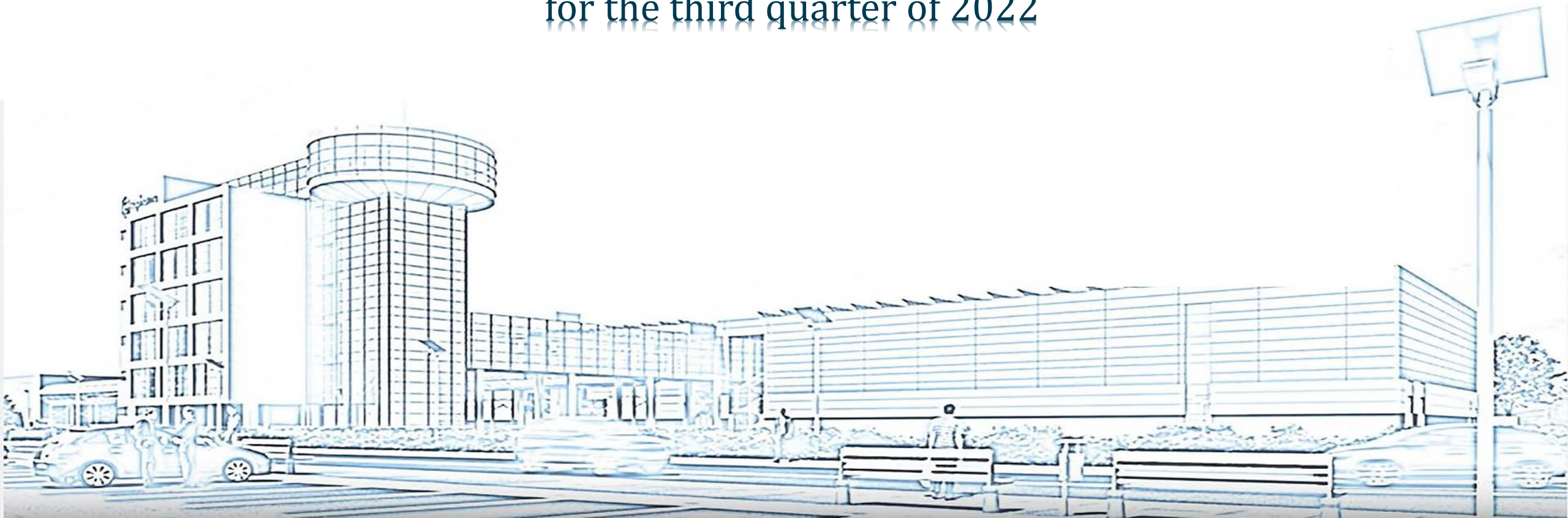


Sopharma Group

Consolidated financial results
for the third quarter of 2022





Consolidated financial results for the third quarter of 2022

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.



Who are we?



API Production

- **Farmer, Bulgaria** – Farming of medicinal plants
- **„Sopharma“ AD, Kazanlak, Bulgaria** – Extraction of active ingredients



„Sopharma“ AD



Pharmaceutical production

- **„Sopharma“ AD, Bulgaria** - Self developed products from herbal origin, Generic products
- **„Biopharm Engineering“ AD Bulgaria and PAO „Vitamini“ Ukraine** – Generic products



Wholesale and distribution

- **„Sopharma Trading“ AD, Bulgaria and Serbia and subsidiaries in Ukraine, Kazakhstan, Poland and etc.**
Wholesaling, retail



Non-pharma activities

- **„Biopharm Engineering“ Bulgaria** – Veterinary products and sterile production
- **„Momina Krepost“ AD (Joint venture)** – Plastic disposable materials



Important moments from the 85-year history



2000 - Modern history – period of constant modernization and development.

Privatization – "Sopharma" AD becoming a privately held pharmaceutical company.

1933



Local pharmaceutical community starts construction of the first laboratory for production of medicinal products.

1953
Nationalization of
"Sopharma" AD.

Start of production:

- 1956 – Nivalin
- 1964 – Tabex
- 1981 – Tribestan

1999 - Registration of
"Sopharma" AD on the BSE.

2002

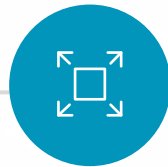


Five small producers have been acquired:

- "Unipharm" AD
- "Vrmed" AD
- "Pharmachim Holding" AD
- "NIHFI" AD
- "Rostbalkanpharm"

2005
Opening of the most modern logistics terminal for distribution of pharmaceutical products (European GDP certified).

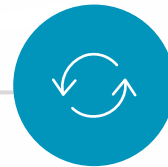
2009



Entering the field of distribution, uniting the five largest distributors in Bulgaria in "Sopharma Trading" AD.

2011
Listing on
Warsaw Stock
Exchange

2013



- Construction of new production facilities in Sofia and Belgrade.
- First successful registration of a Sopharma product on a traditional European market (Nivalin in Austria).
- Acquisition of a controlling stake in Unipharm AD.

2017
Transformation through
merger of "Medica" AD
into "Sopharma" AD.

2018



- "Sopharma" AD celebrates its 85th anniversary.
- Merger of „Unipharm“ AD into „Sopharma“ AD.

2020

- "Sopharma Trading" AD acquires sole control over the companies "SCS Franchise" AD and "Sanita Franchising" AD.
- "Sopharma" AD sold the shares owned by it from the capital of "Aromania" AD.

2021



"Sopharma" AD issues warrants in the amount of over BGN 12 million.



