

“Sopharma” AD

Annual individual financial results for 2021





Annual individual financial results for 2021

Who are we?

"Sopharma" AD

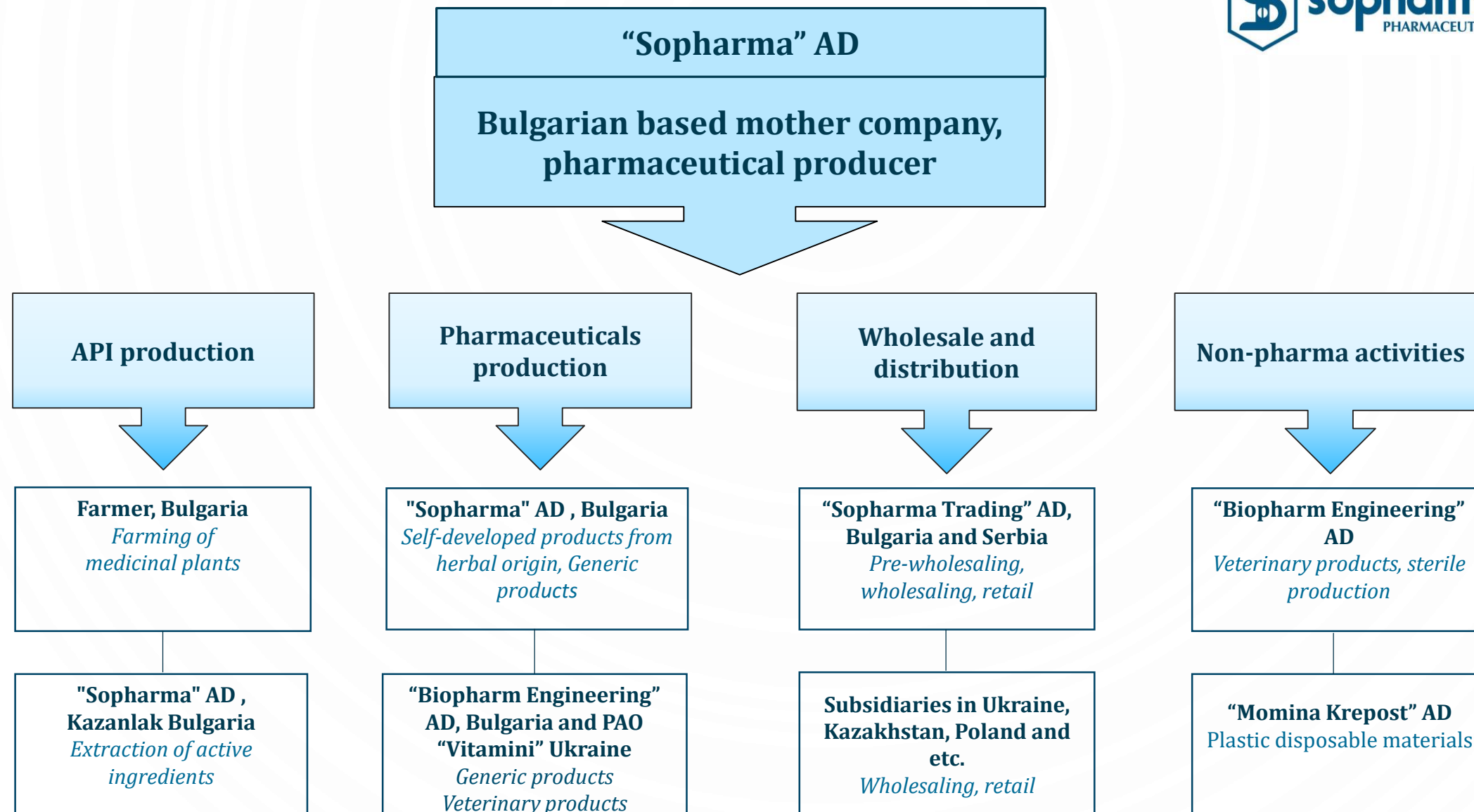


"Sopharma" AD is a leading, **vertically-integrated** Bulgarian **manufacturer**, exporter and **distributor** of pharmaceutical and other health related products with a strong presence in **Southern and Eastern Europe**, offering a wide range of prescription and OTC pharmaceutical products and other health related products and services.

