

Materials
for Extraordinary General Meeting of Shareholders of
“SOPHARMA” AD
2 April 2021
ISIN BG11SOSOBT18
Event identification code: SFAEGM02042021

Materials under item 1 of the agenda:

Approval of a decision for amendments to the Articles of Association of the Company;
Draft decision: *The General meeting of shareholders (GMS) approves the amendments proposed by the Board of Directors of the Articles of Association of the Company, namely:*

„Article 7 is amended as follows:

Para. 1, letter B shall be repealed;

In para. 1, letter C/ the following text is added: “... when the bonds are issued as convertible”, the text acquires the following version: „conversion of bonds into shares when the bonds are issued as convertible“;

In para. 1, letter E/ the following text shall be added: “conversion of part of profit into capital;“

In para. 1, letter F/ the following text shall be added: “*other ways permitted by law;*“

The old text of para. /2/ is replaced by the text: “the decision for capital increase has a legally defined content, as the procedure for capital increase follows the requirements and rules provided in the law, the present Articles of Association and the decisions of the management bodies of the company,“

In Article 8, a new paragraph 5 is adopted as follows:

/5/ The capital of the Company may be increased by decision of the Board of Directors under the terms of this article and in connection with Art. 25 and Art. 26a, para. 1, item 13.

In Article 16a, para. 2 the text... “*in the Rules for Voting by Electronic Means and Correspondence, adopted by the Company*” shall be replaced by the text “*by the Board of Directors in specific rules or for each individual meeting of the General Meeting, the relevant information shall be provided to the shareholders in the invitation to convene the General Meeting.*“

In Article 16a, para. 4 shall be amended as follows: “The rules for voting by proxy, the samples used for voting by proxy and the ways in which the company will be notified of performed authorizations electronically shall be determined by the Board of Directors - in special rules or for each separate meeting of the General Meeting of Shareholders, such as the requirements for the content of the voting form, the methods for its receipt by the shareholders and the conditions for identification of the shareholders shall be provided to the shareholders in the invitation to convene the General Meeting.“

In Article 25, a new paragraph 9 is added with the following text:

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“Increase of the capital of the company under the following conditions:

A/ The capital of the company can be increased by a decision of the Board of Directors up to BGN 750 million;

B/ The Board of Directors has the right to take decisions for capital increase until reaching the amount under letter /A/ within 5 years after the entry of this amendment in the Articles of Association and in the Commercial Register;

C/ Within the term under letter /B/, the Board of Directors has the right to make decisions for issuance of ordinary shares, preference shares, convertible bonds (bonds that can be converted into shares) and warrants, giving the right for subscription for shares of future capital increases of the company. In case of exercising warrants, respectively convertible bonds in fulfillment of the authorization under the previous sentence, the Board of Directors has the right to take a decision for capital increase under on condition, according to art. 113, para 2, item 2 of LPOS, in order to ensure the rights of the holders of warrants and / or convertible bonds. The amount of the increase under the previous sentence may not exceed the amount specified in letter /A/, taking into account the possibility for the rights under all warrants / respectively convertible bonds to be exercised.

D/ In exercising the powers under the previous points, the Board of Directors is considered to be explicitly authorized to adopt the relevant amendments to the Articles of Association of the company, if such are necessary as a result of the implementation of the decisions to increase the capital;

E / The threshold of BGN 750 million provided for in letter /A/ shall be applied in total to the sum of the values of all capital increases, including the value of the shares for which warrants or convertible bonds have been issued.

In Article 26a, para. 1 a new point 13 shall be added with the following text:
13. Decisions under Art. 25, para. 9 of the Articles of Association.”