Consolidated financial results for the third quarter of 2022

Our business

Sopharma Group



**№1 manufacturer of
ampules and suppositories**



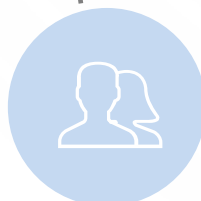
**Revenues BGN 1 280
800 thousand**

**More than 200
product**



**EBITDA
BGN 103 651
thousand**

**4 735
employees**



**134 797 899
shares**

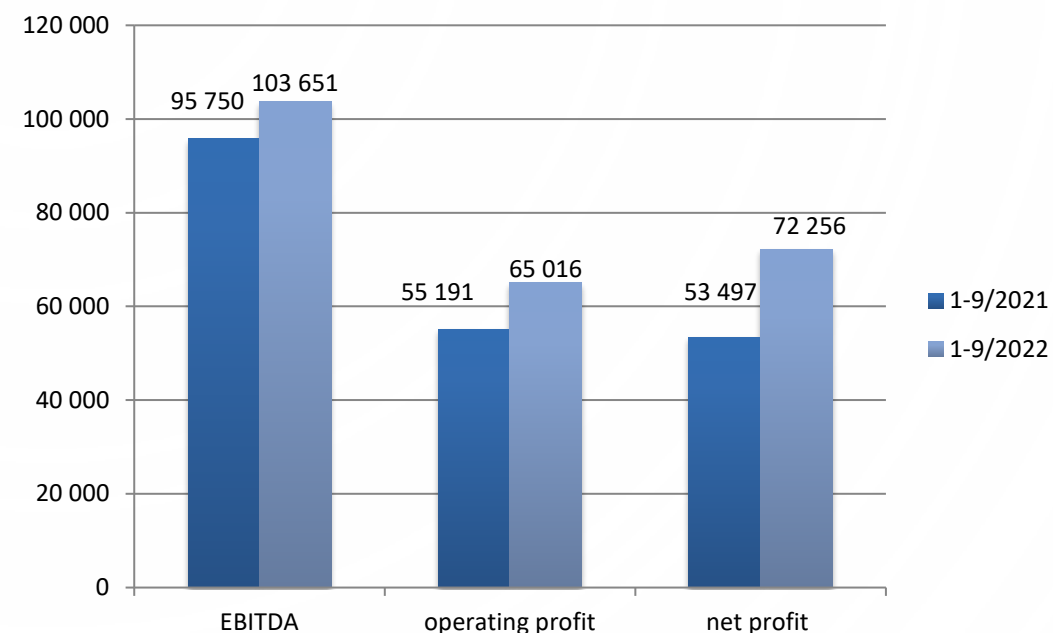


**Company with established
traditions and experience**

Main financial indicators



Indicators	1-9/2022 <i>BGN '000</i>	1-9/2021 <i>BGN '000</i>
Sales revenue	1 218 800	1 179 329
EBITDA	103 651	95 750
Operating profit	65 016	55 191
Net profit	72 256	53 497
CAPEX	53 598	33 441
	30.09.2022 <i>BGN '000</i>	31.12.2021 <i>BGN '000</i>
Non-current assets	671 116	633 746
Current assets	582 394	571 232
Owners' equity	721 747	658 868
Non-current liabilities	141 293	122 218
Current liabilities	390 470	423 892
	1-9/2022	1-9/2021
EBITDA/Sales revenues	8.5%	8.0%
Operating profit/Sales revenues	5.3%	4,5%
Net profit/Sales revenue	5.9%	4.5%
	30.09.2022	31.12.2021
Borrowed capital/Owners' equity	0,74	0,83
Net debt/EBITDA on a annual basis	2,3x	2,5x



“Sopharma” AD as a partner:

Large variety of services:

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



Development of pharmaceuticals:

- Solid dosage forms (film coated tablets, hard gelatin capsules);
 - Semi-solid dosage forms (creams, gels, suppositories);
 - Sterile dosage forms and non-sterile solutions.
-



Consolidated financial results for the third quarter of 2022

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.