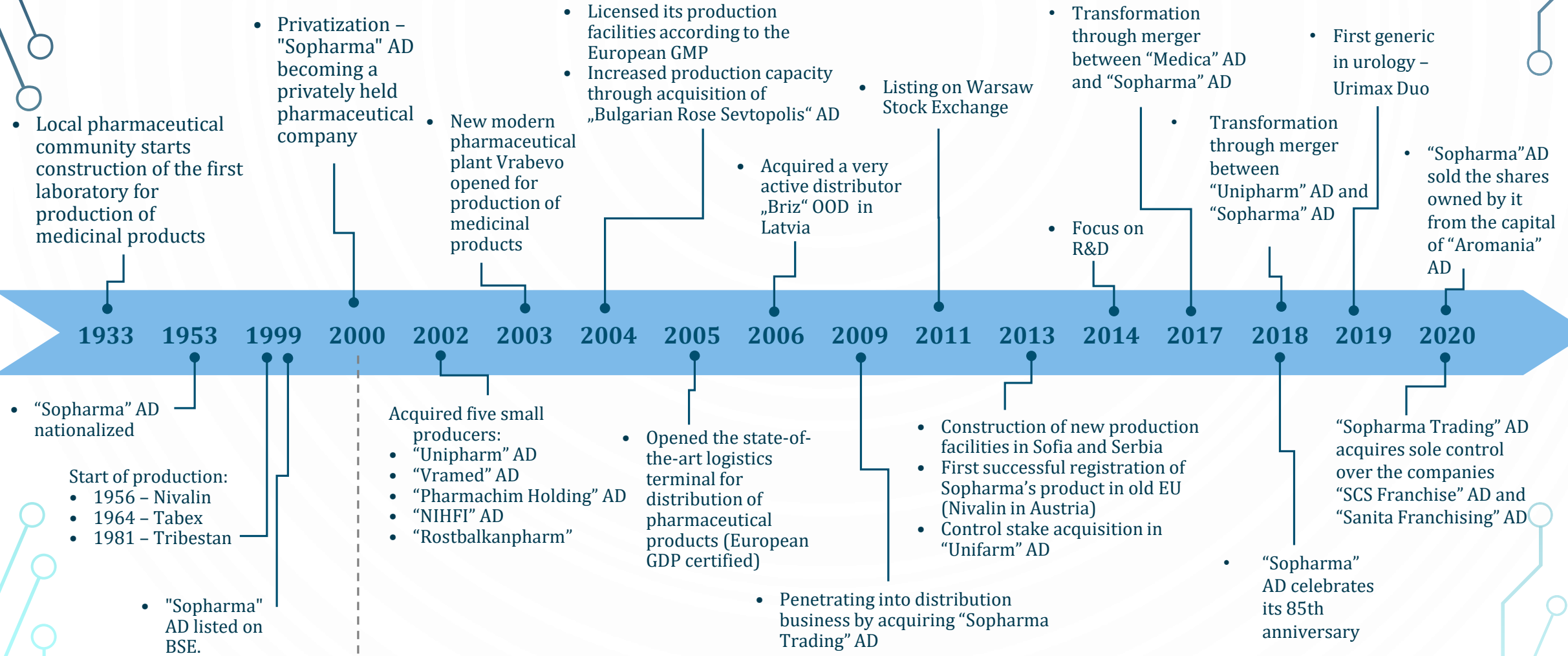


The Company works in the following areas:

- Production of active pharmaceutical ingredients;
- Pharmaceutical production;
- Wholesale and distribution;
- Non-pharmaceutical activities.



Brief history and key milestones:



Modern history – period of constant modernization and development



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Our business

"Sopharma" AD



Established in 1933



**№1 manufacturer of
ampules and suppositories**



**More than 200
products**



**8
manufacturing plants**



**Company with established
traditions and experience**



**employees
1 860**



**Revenues
BGN 200 154
thousand**



**EBITDA
BGN 53 220
thousand**



**134 797 899
shares**

Key financial indicators



Sales revenues decrease with 3.18%



EBITDA increases with 4.24%



Operating profit increases with 8.69%



Net profit decreases with 15.33%



Capex decreases with 19.8%

| Indicators | 1-12/2021 | 1-12/2020 |
|----------------------------------|-------------------|-------------------|
| | BGN '000 | BGN '000 |
| Sales revenues | 200 154 | 206 737 |
| EBITDA | 53 220 | 51 053 |
| Operating profit | 35 675 | 32 823 |
| Net profit | 24 271 | 28 664 |
| CAPEX* | 7 755 | 9 670 |
| | 31.12.2021 | 31.12.2020 |
| | BGN '000 | BGN '000 |
| Non-current assets | 456 746 | 435 891 |
| Current assets | 202 353 | 214 447 |
| Owners' equity | 564 203 | 536 988 |
| Non-current liabilities | 22 436 | 16 091 |
| Current liabilities | 72 460 | 97 259 |
| | 1-12/2021 | 1-12/2020 |
| EBITDA / Sales revenues | 26.6% | 24.7% |
| Operating profit/ Sales revenues | 17.8% | 15.9% |
| Net profit/ Sales revenues | 12.1% | 13.9% |
| | 31.12.2021 | 31.12.2020 |
| Borrowed capital/Owners' equity | 0.17 | 0.21 |
| Net debt*/ EBITDA | 0.74 | 1.5 |



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Production activity: "Sopharma" AD

Production activity and major products – "Sopharma" AD



8 manufacturing facilities.



More than **200** products: incl. nearly **190** medicinal products and **11** groups of medical devices.

15 traditional products, **12** of the products are plant-based.



Tabex, **Carsil** and **Tempalgin** make a major contribution to the company's export revenues.