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Comparative table of proposed changes *(new text in color, italics):*

Old version of the Articles of Association	New version of the Articles of Association
Art. 7. /1/ B/ Increase in the nominal value of the already issued shares;	Art. 7. /1/ B/ <i>/Cancelled by resolution of the GM dated 02.04.2021/;</i>
Art. 7. /1/ C/ By converting bonds into shares;	Art. 7. /1/ C/ <i>/Amended by resolution of the EGM dated 02.04.2021/ Conversion of bonds into shares <u>when the bonds are issued as convertible.;</u></i>
	Art. 7. /1/ E/ <i>/New, approved at GM, 02.04.2021/ <u>conversion of part of profit into capital;</u></i>
	Art. 7. /1/ F/ <i>/New, approved at GM, 02.04.2021/ <u>/other ways permitted by law/;</u></i>
Art. 7 /2/ the decision for capital increase must contain the purpose of the increase and the manner in which it will be carried out.	Art. 7. /2/ <i>/Amended by resolution of the GM dated 02.04.2021/ The decision for capital increase <u>has a legally defined content, as the procedure for capital increase follows the requirements and rules provided in the law, the present Articles of Association and the decisions of the management bodies of the company.</u></i>
	Art. 8. /5/ <i>/new, approved with resolution at EGM, 02.04.2021/ <u>The capital of the Company may be increased by decision of the Board of Directors under the terms of this article and in connection with Art. 25 and Art. 26a, para. 1, item 13.</u></i>
Art.16a (2) Subject to observance of the requirements of the Law on Public Offering of Securities, the right to vote at the General Meeting of shareholders may also be exercised before the date of the relevant meeting	Art.16a (2) <i>/Amended by resolution of the GM dated 02.04.2021/ Subject to observance of the requirements of the Law on Public Offering of Securities, the right to vote at the General Meeting of shareholders may also</i>

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<p>by correspondence, using a mail, including e-mail, courier or some other manner specified in the Rules for Voting by Electronic Means and Correspondence, adopted by the Company.</p>	<p>be exercised before the date of the relevant meeting by correspondence, using a mail, including e-mail, courier or some other manner specified <u>by the Board of Directors in specific rules or for each individual meeting of the General Meeting, the relevant information shall be provided to the shareholders in the invitation to convene the General Meeting.</u></p>
<p>Чл. 16a (4) The rules for voting by electronic means and correspondence shall be adopted by the Board of Directors and shall be published on the Company's website.</p>	<p>Art.16a (4) /Amended by resolution of the GM dated 02.04.2021/ <u>“The rules for voting by proxy, the models used for voting by proxy and the ways in which the company will be notified of performed authorizations electronically shall be determined by the Board of Directors - in special rules or for each separate meeting of the General Meeting of Shareholders, such as the requirements for the content of the voting form, the methods for its receipt by the shareholders and the conditions for identification of the shareholders shall be provided to the shareholders in the invitation to convene the General Meeting.”</u></p>
	<p><u>Art. 25</u> <u>9/ /New, adopted by resolution of the EGM dated 02.04.2021/</u> <u>Increase of the capital of the company under the following conditions:</u> <u>A/ The capital of the company can be increased by a decision of the Board of Directors up to BGN 750 million;</u> <u>B/ The Board of Directors has the right to take decisions for capital increase until reaching the amount under letter /A/ within 5 years after the entry of this amendment in the Articles of Association and in the Commercial Register;</u> <u>C/ Within the term under letter /B/, the Board of</u></p>

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	<p><u>Directors has the right to make decisions for issuance of ordinary shares, preference shares, convertible bonds (bonds that can be converted into shares) and warrants, giving the right to subscribe for shares of future increase in the capital of the company. In case of exercising warrants, respectively convertible bonds in fulfillment of the authorization under the previous sentence, the Board of Directors has the right to take a decision for capital increase under on condition, according to art. 113, para 2, item 2 of LPOS, in order to ensure the rights of the holders of warrants and / or convertible bonds. The amount of the increase under the previous sentence may not exceed the amount specified in letter /A/, taking into account the possibility for the rights under all warrants / respectively convertible bonds to be exercised.</u></p> <p><u>D/ In exercising the powers under the previous points, the Board of Directors is considered to be explicitly authorized to adopt the relevant amendments to the Articles of Association of the company, if necessary, as a result of the implementation of the decisions taken to increase the capital:</u></p> <p><u>E/ The threshold of BGN 750 million provided for in letter /A/ shall be applied in total to the sum of the values of all capital increases, including the value of the shares for which warrants or convertible bonds have been issued.</u></p>
	<p>Art.26a 13. / <i>New, approved at GM, 02.04.2021./</i> <u>Decisions under Art. 25, para. 9 of the Articles of Association</u></p>