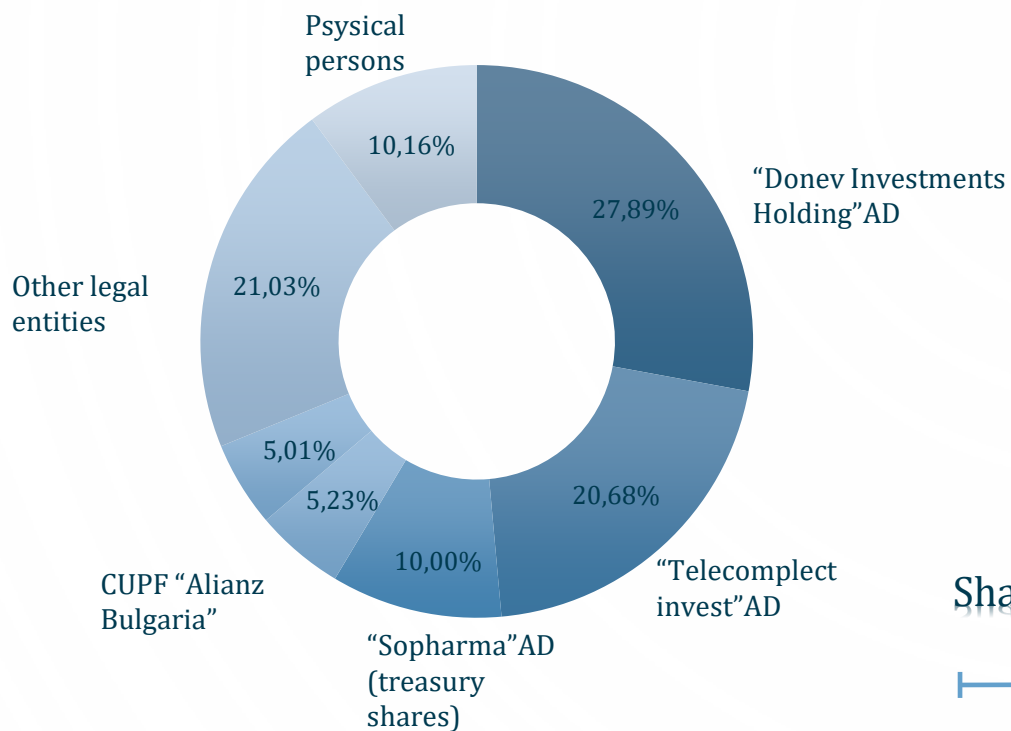


Alexandar Tchaoushev
Independent Member of the BoD

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

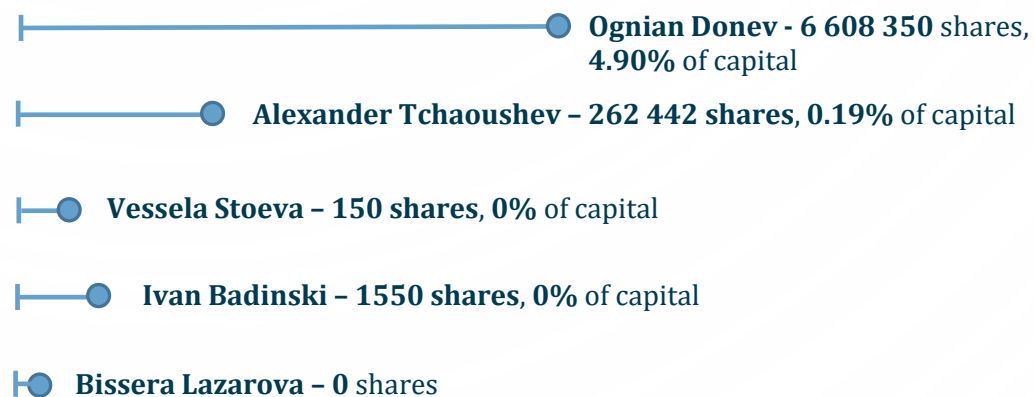
Mr. Chaushev is a member of the Board of Directors of "Sopharma" AD since 2011.

Shareholder structure at 30.09.2022



In 2021, Sopharma AD acquired 13,055,000 treasury shares.

Shares of the Board of Directors as of 30.09.2022



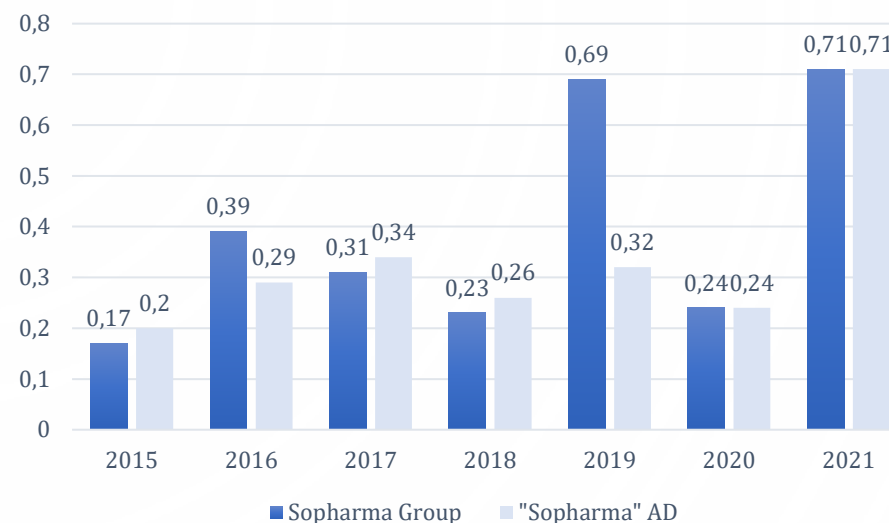
Shares of "Sopharma" AD



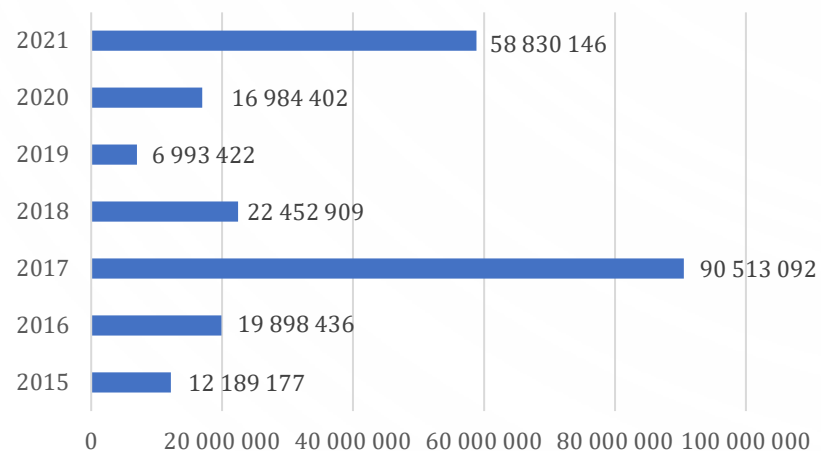
Price of the shares

Year	Highest price	Lowest price
2015	BGN 3.85	BGN 2.50
2016	BGN 3.078	BGN 2.50
2017	BGN 4.99	BGN 2.99
2018	BGN 4.30	BGN 3.51
2019	BGN 3.74	BGN 3.23
2020	BGN 3.58	BGN 2.40
2021	BGN 4.60	BGN 3.14

Income per share



Volume of traded shares for 2021



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.

