CONTRACT

FOR TRANSFORMATION BY MERGER

Today, 16.01.2024, the current Merger Contract was concluded between:

1. **“SOPHARMA” AD**, UIC 831902088, with headquarters and management address in Sofia, "Nadezhda" district, 16 "Iliensko Shosse" Str., represented by Simeon [redacted] Donev - Procurator of the company, PIN: [redacted], ID card num. [redacted], issued by MoI - Sofia on [redacted], hereinafter referred to in this Contract as **"Receiving Company"** or **"Sopharma",** on the one part,

and

2. "VETA PHARMA" AD, UIC104111084, with headquarters and management address in Veliko Tarnovo, 32 “Dalga Laka” Str., represented by the Executive Director Violeta [redacted] Tsacheva, PIN: [redacted], ID card num. [redacted], issued on [redacted] by MoI, hereinafter referred to as **"Merging Company"** or **"Veta Pharma"**

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 Merging Company has decided on its transformation, to be carried out by merging it into the Receiving Company, at its meeting held on 15.01.2024 and has assigned its Executive Director to sign this contract;

(B) The Board of Directors of the Receiving Company made a decision to transform by merging the Merging Company into it, at its meeting held on 15.01.2024 and assigned its Executive Director to sign this contract;

(C) In view of the merger decisions referred 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 Merging Company will pass to the Receiving Company, as a result of which all the assets of the Merging Company will pass to the Receiving Company, which will become its legal successor, and the Merging 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 merger in the manner described in letter (B) above.

IN THIS CONTRACT, the Parties agree as follows:

SECTION 1

DEFINITIONS AND INTERPRETATION

Article 1.1 Definitions

For the purposes of this Contract, 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 Merging Company are deemed to have been performed by the Receiving 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 Merging Company will pass to the Receiving Company and the latter will become its universal successor. The Merging Company will be dissolved without liquidation and all its assets, liabilities, property and non-property rights and obligations will pass to the Receiving 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 Contract, unless expressly stated otherwise.

Article 1.3. Meaning of some words and expressions

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

(b) the phrases "of this Contract" and "in this Contract", and phrases of similar import, refer to this Contract 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 Contract 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 Merging Company

"Veta Pharma"AD, UIC 104111084, with headquarters and management address in the city of Veliko Tarnovo, 32 “Dalga Laka” Str.. The capital of "Veta Pharma"AD is BGN 4 540 000, divided into 4 540 000 ordinary, registered, available, freely transferable shares, each with a par value of BGN 1, representing one class of ordinary shares. "Veta Pharma” AD has no different classes of shares in issue. "Veta Pharm” AD is not a public company within the meaning of Art. 110 et seq. LPOS.

As of 31.12.2023, shareholders owning 5 percent or more of the voting shares of the capital of "Veta Pharma" AD are:

Shareholder	**Share of capital (%)**
“Sopharma” AD UIC: 831902088, Sofia 16 “Iliensko shose” Str.	99,98

Article 2.2. Basic information about the Receiving Company

"Sopharma" AD is a Shareholding Company, UIC 831902088, with its registered office and management address in Sofia, "Nadezhda" district, 16 "Iliensko Shosse"Str. The company's capital is BGN 172 590 578, paid in full amount. The company's capital is divided into 172 590 578 ordinary, registered, dematerialized shares with a nominal value of BGN 1 each. "Sopharma" AD is a Public company within the meaning of Art. 110 of LPOS and is entered in the register under Art. 30, para. 1, item 3 of the FSCA with decision num. 57 since 01.10.1998.

As of 31.12.2023, 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, 12 “Positano” Str.	38,57

“Telecomplect invest” AD UIC 201653294, Sofia, "Krasno Selo", 69-73 Totleben Blvd., floor 4	16,15
“Sopharma” AD UIC: 831902088, гр.София, 16 “Iliensko shosse” Str.	8,30

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

The Receiving Company owns 4 538 950 shares of the capital of the Merging Company;

The Merging Company does not own shares of the capital of the Receiving Company;

The Merging Company does not own treasury shares;

The Receiving Company owns 14 328 336 treasury shares. The Receiving Company acquired the shares under this article as a result of a decision of a General Meeting of shareholders of "Sopharma" AD held on 23.06.2010, amended by a decision of the extraordinary General Meeting of shareholders held on 30.11.2011, extraordinary General Meeting of shareholders held on 01.11.2012, extraordinary General Meeting of shareholders held on 28.02.2013, extraordinary General Meeting of shareholders held on 23.02.2018 and extraordinary General Meeting of shareholders held on 04.08.2023 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

With the following Contract, 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. 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 01.01.2024.