The generic product **Analgin** is of major importance to the company's domestic sales.

| Product | Description |
|--------------------|--|
| Carsil | Traditional phyto-product used for the treatment of gastrointestinal diseases (liver diseases). |
| Tempalgin | Traditional drug used as a painkiller. |
| Tabex | Traditional phyto-product used for the treatment of nicotine dependence. |
| Tribestan | Traditional phyto-product that stimulates the sexual functions. |
| Broncholitin | Traditional product used for treatment of diseases affecting the respiratory system and causing coughing and catarrhal changes. |
| Analgin | Generic painkiller. |
| Nivalin | Traditional phyto-based product used for the treatment of diseases of the peripheral nervous system. |
| Methyl-prednisolon | Generic lyophilized sterile hospital product used for handling cases of severe allergies and certain life threatening conditions. |
| Vitamin C | Widely used nutritional supplement . |
| Valeriana | Generic non-prescription herbal medicine used to reduce stress. |

“Sopharma” AD as a partner



Team work



Experience



Partner in success

Our company offers a large variety of CM services:

- EU-GMP compliant pharmaceutical contract manufacturing;
- Primary and secondary packaging services for international markets;
- Development of various dosage forms;
- Technological transfer of customer-developed products;
- Process validation;
- Batch control.

Sopharma offers manufacturing of different dosage forms:

- Solid dosage forms (both sugar and film-coating tablets, hard gelatin capsules);
- Semi-solid dosage forms (creams, gels, ointments, suppositories);
- Sterile dosage forms (terminal sterilization and aseptic preparation, BFS technology);
- Non-sterile solutions (syrups, oral suspensions, ear drops, liquids for external use).

Ecology and environmental protection



The Company applies measures to:

- separate collection of waste, minimization, recovery and recycling of production and household waste;
- provide appropriate personnel training on environmental and pollution prevention issues;
- responsibly fulfill the imperative requirements of the Packaging and Waste Ordinance and pays its product tax in accordance with Regulation for Packaging and Wastage from Packaging;
- measure annual emissions of waste gases into the ambient air from the Solid Form Factory;
- once every two years, own periodic measurements (STI) of waste gases in the atmospheric air are carried out at the Steam Power Plant Installation at sites "A" and "B". Emissions are measured and reported in 2021;
- Sofiyska Voda measures on a monthly basis emissions in wastewater at production sites A and B;
- every quarter the drinking water from the production plants is given for testing (short chemical and microbiological analysis) in an accredited laboratory;
- twice a year the groundwater and wastewater are given for testing in an accredited laboratory according to the permits for water abstraction and for use of surface water body.

In 2021 the separately collected waste was decreased by 0.3% compared to the previous year.



Personnel



- The average number of workers and employees for 2021 in “Sopharma” AD is 1 860 (1 991 in 2020).



1 860
workers and employees.

| | 31.12.2021 | rel. share % |
|---|------------|-----------------|
| Number of workers and employees as at 31 December 2021 | 1 768 | 100% |
| Higher education | 811 | 46% |
| College education | 35 | 2% |
| Secondary education | 899 | 51% |
| Primary education | 23 | 1% |
| Employees under 30 years | 148 | 8% |
| Employees 31 - 40 years | 300 | 18% |
| Employees 41 - 50 years | 492 | 28% |
| Employees 51 - 60 years | 643 | 36% |
| Employees over 60 years | 185 | 10% |
| Women | 1 120 | 63% |
| Men | 648 | 37% |



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Management, shares and dividends

Board of Directors



Ognian Donev, PhD
Chairman of the BoD and Executive Director

He studied in Hamburg, Vienna, and graduated in "International Economic Relations" in Sofia University of Economics. Mr. Donev obtained a Doctor's degree in Economics in 1986 in Berlin. Ognian Donev is a Executive director of "Sopharma" AD since 2000.



Vessela Stoeva
Deputy-chairman of the BoD

Completes her higher education in the Economic University in Sofia with "Finance and credit". She is at "Sopharma" AD since 2000 as an economic advisor to the CEO and Deputy-chairman of the Board of directors. Mrs. Stoeva is also Deputy-chairman of the Board of Directors of Elpharma AD.



Ivan Badinski
Member of the BoD

Mr. Badinski owns an "Organization and Economics of Distribution and Pharmacy Practice" and professional qualification as a "Health manager". In 2000 Mr. Badinski worked in the company as a director of co-operation and licenses. From September 2015, he is a procurator of "Sopharma" AD.



Bissera Lazarova
Member of the BoD

Mrs. Lazarova has completed her higher economic education, specialty "International Economic Relations" at HIE "Karl Marx" Sofia. Mrs. Lazarova's professional experience includes a number of leadership positions in the field of international trade, accounting and control, organization. From 2002 to 2021 Mrs. Lazarova worked as an assistant to the CEO of "Sopharma" AD.



Alexandar Tchaoushev
Independent Member of the BoD

He graduated from the English Language School in Sofia and later completed his higher education at the Moscow State Institute of International Relations.

Mr. Chaushev is a member of the Board of Directors of "Sopharma" AD since 2011.