Dividends

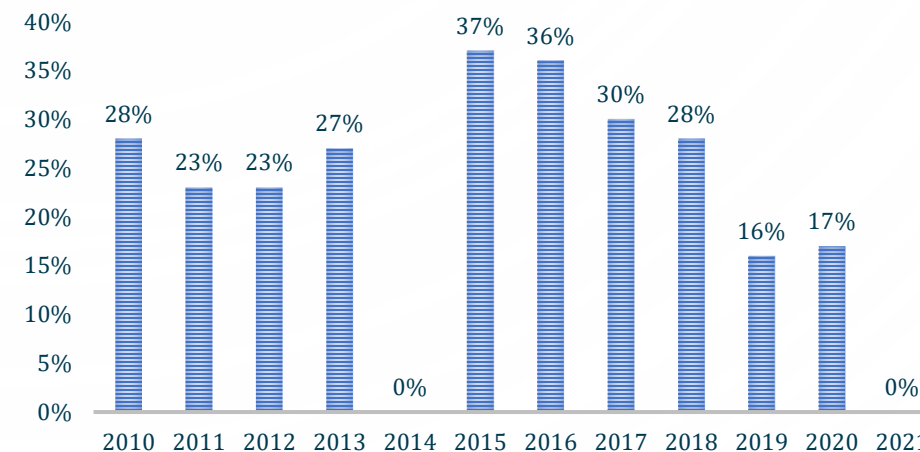


Dividend for 1 share in BGN

Year	"Sopharma" AD
2010	0.085
2011	0.07
2012	0.07
2013	0.07
2014	none
2015	0.07
2016	0.10
2017	0.11
2018	0.05
2019	0.12
2020	0.04
2021	none

"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 payout ratio





Consolidated financial results for the third quarter of 2022

Main markets

Republic of Bulgaria: Demography and key economic indicators

GDP (BGN million)



2017 2018 2019 2020 2021*

* Preliminary data

Preliminary data show a increase of GDP for 2021 in real terms by 4.2% compared to 2020.

GDP per capita

BGN 19.268 (€ 9.852)

Currency

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

Health budget 2022

BGN 6,5 billion

Pharmaceutical industry

99% private



Area

111.000 km²

Population

6.951 million

Member of EU

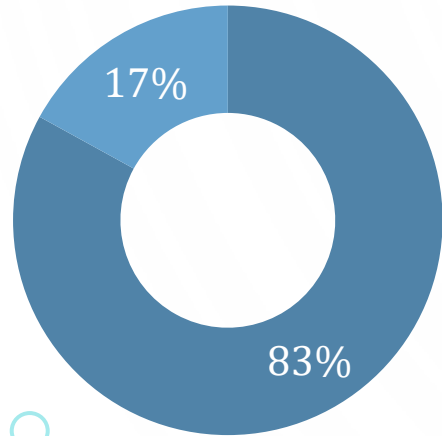
since 2007

Source: NSI 2021

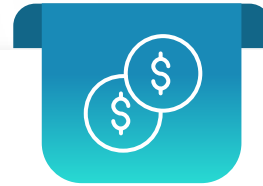
Revenues from sales of products



Sales revenues of the Group increased with BGN 39,4 million or 3.3%, reaching BGN 1 218,8 million in the nine months of 2022 compared to BGN 1 179,3 million in the nine months of 2021.



- Revenue from the sale of goods
- Revenues from the sale of finished products



Adjusted for the deconsolidation of the companies sold at the end of last year in Latvia and Belarus, sales growth was 10%. Sales of goods increased with BGN 27,4 million or 2.8%, reaching BGN 1 014,9 million in the nine months of 2022 compared to BGN 987,5 million in the nine months of 2021.

After adjustment for the deconsolidation of distribution companies and pharmacy chains in Latvia and Belarus, the growth of sales of goods for the nine months of 2022 was 10%. Sales of finished products increased by BGN 12 million, or 6.3%, to BGN 203,9 million in the nine months of 2022 compared to BGN 191,9 million in the nine months of 2021.



On a consolidated basis for the nine months of 2022, a growth in revenues from sales of finished products is reported in Russia by 7%, in the Caucasus region by 19%, in Baltic States by 14%, in Ukraine by 2%, in Belarus by 42, in Serbia by 66%, in Kazakhstan by 54%, in Uzbekistan by 40%. Sales in Poland decreased by 15%, in Vietnam by 34%, in Moldova by 1%. A 114% increase was also recorded in sales from contract and contract manufacturing, reaching BGN 5,3 million.

The products with the largest share of sales in the country are Analgin, Sophazon, Vicetin, Fomotidine, Vitamin C, Paracetamol, Bromhexine, Methylprednisolone.