Article 3.3. Real estate that passes from the Merging Company to the Receiving Company as a result of the Merger.

A description of the real estate that passes from the Merging Company to the Receiving Company as a result of the Merger is contained in Annex 3 to this Contract.

SECTION 4

FAIR SHARE PRICE. PRICE JUSTIFICATION.

REPLACEMENT RATIO

Article 4.1. As a result of the Merger, the shareholders of the Merging Company other than the Receiving Company which is also a shareholder of the Merging Company, will acquire shares from the capital of the Receiving Company and become shareholders of the Receiving Company. The parties agree that the capital of the Receiving Company cannot and will not be increased to implement the Merger, and the shareholders of the Merging Company will acquire already issued shares of the capital of the Receiving Company, as Section 6 of the Contract, 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 determining fair price per share Parties applying the methods in Art. 5 of the Regulation 41 and the possibilities of minimum deviations due to rounding, the Parties accept that the final calculations of the fair price per share, as well as the Total Fair Price per share 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 Merging Company by the fair price per Share of the Receiving Company, the Parties shall assume rounding down to the second decimal place. The Parties define and establish the following total financial results of the net asset value of each of the Companies involved in the Merger as 15.01.2024.

The registered capital of the Merging Company is BGN 4 540 000, divided into 4 540 000 ordinary, registered, available, freely transferable shares, with a nominal value of BGN 1 each. According to the above mentioned calculations the Fair Price per share of "Veta Pharma" AD, the fair value (net assets value) of the Company is BGN 15 799 200.

The registered capital of the Receiving Company is BGN 172 590 578, divided into 172 590 578 dematerialized, registered shares with voting rights with a nominal value of BGN 1 each. As of 31.12.2023, "Sopharma" AD holds 14,328,336 treasury shares and in this connection there are 158,262,242 outstanding shares, on the basis of that the calculations were made for the Fair Price per share of "Sopharma" AD, the fair value (net assets value) of the Company is BGN 854 432 739.54.

Article 4.3**.** Based on the established and accepted circumstances, the Parties ascertain and accept the following fair price of the shares, determined as of 15.01.2024.:

The fair price of the Merging Company "Veta Pharma" AD is BGN 3.48;

The fair price of the Receiving Company "Sopharma" AD is BGN 5.37.

Article 4.4. The fair price of the Parties' shares involved in the Merger Contract is determined according to the General valuation methods, the description and justification of the price is contained in Appendix 1 and Appendix 2 of this Contract.

Article 4.5. Based on the fair price of the shares of the Parties involved in the Merger Contract, an exchange ratio of 0.65 was formed, which means that one share of the Merging Company ("Veta Pharma" AD) should be replaced by 0.65 shares of the Receiving Company ("Sopharma" AD).

The share exchange ratio is set as of 15.01.2024. The net assets of the Receiving Company ("Sopharma" AD) is increased by the part of the net assets of the Merging Company ("Veta Pharma" AD), which corresponds to the shares of the capital of Merging Company ("Veta Pharma" AD), doesn't hold by the Receiving Company ("Sopharma" AD).As a result of that a part of the net assets of the Merging Company ("Veta Pharma" AD), which increases the net assets of the Acquiring Company ("Sopharma" AD) is BGN 3 654 and the total amount of the net assets of the Receiving Company ("Sopharma" AD) increases to BGN 854 436 342.43.

According to Art. 261b of the Commercial Law, the share exchange ratio set of the Receiving Company to the Merging Company after the Merger the principle of equivalence is observed as the shares in the Receiving Company acquired by the shareholders of the Merging Company, including the additional cash payments under section 5 below, are equal to the fair price of holding shares before Merger in the Merging Company.