Shareholder structure at 31 December 2021

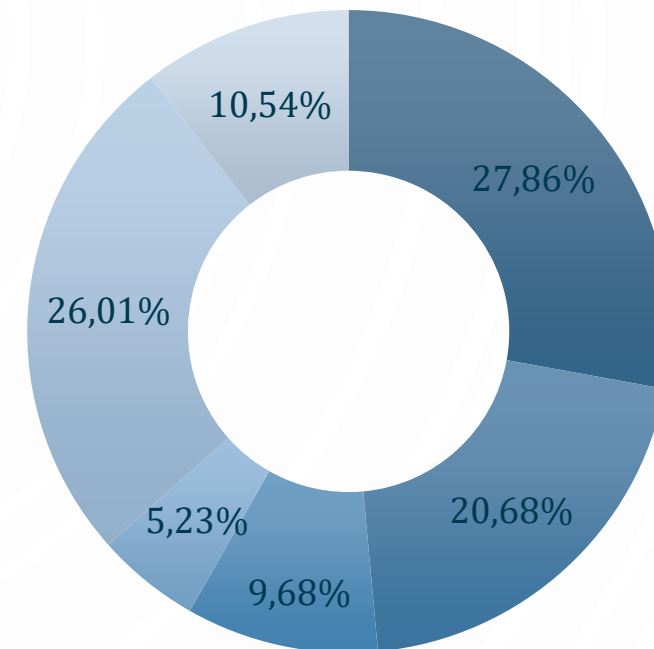


134 797 899 shares with nominal value BGN 1 per share.



Shareholder participation of the members of the Board of Directors:

- Ognian Donev – directly **6 608 350** shares, **4.90%** of capital and indirectly **37 559 169** shares, **27.86%** through “Donev Investments Holding” AD;
- Alexander Tchaoushev – **262 442** shares, **0.19%** of capital;
- Vessela Stoeva – **150** shares;
- Ivan Badinski – **350** shares;
- Bissera Lazarova – **0** shares.



- "Donev Investments Holding" AD
- "Telecomplex invest" AD
- "Sopharma" AD (treasury shares)
- CUPF "Alianz Bulgaria"
- Other companies
- Physical persons

Information about the shares



134 797 899 shares with nominal value BGN 1 per share.



The shares of the Company are traded on the Bulgarian Stock Exchange - Sofia AD, the Main Market (BSE), the PREMIUM segment and on the official market of the Warsaw Stock Exchange.



Information on the acquisition of own shares



- In the current year 4 043 533 shares were purchased and no shares sold.
- The treasury shares purchased during the year amount to 3% of the Company's share capital and the average acquisition price is BGN 4,12 per share.
- “Sopharma” AD holds 13 055 000 own shares, representing 9.68% of the Company's capital.

| | Shares | Equity, net of treasury shares |
|------------------------------------|--------------------|--------------------------------|
| | Number | BGN '000 |
| Balance at 1 January 2020 | 125,684,432 | 100,656 |
| Sold back Treasury shares | 253,748 | 949 |
| Treasury shares repurchased | (151,748) | (461) |
| Expense on treasury shares | - | (2) |
| Balance at 31 December 2020 | 125,786,432 | 101,142 |
| | | |
| Treasury shares repurchased | (4 043 533) | (16 546) |
| Expense on treasury shares | - | (82) |
| Balance at 31 December 2021 | 121 742 899 | 84 514 |

Dividend policy



- “Sopharma” AD is a pioneer in the payment of a 6-month dividend and after the introduction of this legislative opportunity in 2018 the Company has been taking advantage of it for the third year.

Dividend per share in BGN

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|-------|------|------|------|------|------|------|------|------|------|------|
| "Sopharma" AD | 0.085 | 0.07 | 0.07 | 0.07 | none | 0.07 | 0.10 | 0.11 | 0.05 | 0.12 | 0.04 |

Dividend payout ratio

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|------|------|------|------|------|------|------|------|------|------|------|
| "Sopharma" AD | 28% | 23% | 23% | 27% | none | 37% | 36% | 30% | 28% | 16% | 17% |



Annual individual financial results for 2021

Key markets

Republic of Bulgaria: Demography and key economic indicators

GDP (BGN million)



2016 2017 2018 2019 2020*

* Preliminary data

Preliminary data show a decrease of GDP for 2020 in real terms by 4.2% compared to 2019.

GDP per capita

BGN 17.146 (€ 8.748)

Currency

BGN fixed to the euro from 1998
(€ 1 = BGN 1.96)

Health budget 2021

BGN 6,5 billion

Pharmaceutical industry

99% private



Area

111.000 km²

Population

6.951 million

Member of EU

since 2007

Source: NSI 2020

Sales revenues from products

- **Sales revenues from products**

Sales revenues from products in 2021 decreased by BGN 6,7 million to BGN 197,8 million compared to BGN 204,5 million in 2020.