Consolidated financial results for the third quarter of 2022

Financial indicators of Sopharma Group

Operating expenses



- For the current period the expenses of materials increased by BGN 15 million to BGN 72,5 million, as the most significant change was registered in the expenses of substances, which increased by BGN 3,9 million, as well as in the expenses for electricity and heat, increasing by BGN 1,9 million and BGN 1,2 million, respectively.
- Personnel expenses decreased by BGN 2,7 million to BGN 108,5 million as a result of the decrease in the average number of personnel in the Group, mainly as a result of the sale of the companies in Latvia and Belarus at the end of 2021.
- The external service expenses decreased by BGN 0,7 million to BGN 50,1 million with the most significant change in construction costs, which decreased by BGN 1 million, which increase by BGN 0,7 million and in the production costs, which decrease by BGN 0,6 million.

Operating expenses	1-9/2022	1-9/2021	Change	rel. share of expenses in 2022
	BGN '000	BGN '000	%	%
Raw materials and consumables used	(72 488)	(50 823)	21%	6%
Hired services	(50 097)	(111 209)	-1%	4%
Personnel	(108 540)	(40 559)	-2%	10%
Depreciation and amortization	(38 635)	(864 214)	-5%	3%
Carrying amount of goods sold	(891 664)	(5 035)	3%	76%
Other operating expenses	(11 132)	(50 823)	55%	1%
Total operating expenses	1 172 556	1 129 284		100%

Financial income and expenses

- **Financial income and expenses** in the nine months of 2022 net registered a loss of BGN 4 million, which is a increased of the loss by BGN 0,7 million compared to the same period of the last year.
- **Financial income** income decreased by BGN 3,5 million, interest income from overdue receivables decreased by BGN 1 million and net foreign exchange gains on foreign currency loans and leases decreased by BGN 2,3 million.

Financial income	1-9/2022	1-9/2021	Change	relative share of income of 2022
	BGN '000	BGN '000	%	%
Interest income on loans extended	1 539	1 727	-12%	54%
Net profit from exchange differences on securities transactions receivables	560	190	66%	20%
Income from interest on overdue trade receivables	513	1 540	-200%	18%
Interest on receivables under special contracts	117	149	-27%	4%
Income from provided sureties and guarantees	97	14	86%	3%
Income from equity participation (dividends)	33	271	-721%	1%
Income from interest on bank deposits	4	26	-550%	0%
Net change in the impairment of guarantee fees	1	-	-	
Net profit from exchange differences on foreign currency loans and leases	-	2 271	-	
Net profit from securities investment operations	-	152	-	
Total	2 864	6 340		100%

Financial income and expenses

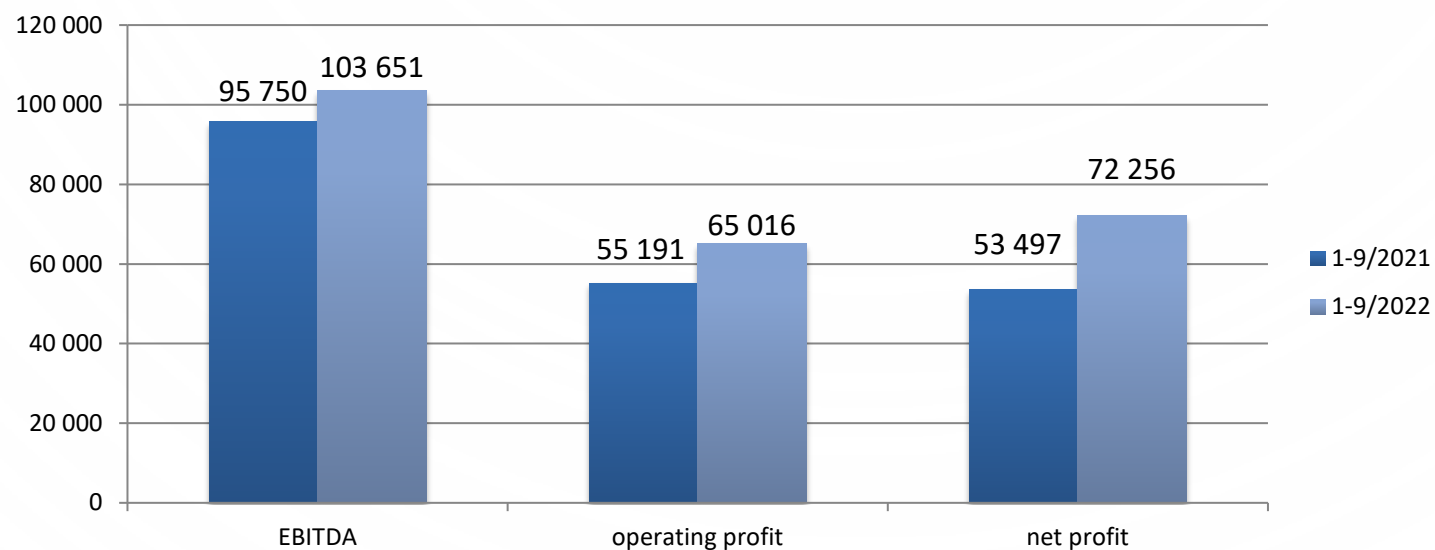
- **Financial expenses** decreased by a total of BGN 2,8 million, while interest expenses on loans received for the current period decreased by BGN 3,3 million as a result of a decrease in the Group's bank exposure due to the sale of shares in the Baltic States and Belarusian companies at the end of last year, as well as the ongoing trend in the current year of reducing bank debt through the generated positive free cash flow in the Group.