Article 4.6. The number of shares of the Receiving Company that each shareholder of the Merging Company receives shall be determined by multiplying the number of shares of the Merging Company held by the relevant shareholder by the adopted exchange ratio according to Article 4.5 of this Contract. The established whole number is the number of shares from the capital of the Receiving Company that the relevant Shareholder receives. The sum of the whole numbers of shares received of each shareholder gives the amount of shares, and the difference paid out as per the procedure in section 5 below. Pursuant to comply all shareholders of the Merging Company, excluding "Sopharma" AD, to receive shares in the Acquiring Company, the Parties accept that the shareholders with insufficient number of shares in the Merging Company will receive one more share additionally in the Receiving Company as it mentioned 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 Merging Company with shares in the Receiving Company of equal amount, the difference up to this cost 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 Merging Company by the accepted exchange ratio according to Art. 4.5 of this Contract. The resulting integer is the number of shares in the Receiving 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 Receiving 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 Receiving Company.

Article 5.3. Shareholders of the Merging Company who, as a result of the calculation, should receive less than one share in the Receiving Company shall receive one share in the Receiving Company and the difference up to the full fair price shall be for the account of the Receiving Company. The difference is calculated as the number of shares hold by relevant shareholder in the Merging Company multiplied by the calculated fair price per share of the Merging Company. The

resulting number is subtracted from the fair price of one share of the capital of the Receiving Company.

Article 5.4. Based on the book of shareholders of the Merging Company as of 31.12.2023, the expectations of the Parties under this Contract are that the total amount of monetary payments to the shareholders will be in the amount of approximately BGN 52 (fifty two). With that, in view of the absolute value of the sum of all additional cash payments, the requirement of art. 261b, para 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 by bank transfer the Receiving Company has been provided with a bank account by the relevant shareholder. The receivables will be paid to the shareholders of the Merging Company within 5 (five) years from the due date.

SECTION 6

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

Article 6.1. The shareholders of the Merging Company acquire shares in the Receiving Company in exchange for the shares of the Merging Company held by them in accordance with the provisions of this Contract. In the provision of Art. 262u, para. 3, item 1 of the Commercial Law, there is a prohibition for increasing the capital of the Receiving Company, since the Receiving Company is a shareholder in the amount of 99.98% of the capital of the Merging Company. The capital of the Receiving Company cannot and will not be increased to effect the Merger and the shareholders of the Merging Company will acquire already issued shares from the capital of the Receiving Company.

Article 6.2. The shareholders form the Merging Company have the right to acquire shares of the Receiving Company from the date of General Meeting of the shareholders of the Merging Company on which the Merger Contract will be approved according to Art. 262o of the Commercial Law.

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 Receiving Company to the shareholders accounts. 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 Receiving Company.

Article 6.4. Within 7 days from the entry of the Merger in the Commercial register, the Board of Directors of the Receiving Company will submit to "Central Depository" AD an application for the transfer of already issued shares (treasury shares) of the Receiving Company to the accounts of the shareholders of the Merging Company, which implements the decisions of the General Meetings of the shareholders of the Merging Company and the Receiving Company to approve the Merger, a transcript of the entry of the Merger in the Commercial register, a list of the shareholders of the Merging Company who receive shares from the Receiving 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 Merging Company, "Central Depository" AD distributes own shares of the Receiving Company in favor of the shareholders of the Merging Company, who receive shares from the Receiving Company as a result of the Merger. The shares are distributed to the personal accounts of the shareholders of the Merging 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 registration deed for treasury shares transfer of Receiving Company in favor of the shareholders of the Merging Company, who receive shares from the Receiving Company as a result of the Merger, therefore the Receiving 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 Merging Company who voted against the decision to convert by merger may leave the Receiving Company. The termination of participation is carried out by a notarized notification to the Receiving 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 on the price specified in this Contract. 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 Receiving 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 RECEIVING COMPANY. EXERCISE OF RIGHTS BY THE SHAREHOLDERS OF THE TRANSFORIMNG COMPANY WITH RESPECT TO THE RECEIVING COMPANY, INCLUDING THE RIGHT TO PARTICIPATE IN PROFIT DISTRIBUTION