- **Europe**

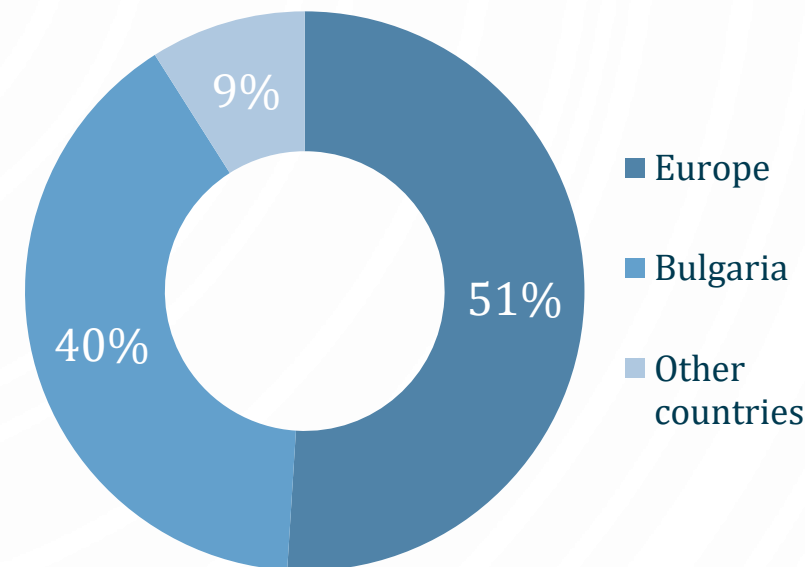
Sales revenues for 2021 for European countries decreased by BGN 13,8 million or 12% compared to 2020 due to the decrease of sales in Russia with 9% and Ukraine with 31%.

- **Bulgaria**

Sales of “Sopharma” AD in the domestic market increase by BGN 9,7 million or by 14% to BGN 79,1 million in 2021 compared to BGN 69,4 million in 2020.

- **Other markets**

Revenues from other markets decreased with BGN 2,6 million or 12.6% compared to 2020, mainly as a result of a decrease of the export for Kazakhstan.

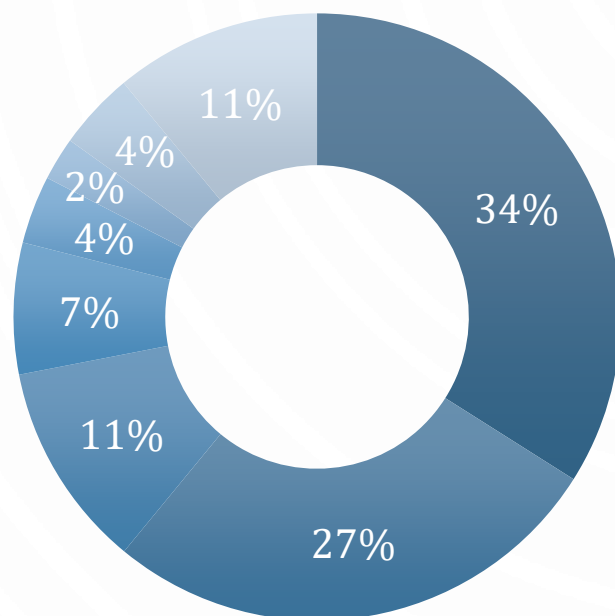




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Financial indicators of “Sopharma” AD

Revenue by therapeutic group



- N Nervous system
- A Digestion and metabolism
- C Cardio-vascular system
- R Respiratory system
- H Gynecology and sex hormones
- M Musculoskeletal system
- G Piccool system and sex hormones
- Other

Operating expenses



- For the current period more significant changes are reported in the cost of materials, mainly in the part of basic materials for production, which is related to the reduced sales during the period.
- Personnel costs decreased by BGN 3,7 million as the main reason was the decrease in the total number of employees in the company.
- In the costs for external services the most significant change is in the costs for consulting services, which increase by BGN 2,1 million, while in the direction of decrease the costs of construction and maintenance of buildings have the largest contribution.
- Other operating expenses also decreased by BGN 4,5 million, mainly in the part of marriage of fixed assets with BGN 3 million.

| Operating expenses | 2021 | 2020 | Change | Rel. share of expenses 2021 |
|---|----------------|----------------|--------|-----------------------------|
| | BGN '000 | BGN '000 | % | % |
| Changes in inventories of finished goods and work in progress | -792 | -5 376 | -579% | 0% |
| Raw materials and consumables used | 64 851 | 70 114 | -8% | 39% |
| Hired services expense | 35 001 | 36 438 | -4% | 21% |
| Employee benefits expense | 46 086 | 49 804 | -8% | 28% |
| Depreciation and amortisation expense | 17 545 | 18 230 | -4% | 11% |
| Other operating expenses | 4 335 | 8 892 | -105% | 3% |
| Total operating expenses | 167 026 | 178 102 | | 100% |

Financial income and expenses



Financial income decreased by BGN 4,5 million to BGN 8,8 million in 2021 compared to BGN 13,3 million in 2020, as a result of the decrease in income from share participation by BGN 9 million, reflecting the accrued dividend from “Sopharma Trading” AD in the previous period, as this reduction was partially offset by a recovered impairment on a loan granted to a subsidiary (SIA Briz - Latvia).