Financial expenses	1-9/2022	1-9/2021	Change %	rel. share of expenses of 2022
Interest expense on loans received	3 080	6 362	-107%	45%
Net change in the impairment adjustment for credit losses on trade receivables	1 354	62	95%	20%
Bank fees and charges on loans and guarantees	857	827	4%	12%
Interest expense on leases	850	1 409	-66%	12%
Net loss on exchange differences from loans denominated in foreign currencies and leases	377	-	-	5%
Expense for other interest	247	271	10%	4%
Interest expenses on factoring	79	549	-595%	1%
Provision for financial guarantees	16	151	-844%	1%
Total	6 860	9 631		100%

Financial result



- **(EBITDA)** increased by BGN 7,9 million or by 8%, while in the nine months of 2022 it amounted to BGN 103,7 million compared to BGN 60,8 million in the nine months of 2021.
- **Profit from operating activities** increased by BGN 9,8 million or by 18%, to BGN 65 million in the nine months of 2022 compared to BGN 55,2 million in the nine months of 2021.
- **Net profit** increased by BGN 18,8 million or 35% to BGN 72,3 million in the nine months of 2022 compared to BGN 53,5 million in the nine months of 2021.



Assets

- **Non-current assets** at the end of the nine months of 2022 increased by BGN 37,4 million compared to the end of last year. The acquired tangible and intangible fixed assets for the period amounted to BGN 53,6 million, of which those related to leasing contracts amount to BGN 33 million. The parent company invested BGN 4.1 million in the ninth month of 2022 in the construction of new production facilities for the processing of technical cytosine, which are pending inspection and certification by MEA.
- **Current assets** in the nine months of 2022 increased by BGN 11,2 million compared to the end of last year, which is mainly due to the increase in trade receivables by BGN 20,4 million and tangible inventories by BGN 17 million. Cash and cash equivalents decreased by BGN 19,8 million.

Assets	30.09.2022 BGN '000	31.12.2021 BGN '000	Change %	rel. share 2022
Non-current assets				
Property, plant and equipment	376 356	362 393	4%	29%
Intangible assets	49 616	54 421	-10%	4%
Goodwill	13 267	13 420	-1%	1%
Investment properties	9 446	9 446	0%	1%
Investments in associated and joint ventures	154 486	127 320	18%	12%
Other long - term equity investments	4 498	5 778	-28%	0%
Long-term receivables from related parties	51 318	49 696	3%	4%
Other long-term receivables	10 958	10 222	7%	1%
Deferred tax assets	1 171	1 050	10%	0%
	671 116	633 746		52%
Current assets				
Inventories	272 917	255 949	5%	22%
Receivables from related enterprises	248 256	227 832	7%	20%
Commercial receivables	13 031	14 479	9%	1%
Loans granted to third parties	30 315	35 250	-5%	3%
Other short-term receivables and assets	17 875	37 722	-98%	2%
	582 394	571 232		48%
TOTAL ASSETS	1 253 510	1 204 978	1%	100%

Owner's equity and liabilities



- **The equity** Sopharma Group increased by BGN 62,9 million compared to 31.12.2021 as a result of the reported net current profit.
- **The liabilities** decreased by BGN 14,3 million compared to the end of 2021. Total liabilities on bank loans, leasing and factoring of the Group decreased by BGN 24,2 million, as the net debt after deduction of cash and cash equivalents decreased with BGN 4,3 million to BGN 288,6 million.

OWNER'S EQUITY	30.09.2022	31.12.2021	Change	rel. share comp. to OE 2022
	BGN '000	BGN '000		
Share capital	134 798	134 798	0%	19%
Reserves	56 156	55 031	2%	8%
Other capital components (reserve for issued warrants)	12 488	12 512	0%	1%
Retained earnings	506 885	444 634		
Total	710 327	646 975	12%	70%
Non-controlling interest	12 892	11 893	8%	2%
TOTAL EQUITY	723 219	658 868		100%

LIABILITIES	30.09.2022 BGN '000	31.12.2021 BGN '000	Change	rel. share compared to total liabilities 2022
Non-current liabilities				
Long-term bank loans	47 537	42 907	10%	8%
Deferred tax liabilities	5 917	8 472	-43%	1%
Long-term liabilities to related parties	25 767	10 210	60%	4%
Long-term payables to personnel	8 045	7 622	5%	1%
Lease liabilities	39 896	38 589	3%	6%
Government grants	6 505	6 783	-4%	1%
Other non-current liabilities	7 626	7 635	0%	1%
	141 293	122 218	14%	22%
Current liabilities				
Short-term bank loans	173 956	217 392	-25%	33%
Short-term part of long-term bank loans	9 232	9 467	-3%	2%
Trade payables	152 163	143 480	6%	29%
Payables to related parties	4 871	3 700	24%	1%
Factoring agreement liabilities	2 867	6 370	-122%	1%
Short-term part of leasing liabilities	12 208	11 583	5%	2%
Payables to personnel and social security	19 258	17 888	7%	4%
Tax payables	7 228	7 039	3%	1%
Other current liabilities	8 687	6 973	20%	2%
	390 470	423 892	-9%	73%
TOTAL LIABILITIES	531 763	546 110	-3%	100%
TOTAL OWNERS' EQUITY AND LIABILITIES	1 147 088	1 112 705	1%	

Cash flows



- **The free cash flow** (normalized with the revenues from factoring and payments under leasing contracts), generated for the nine months of 2022, amounts to BGN 36,5 million inflow compared to BGN 64 million inflow in the nine months of 2021.

