

## REPORT

of the Investor Relations Director

of “Sopharma” AD for 2022

The activity of the Investor Relations Director is strictly regulated in the Law on Public offering of Securities (LPOS).

### **The main activities of the Director of Investor Relations in 2022 include:**

1. creating documents and ensuring their storage in the relevant registers, including the minutes of the meetings of the Board of directors, the minutes of the General Meetings of the shareholders of the Company, the information, provided to the public and the internal rules for the operation of the Company, according to the requirements of art. 116d of LPOS;
2. effective communication and mediation between the Company and stakeholders, including relevant government institutions;
3. preparation and distribution of materials, containing important data and information about Sopharma Group, such as presentations, descriptions and information files for the media and others;
4. participation in the preparation and publication of all financial reports of the Company and all official announcements, simultaneously in Bulgarian and English, as well as condensed versions in Russian and Polish for the Company's website;
5. preparation of documents, organization and conducting of the General Meetings of shareholders and warrant holders;
6. active dialogue with the investment community;
7. maintenance of the website of the Company, where improvements are continuously being made in the way the information is presented, in the organization of the site and the scope of the data provided in order to better present the activities of the Company;
8. support and provision of information to all departments in order to ensure adherence to the LPOS and all regulations, accompanying its application, as well as European capital markets legislation;
9. assistance and guidance to avoid conflicts of interest;
10. organization and participation in investor conferences and other events, that promote the activities of the Company.

### **Submitting information to the Warsaw Stock Exchange:**

In 2022, 103 notifications and documents were submitted to the Warsaw Stock Exchange as part of Sopharma's regulatory obligations. This includes quarterly and annual reports, insider notifications, monthly results and others. This ensures equity for investors trading in shares on the Bulgarian and Warsaw Stock Exchanges.

#### **National Corporate Governance Commission:**

The IRD continues to support the Executive Director's work in connection with his activities as a member of the National Corporate Governance Commission.

#### **Supporting the work of the Association of Bulgarian Investor Relations Directors:**

The Investor Relations Director is a member of the Management board of the Association and assists with its activities in connection with the organization of trainings, meetings, conferences and drafting of opinions on relevant amendments in the legislation.

#### **Monitoring of the changes in legislation related to the operations of the Company:**

In 2022 a number of changes were made in the legal framework, concerning the activity of the Company. The IRD has taken actions to meet the new requirements with regard to public companies, including the new regime for disclosing the annual audited financial statements of public companies in accordance with the European Single Electronic Format, Regulation 2 of 9 November 2021, etc.

#### **Improvements in reporting:**

In 2022, IRD continued the work on updating the Company's accounting documents, financial statements and all accompanying documents. All changes have been made in the direction of increasing investors' awareness and providing a complete and objective description of the Company's state and business.

#### **Preparation and conducting of the general meetings of shareholders of the Company and meetings with the investment community:**

In 2022, a Regular General Meeting of the shareholders of "Sopharma" AD was held, after which the Company also hosted a traditional meeting with the shareholders.

#### **Share capital:**

As at 31 December 2022 the capital of "Sopharma" AD is BGN 134 797 899, divided into 134 797 899 dematerialized, freely transferable shares.

As at 31 December 2022 the Company's share capital was distributed among 6 292 shareholders. Out of them 130 are legal entities - 109 Bulgarian and 21 foreign legal entities holding a total of 89.80% of the Company's capital. Over 33 pension and investment funds are also shareholders and own a total of 19.65% of the Company's capital. Foreign investors represent 19.27% of all legal entities and hold a total of 3.55% of the Company's shares. 6 162 physical persons with a total of 10.20% of which Bulgarian - 99.32%, holding 10.14% of the Company's capital and foreign ones - 0.68%, owning 0.07% of the Company's capital are also shareholders in "Sopharma" AD.



The free float as at 31.12.2022 is 31.04%.

**Treasury shares:**

In accordance with the decision of the General Meeting of Shareholders from 23.02.2018 “Sopharma” AD buys back shares, as at the 31.12.2022 a total of 13 479 188 shares representing 10.00% of the Company's capital were bought back.

**Dividends:**

At the General Meeting of Shareholders held on 3 June 2022, “Sopharma” AD decided not to distribute a dividend from the profit for the financial year 2021.

**Share prices:**

On the “Bulgarian Stock Exchange” AD the price of the shares in 2022 ranged between BGN 4.30 and 4.62 (the Warsaw Stock Exchange, respectively, PLN 8.30 and 10.80). The weighted annual average price was BGN 4.47 and the Company's market capitalization as at the end of the year was BGN 601 198 630 BGN.

**Trading:**

For the whole year 3 832 642 lots were traded at a weighted average price of BGN 4.42. The total turnover of the “Bulgarian Stock Exchange” AD in Company's shares over the year amounted to BGN 17.113 million or 41.84% of the total annual turnover on the official market, segment “PREMIUM”.

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Pelagia Viatcheva

Investor Relations Director