| Finance income | 2021 | 2020 | Change | relative share of income of 2021 |
|--|-----------------|-----------------|---------------|---|
| | BGN '000 | BGN '000 | % | % |
| <i>Impairment for expected credit losses on receivables under commercial loans granted</i> | -6 | 0 | | |
| <i>Reversed impairment for expected credit losses on commercial loans granted</i> | 3 433 | 0 | | |
| Reversed impairment for expected credit losses on commercial loans granted, net | 3 427 | 0 | 100% | 39% |
| Interest income on loans granted | 2 505 | 3 189 | -27% | 29% |
| Reversed impairment for expected credit losses on dividend receivable | 1 293 | - | | 15% |
| Dividend income | 682 | 9 661 | -1 317% | 8% |
| Income from charges on guarantor contracts | 442 | 368 | 17% | 5% |
| Net foreign exchange gain on receivable from sale of subsidiary | 266 | 0 | 100% | 3% |
| Net gain on operations with investments in securities | 150 | 1 | 99% | 2% |
| Net gain on foreign exchange differences on lease agreements | 0 | 38 | | 0% |
| Reversed impairment for expected credit losses on cash | 0 | 12 | | 0% |
| Total | 8 765 | 13 269 | -51% | 100% |

Financial income and expenses



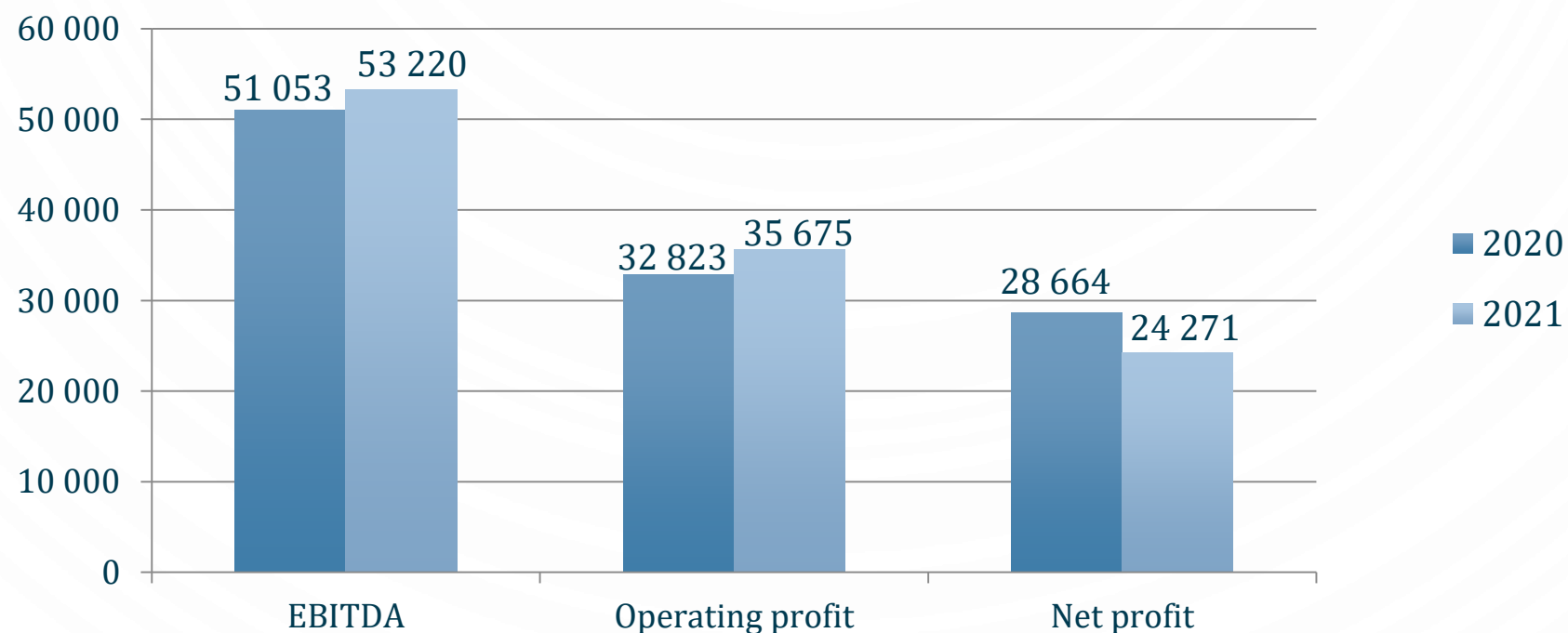
Financial expenses decreased by BGN 5,5 million to BGN 1,6 million in 2021, compared to BGN 7,1 million in 2020, mainly due to decreased impairment expenses for expected credit losses.