Cash flows	30.09.2022	30.09.2021
	BGN '000	BGN '000
Net cash flows from operating activities	36 656	(70 441)
Receipts of amounts on factoring after interest and fees	25 744	169 109
Purchases of property, plant and equipment, intangible assets, net	(13 778)	(18 686)
Payments under lease agreements	(12 086)	(15 957)
Free cash flow (normalized)	36 536	64 025



Consolidated financial results for the third quarter of 2022

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.
Broncholitín	Traditional product used for treatment of diseases affecting the respiratory system and causing coughing and catarrhal changes.
Analgin	Generic painkiller.
Nivalín	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.

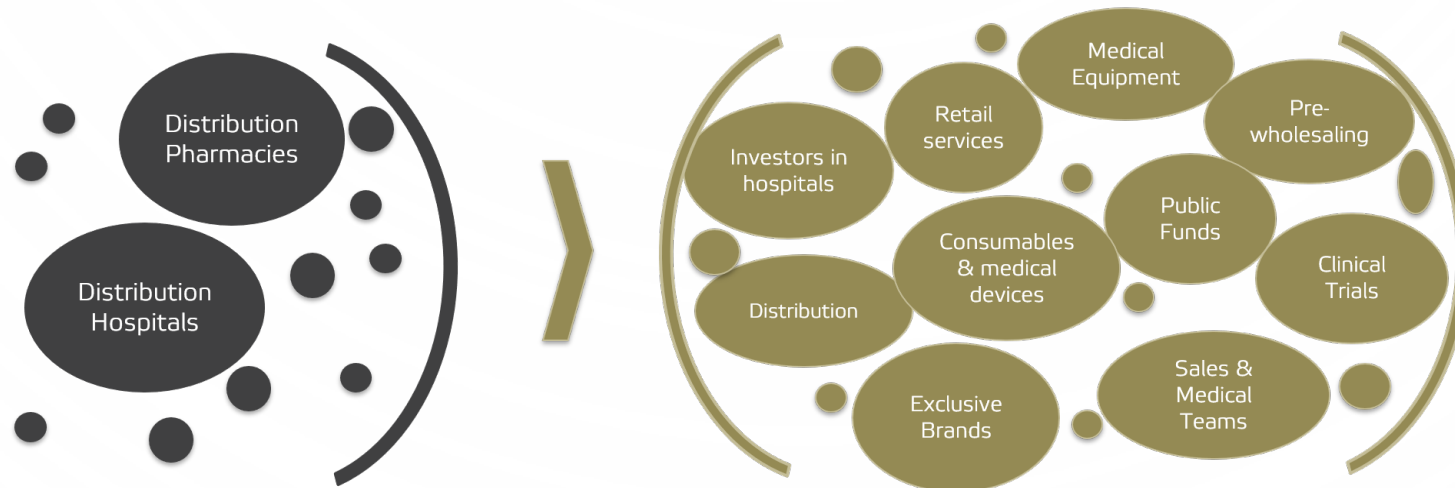


Consolidated financial results for the third quarter of 2022

Major subsidiaries

Distribution – „Sopharma Trading“ AD

- The company was established and registered in 1993 as "Sanita Trading" Ltd.
- In 1998 it was transformed into a joint-stock company.
- In 2005 the name of the company became “Sopharma Trading” AD.
- The subject of activity is wholesale and retail trade of medicines and sanitary materials; transport and forwarding activities; purchase, construction and furnishing of real estate for sale; all other commercial transactions not prohibited by law.
- The company strives to diversify its operations so that from a purely distribution company to become a fully integrated provider of comprehensive, innovative and quality healthcare services on the market.



“Sopharma Trading” AD offers:



15 000 pharmaceuticals products.



Turnkey solutions for hospitals.



100% coverage on the territory of Bulgaria and access to any point of the country within 4 hours.

Distribution service through our own fleet of **more than 100 vehicles**.

Complete logistics solutions for import, storage and distribution of goods to end customers.



More than **3000 clients**.

Management and shares



BGN **34 276 050** share capital.



Ordinary registered shares with value of BGN 1 per share.

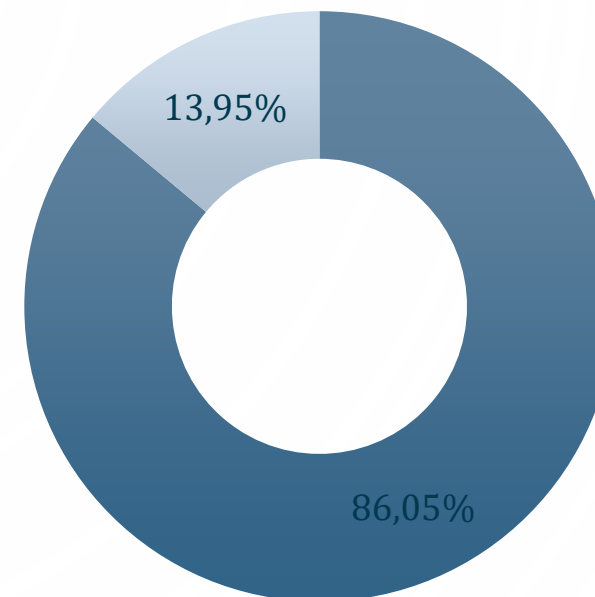


Shareholder participation of the members of the BD:

- Ventsislav Marinov – Executive Director and member of BoD – **15 800** shares, **0.05%** of capital;
- Angel Jordanov – member of the BoD – **10** shares, **0.00%** of capital.



