN 6.33."

4. Article 4.5. of the Treaty shall acquire the following new wording:

"Article 4.5. Based on the fair price of the shares of the companies involved in the Conversion, an exchange ratio of 2.73 shall be formed, which means that one share of the Conversion Company ("Biopharm-Engineering" AD) shall be exchanged for 2.73 shares of the Accepting Company ("Sopharma" AD). The share exchange ratio has been determined as of 23.01.2023. The assets of the Transferee Company ("Sopharma" plc) shall be increased by the portion of the net asset value of the Transferee Company ("Biopharm-Engineering" plc) corresponding to the shares in the capital of the Transferee Company ("Biopharm-Engineering" plc) that are not owned by the Transferee Company ("Sopharma" plc). Thus, the net assets of the Transferee Company ("Sopharma" plc) shall be increased by such percentage of the net assets of the Transferee Company ("Biopharm-Engineering" plc), in the amount of BGN 239,189.50, which corresponds to the portion of the capital of the Transferee Company that is not owned by the Transferee Company (2.85%).

In view of the provisions of Article 261b of the Commercial Law, the principle of equivalence has been observed in the formation of the ratio of exchange of shares of the Transferee Company for shares of the Transferee Company after the Merger, whereby the shares in the Transferee Company acquired by the shareholders of the Transferee Company, including the additional cash payments referred to in Section 5 below, are equivalent to the fair value of the shares in the Transferee Company held by them prior to the Merger."5.

Article 5.4. of the Treaty shall have the following new wording:

"Article 5.4. On the basis of the shareholders' book of the Converting Company, the Parties to this Contract expect the total amount of cash payments to shareholders to be approximately BGN 30 (thirty) per share. Thus, in view of the absolute value of the sum of all additional cash payments, the requirement of Article 261b(2) of the Commercial Law will be met."

6. Article 6.1. of the Treaty shall acquire the following new wording:

"Article 6.1. The shareholders of the Transferee Company shall acquire shares in the Transferee Company in exchange for the shares of the Transferee Company held by them as agreed in this Agreement. In the provision of Article 262u, par. 3(1) of the Commercial Companies Code, there is a prohibition to carry out a capital increase of the Transferee Company as the Transferee Company holds a shareholding of 97.15% of the capital of the Converting Company. The capital of the Transferee Company cannot and will not be increased to effect the Merger and the shareholders of the Transferee Company will acquire shares already issued out of the capital of the Transferee Company."

7. Article 8 of the Treaty shall have the following new wording:

"Article 8. The parties acknowledge that neither the Converting Company nor the Transferee Company has any shareholders who have special rights attached to their shares and that the Converting Company has not issued any securities other than shares. The Transferee Company has issued warrants in the amount of BGN 44,925,943. A warrant is a security which expresses the right to subscribe for a number of securities at a predetermined or determinable issue value until the expiry of a specified period. A warrant is a derivative security that is issued on other securities - the underlying asset. The underlying asset of the Warrants of the Issue are future ordinary, registered, uncertificated, freely transferable shares carrying one vote in the General Meeting of Shareholders to be issued by the Warrant Issuer, the Host Company, conditionally for the sole benefit of the Warranholders. The Warrants of the Issue are dematerialised, freely transferable and registered. All Warrants of the Issue carry the same rights to their holders and constitute a single class of securities. The warrants have ISIN code BG9200001212. CFI code: RWSTBE. FISN code: SOPHARMA/P WT SOPHARMA 1 20240901. Each Warrant of the Issue confers the following rights on its holder: the right to subscribe for shares in a forthcoming increase in the capital of the Receiving Company, which will be effected subject to the satisfaction of the prescribed conditions, and the right to one vote at the meeting of the Warranholders. In the event that the holder of the warrant exercises his right to convert it into shares, he acquires the status of a shareholder and a membership relationship is created between the shareholder and the Host Company."

The following annexes form an integral part of this Supplemental Agreement:

Annex No. 1: Fair value of the shares of Biopharm-Engineering AD. to be converted by merger of Biopharm-Engineering AD into Sopharma AD;

Appendix 2: Justification of the fair price of the shares of Sopharma AD for the transformation by merger of Biopharm-Engineering AD into Sopharma AD;

Appendix No. 3: Description of the immovable property that will pass from the Converting Company to the Receiving Company as a result of the Merger.

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

For SOPHARMA AD,

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For BIOPHARM-ENGINEERING AD

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