| Financial expenses | 2021 | 2020 | Change % | relative share of income of 2021 |
|---|--------------|--------------|--------------|----------------------------------|
| Interest expenses on loans payable | 755 | 1 467 | -94% | 48% |
| Bank charges on loans and guarantees | 410 | 317 | 23% | 26% |
| Accrued provision on financial guarantees | 312 | 249 | 20% | |
| Reversed provision on financial guarantees | -73 | -203 | -178% | |
| Net provision on financial guarantees | 239 | 46 | 81% | 15% |
| Interest expenses on lease agreements | 116 | 91 | 22% | 7% |
| Impairment for expected credit losses on charges per guarantor contracts | 59 | 0 | 100% | 4% |
| Net foreign exchange losses on lease agreements | 10 | 0 | 100% | 1% |
| Impairment for expected credit losses on receivables under commercial loans granted | 0 | 3 793 | | |
| Reversed impairment for expected credit losses on commercial loans granted | 0 | -242 | | |
| Net change in the impairment on loans granted | 0 | 3 551 | | |
| Net foreign exchange loss on receivable from sale of subsidiary | 0 | 294 | | |
| Impairment for expected credit losses on dividend receivables | 0 | 1 293 | | |
| Deregistered company capital from the scope of long-term equity investments | 0 | 26 | | |
| Total | 1 589 | 7 085 | -346% | 100% |

Financial result of the activity



- **EBITDA** increased by BGN 2,1 million to BGN 53,2 million compared to BGN 51,1 million 2020.
- **Profit from operating activities** in 2021 increased by BGN 2,9 million or 8.7 % to BGN 35,7 million in 2021 compared to BGN 32,8 million in 2020.
- **Net profit** in 2021 decreased by BGN 4,4 million or by 15.3%, to BGN 24,3 million compared to BGN 28,7 million in 2020.



Assets

- **Non-current assets** compared to the end of the year changed mainly due to an increase in investments in associates by BGN 48,4 million, mostly as a result of reaching 32.8% share of the capital of “Sopharma Imoti” REIT. An increase is reported in investment properties (earned logistics system) and a decrease in investments in subsidiaries (exemption from participation in SIA Briz - Latvia, “Sopharma Buildings” REIT and “Momina Krepost” AD) and long-term loans by BGN 10 million.
- **Current assets** decreased by BGN 12 million, while receivables from related parties (mainly in the part of receivables from contracts with customers) decreased by BGN 26,5 million, while trade receivables increased by BGN 8,2 million.

| Assets | 31.12.2021 BGN '000 | 31.12.2020 BGN '000 | Change % | rel. share 2021 |
|--|------------------------|------------------------|------------|--------------------|
| Non-current assets | | | | |
| Property, plant and equipment | 205 090 | 211 681 | -3% | 31% |
| Intangible assets | 4 324 | 4 143 | 4% | 1% |
| Investment property | 47 302 | 44 759 | 5% | 7% |
| Investments in subsidiaries | 80 598 | 86 809 | -8% | 12% |
| Investments in associates and joint ventures | 54 485 | 6 062 | 89% | 8% |
| Other long-term equity investments | 5 706 | 11 607 | -103% | 1% |
| Long-term receivables from related parties | 49 695 | 59 725 | -20% | 8% |
| Other long-term receivables | 9 546 | 11 105 | -16% | 1% |
| | 456 746 | 435 891 | 5% | 69% |
| Current assets | | | | |
| Inventories | 63 222 | 68 160 | -8% | 10% |
| Receivables from related parties | 87 706 | 114 169 | -30% | 13% |
| Trade receivables | 26 631 | 18 382 | 31% | 4% |
| Loans granted to third parties | 1 804 | 3 903 | -116% | 0% |
| Other receivables and prepayments | 7 372 | 6 057 | 18% | 1% |
| Cash and cash equivalents | 15 618 | 3 776 | 76% | 2% |
| | 202 353 | 214 447 | -6% | 31% |
| TOTAL ASSETS | 659 099 | 650 338 | 1% | 100% |

Owner's equity and liabilities



- **The equity of “Sopharma” AD** increased by BGN 27,2 million compared to 31 December 2020.

| EQUITY | 31.12.2021 | 31.12.2020 | Change | rel. share compared to OE 2021 |
|--|----------------|----------------|-----------|--------------------------------------|
| | BGN '000 | BGN '000 | | |
| Share capital | 134 798 | 134 798 | 0% | 24% |
| Treasury shares | -50 284 | -33 656 | 33% | -9% |
| Reserves | 439 040 | 408 807 | 7% | 78% |
| Other capital components (reserve for issued warrants) | 12 512 | 0 | 100% | 2% |
| Retained earnings | 28 137 | 27 039 | 4% | 5% |
| Total equity | 564 203 | 536 988 | 5% | 100% |

- **Non-current liabilities** increased by BGN 6,3 million, as a result of an increase in long-term bank loans by BGN 6,7 million compared to the end of the previous year.
- **Current liabilities** decreased by BGN 24,8 million compared to 31.12.2020, mainly as a result of the decrease in short-term bank loans by BGN 26,6 million, financed by the realized free cash flow for the period. An increase in trade liabilities in the amount of BGN 5,5 million is reported compared to 31 December 2020.