Shareholder structure as at 30 September 2022



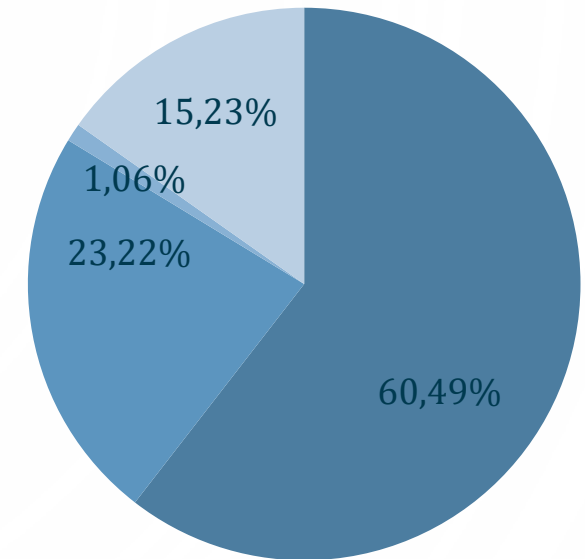
- "Sopharma" AD
- Physical persons, under 5%

Development

- “Sopharma Trading” AD is developing a new concept pharmacies under the brand S0pharmacy. S0pharmacy offers a modern approach in serving the patient's health needs.
- The main trends in the „wholesale of medicines“:
 1. Consolidation of participants in this market;
 2. Expanding our own portfolio of products focused on food supplements ,cosmetics and OTC;
 3. Minimizing costs in supply chain management.
- The main trends in the development of pharmacies:
 1. Development of a broad portfolio of both prescription drugs and non-prescription drugs, nutritional supplements, medical and non-medical cosmetics;
 2. Development of own-brand products.



Sales by clients group



- Pharmacy market
- Hospital market
- Apparatus
- Wholesaler



Consolidated financial results for the third quarter of 2022

New products, significant events and risks

New developments and products

The following activities were carried out in **July to September - 2022:**

- The development of **3** food supplements is underway.

- Pharmaceutical development of **6** new medicinal products/projects.



- Received **2** Authorizations for the use of medicinal products for new destinations;
- Documentation for registration of **3** medicinal products has been submitted.



- Renewed Marketing Authorizations for **5** medicinal products.
- Submission of documentation for the renewal of the Marketing Authorizations for **29** medicinal products.
- **41** changes for medicinal products submitted to agencies;
- **38** changes for medicinal products approved by agencies.



- **6** production processes/technologies are validated/optimized.

Significant events during the reported period



- 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. As of the date of preparation of the 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.
- At the Regular General Meeting of the shareholders of "Sopharma" AD, held on 3 June 2022, the decisions proposed by the Board of Directors on the relevant items of the agenda were adopted.
- On 7 July 2022, at its meeting, the Board of Directors adopted a decision to issue warrants under the conditions of an initial public offering, as follows:
 - Exercise price: BGN 6.10
 - Issuance price of one warrant: BGN 0.48
 - Number of warrants: 26 959 580
 - Minimum success threshold of the issue: 13 479 790
 - Term in which the right can be exercised: 5 years
- On 26 August 2022, according to the requirements of Art. 100t of the LPOS, "Sopharma" AD notified that as a result of the tender offer sent to the shareholders of "Sopharma Imoti" REIT, "Sopharma" AD will directly own 7,788,145 shares of the capital of "Sopharma Imoti" REIT, representing 35.48% of the capital of "Sopharma Imoti" REIT. The commercial offer was accepted by 24 shareholders, owning a total of 469,480 shares of Sopharma Imoti REIT.
- On 11 November 2022, the Group divested itself of its participation in the subsidiary "RAP Pharma International" OOD, Moldova.



Review the main risks



Business risk

The Group faces significant competition.

The Group'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.

The Group is dependent on regulatory approvals.



Currency risk

Through the companies in Ukraine and Kazakhstan, the group carries out business operations in these countries and, accordingly, has exposures in Ukrainian hryvnia and Kazakhstani tenge. The currency risk is related to the negative movement of the exchange rates of these currencies against the Bulgarian lev in the future business operations, the recognized assets and liabilities in foreign currency and the net investments in foreign companies.

To control the currency risk, there is a system in place for planning imports, sales in foreign currency, and others.



Risks related to other markets

The macroeconomic environment, particularly in Bulgaria, Russia and Ukraine, has a significant effect on the Group's operations.

The political situation in Bulgaria and in the Group's export markets, in particular Russia and Ukraine, has a significant effect on the Group's operations and financial condition.

Risks relating to exchange rates and the Currency Board in Bulgaria.



Legal risk

Developing legislation in some of the countries where the Company sells its products, in particular Russia and Ukraine, may adversely affect its operations in those countries.

Interpretation of tax provisions may be unclear and tax laws and regulations applicable to the Company may be amended.

Litigation or other out-of-court procedures or actions can have an adverse effect on business.

Thank you for your time and attention!

Investor Relations Department
"Sopharma" AD

optimum
health
maximum
vitality

WWW.SOPHARMA.COM



ir@sopharma.bg
+3592 8134 556