Article 7.1. All shares of the capital of the Receiving Company are ordinary, registered, with a voting right and 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 Merging 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 Merging Company nor the Receiving Company have shareholders who have special rights related to their shares, and that the Merging Company has not issued any securities other than shares. The Receiving Company issued warrants in the amount of BGN 44 925 943. A warrant is a security that expresses the right to subscribe for a certain number of securities at a predetermined or determinable issue value until the expiration of a certain period. A warrant is a derivative security that is issued on other securities - an underlying asset. The underlying asset of the warrants from the issue are future ordinary, registered, dematerialized, freely transferable shares, giving the right to one vote in the General Meeting of Shareholders, which will be issued by the Issuer of the warrants - the Acquiring Company, subject, solely to the benefit of the warrant holders. The warrants are dematerialized, freely transferable and registered. All issued warrants give the same rights to their holders and form one class of securities. The warrants have ISIN code BG9200001212. CFI code: RWSTBE. FISN code: SOPHARMA/P WT SOPHARMA 1 20240901. Each warrant from the issue gives the following rights to its holder: Right to subscribe for shares from an upcoming capital increase of the Receiving Company, which will be carried out if the prerequisites are met, and right to one vote in the meeting of warrant holders. In the case that the holder of the warrant exercises his right to convert it into a share, he acquires the status of a shareholder, and a membership legal relationship arises between the shareholder and the Receiving Company. 37 792 679 of the specified warrants were exercised in 2023, and 37 792 679 shares were acquired against them, and the remaining 7 133 264 warrants remain unexercised as of the date of this contract.

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 Merger Contract.

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 Auditors: (1) Contract copy, within 3 (three) business days after its execution and (2) without undue delay, any information and written documentation

requested by the Merger Auditors, or which the relevant Management Authority deems necessary for the purposes of preparing the Auditors' Reports;

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

(c) each Party shall ensure timely preparation of the General Management Report;

(d) General Management of the Receiving Company submits an application to "Central Depository" AD for the upcoming Merger in view of the requirement of Art. 124, para. 2, item 7 of Laws on Public offering of securities;

(e) The General Management of the Merging Company submits an application to the Financial Supervision Commission for approval of Merger Contract, General Management reports and the Auditors' Reports;

(f) each of the Parties submits this Contract 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 Supervision Commission pursuant to Art. 124, para. 1 of the LPOS, each Party will perform all the necessary actions for organizing its General Meeting, including announcing the invitation to the relevant 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. The Parties will notify each other for the date its General Meeting holding;

(h) the Parties provides timely information about the Merger in accordance with the Labor Code Art. 130b;

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

According to 262n, para. 4 of the Commercial Law, the Parties will inform each other for 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 of the scheduled General Meeting for the Merger decision making.

Article 10.3. Subsequent changes in legislation

In the event that after the Merger conclusion, legislation changes occurred, required amendments or supplements to the Contract, the Parties will discuss the necessary and suitable changes immediately after the occurring the legislation changes.

Article 10.4. Actions after General Meetings holding

If the General Meeting shareholders takes a decision for approving the Contract:

(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 Authority of the Receiving Company, concerning 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 are obliged to observe the 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 Receiving Company in "Central Depository" AD. The Management Authority of the Acquiring Company is obliged to apply registration in the "Central Depository" AD transferring of already issued shares of the Receiving Company to the shareholders of the Merging Company;

(c) registration into the Property register. The Management Authority of the Receiving Company submits the certificate of entry under Art. 263c, para. 1 of the Commercial Register.

Article 11.2. Obligation of the Receiving Company for separate management

According to Art. 263k, para 1 of the Commercial Law, the Receiving Company is obliged to manage separately the transferred property of the Merging Company for a period of 6 (six) months from the Effective Date of the Merger. The General Management of the Receiving Company are jointly and severally liable to the creditors for the separate management.