| LIABILITIES | 31.12.2021 | 31.12.2020 | Change | rel. share compared to total liabilities 2021 |
|--|----------------|----------------|-------------|---|
| Non-current liabilities | BGN '000 | BGN '000 | | |
| Long-term bank loans | 6 750 | 15 | | |
| Deferred tax liabilities | 6 389 | 5 358 | 16% | 7% |
| Government grants | 4 007 | 4 427 | -10% | 4% |
| Liabilities under leasing contracts | 496 | 1 533 | -209% | 1% |
| Retirement benefit obligations | 4 794 | 4 758 | 1% | 5% |
| | 22 436 | 16 091 | 28% | 17% |
| Current liabilities | | | | |
| Short-term bank loans | 46 663 | 73 335 | -57% | 49% |
| Current portion of long-term bank loans | - | 2 404 | | 0% |
| Trade payables | 12 671 | 7 218 | 43% | 13% |
| Payables to related parties | 1 609 | 1 273 | 21% | 2% |
| Tax payables | 700 | 2 092 | -199% | 1% |
| Payables to personnel and for social security | 8 034 | 7 507 | 7% | 8% |
| Other current liabilities | 2 783 | 3 430 | -23% | 3% |
| | 72 460 | 97 259 | -34% | 76% |
| TOTAL LIABILITIES | 94 896 | 113 350 | -19% | 93% |
| TOTAL OWNERS' EQUITY AND LIABILITIES | 659 099 | 650 338 | 1% | |

Cash flows



The free cash flow (normalized with the payments under lease contracts), generated for 2021, amounts to BGN 77,4 million inflow compared to BGN 18,3 million inflow in 2020.

| Cash flows | 1-12/2021 | 1-12/2020 |
|--|------------------|------------------|
| | BGN '000 | BGN '000 |
| Net cash flows from operating activities | 86 468 | 27 268 |
| Purchases of property, plant and equipment, intangible assets, net | (7 213) | (6 491) |
| Payments under lease contracts | (1 900) | (1 928) |
| Free cash flow (normalized) | 77 355 | 18 849 |



Annual individual financial results for 2021

New products, significant events and risks

New developments and products

The following activities were carried out in January to December 2021:

- Received **18** Authorizations for the use of medicinal products for new destinations
- Documentation has been submitted for the registration of **32** medicinal products to agencies of new destinations.
- **15** food supplements have been notified – **9** for Bulgaria, 3 for Serbia and **2** for Ukraine.
- Renewed Marketing Authorizations for **45** medicinal products.
- Submission of documentation for the renewal of the Marketing Authorizations for **70** medicinal products.
- **573** changes for medicinal products approved by agencies.
- **496** changes for medicinal products submitted to agencies.
- Pharmaceutical development of **6** new medicinal products / projects is underway.
- **2** medicinal product and **2** food supplements were transferred.
- **20** medicinal products/active substances have been transferred/are in the process of transfer.
- **19** production processes/technologies have been validated/optimized.



Significant events occurring after the date of preparation of the annual financial statements



On February 24, 2022, Russian military forces started hostile invasion in Ukraine. Subsequently, a number of countries imposed sanctions on certain individuals and legal entities in Russia. It is expected that the war in Ukraine and related economic sanctions and other measures taken by governments around the world will have a significant impact on both local and global economies.

The management of Sopharma AD believes that the unprovoked invasion of the Russian army into Ukraine could seriously affect the activities of the Company, as about 40% of sales of products are realized in Ukraine and Russia. At this stage, the company has reduced its activity in these markets, including due to logistical inability to make deliveries. As of the date of approval of these separate financial statements, the Company has no commercial counterparties included in sanctions lists published by the European Union.

The company owns investments in two subsidiaries in Ukraine. As of December 31, 2021 the amount of the investment in the subsidiary Sopharma Ukraine is BGN 9,669 thousand and the amount of the investment in the subsidiary Vitamini is BGN 1,283 thousand. As of the date of approval of these separate financial statements the assets of these subsidiaries companies are not physically affected by military activities, but it may be necessary in the future to reconsider the value of these investments depending on the development of the war and its impact on the activities of companies.

As of December 31, 2021 the Company has trade receivables from a company, which is selling production of Sopharma AD in Russia in the amount of BGN 11,729 thousand. As of the date of approval of these separate financial statements the Company has received payments for these trade receivables in full.

Despite the potential negative economic effects of the war and the likelihood to escalate into a long conflict, the Company has sufficient current assets and funding to continue to exist as a going concern.



Review the main risks

1. The COVID19 pandemic.
2. Significant competition.
3. The Company is dependent on regulatory approvals.
4. The Company's ability to pay dividends depends on a number of factors and there can be no guarantee that the Company will be able to pay dividends in accordance with its dividend policy or at all in any given year.
5. Operational risk, which is inherent to its business activities.
6. The macroeconomic environment has a significant effect on the Company's operations and position.
7. Currency risk - The Company supplies part of its raw and other materials in USD. The currency risk is related to the adverse floating of the exchange rate of USD against BGN in future business transactions as to the recognized assets and liabilities denominated in foreign currency and as to the net investments in foreign companies.



Thank you for your time and attention!

Investor Relations Department
"Sopharma" AD

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