SECTION 12

DECLARATIONS AND WARRANTIES

Article 12. The Parties declared to each other that the following statements are true and accurate in all respects from the date of this Contract and will be true and accurate as of the Merger Effective Date:

(a) each Party:

- is a Corporation reliably established and validated according to the Commercial Law and the Law on Public Offering of Securities;

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

- is in good financial standing and is able to pay its obligatory financial liabilities.

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

- it has the necessary legal capacity to sign this Contract and fulfill its obligations under it;

- the conclusion of the Contract and the fulfillment of the obligations under it are carried out with the proper authorization, in accordance with the law and the Articles of association of the Country, exception of the Merger Decision, which has not been taken from the date of this Contract;

- neither the conclusion of the Contract 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 guarantees to the other Party that:

The Party has fulfilled all applicable compliance regulations relating to the personal data protection, prevention of discrimination, terms and conditions of employment, remuneration, working hour, conditions and occupational safety, possessed and complied with all and any licenses and permissions required by law to carry out the commercial activity of the Company; and the Party was not is not, and is not expected to be, in breach or default of any obligation under any Contracts, licenses and permissions, or in respect of the rights of any third party, to such 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 Contract.

SECTION 13

EFFECTIVENESS AND TERMINATION OF THE CONTRACT

Article 13.1. Effectiveness and termination of the Contract

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

This Contract 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 Contract - (1) by mutual written Contract 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 Contract 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 this notice has been hand over on the other Party;

(b) In case that the Financial Supervision Commission refuse to grand approval of the Merger, this Contract will be terminated from the date of the FSC refusion.

(c) In case that the General Meeting of any of the Parties does not approve this Contract; the termination occurs on the date of the General Meeting of Shareholders when the decision was taken not to approve this Contract;

(d) After the approval of the Contract 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 Contract, 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 Contract shall immediately notify the other Party, and termination shall be valid from the date of handed out notification;

(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.

In the 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 is valid.

Article 13.2. Liability on Termination

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

Each Party is responsible for damages suffered by the other Party, which are directly related to the termination of this Contract, if this termination occurred on the basis of Art. 13.1, clause (a), subparagraph (2) of this Contract, or if the termination would not have occurred if the defaulting Party had performed its obligations under this Contract 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 Contract or in connection with the Merger shall be for the account of the Party paid such costs.

Article 14.2. Amendments to the Contract

This Contract may be amended and supplemented only by mutual Contract of the Parties.

Article 14.3. Notifications

Any notification, request, demand, consent, approval, or other communication in connection with this Contract shall be in written form and shall be considered received, if delivered in person against receipt thereof or sent by telefax, (with the receipt confirmation), electronic mail (e-mail) or sent by courier to the correspondence addresses of the Parties, as specified in this Contract, or at such other address as the Party subsequently notifies the other Party in writing. All such notices and other communications shall be delivered on the date on which they are received to the addressee.

Article 14.4. Integrity of the Contract

This Contract perform overall Contract and revoke all previous Contracts, negotiations, Contracts and negotiations between the Parties concerning Merger, independently whether they are in written, mailed or verbal form.

Article 14.5. Partial avoidance

No provision of this Contract shall be held void or unenforceable by a competent court execution shall not affect the validity or enforceability of the remaining provisions of this Contract. In case that any provision of this Contract 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 Contract 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 Contract, including disputes arising out of or relating to its interpretation, avoidances, performance or termination, as well as disputes to fill gaps in the Contract or adapt it to new circumstances shall be settled between the Parties by mutual Contract. In case that no Contract is reached, the dispute shall be referred to the competent Bulgarian court.

The following notes are an integral part of this Contract:

Note № 1: Justification of the fair price of the shares of "Veta Pharma" AD for Merger Contract "Veta Pharma" AD into "Sopharma" AD;

Note № 2: Justification of the fair price of the shares of "Sopharma" AD for Merger Contract "Veta Pharma" AD into "Sopharma" AD;

Note № 3: Description of the property transferring from the Merging Company to the Receiving Company as a result of the Merger.

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

for “SOPHARMA” AD,

/signature/

for "VETA PHARMA" AD

/signature/