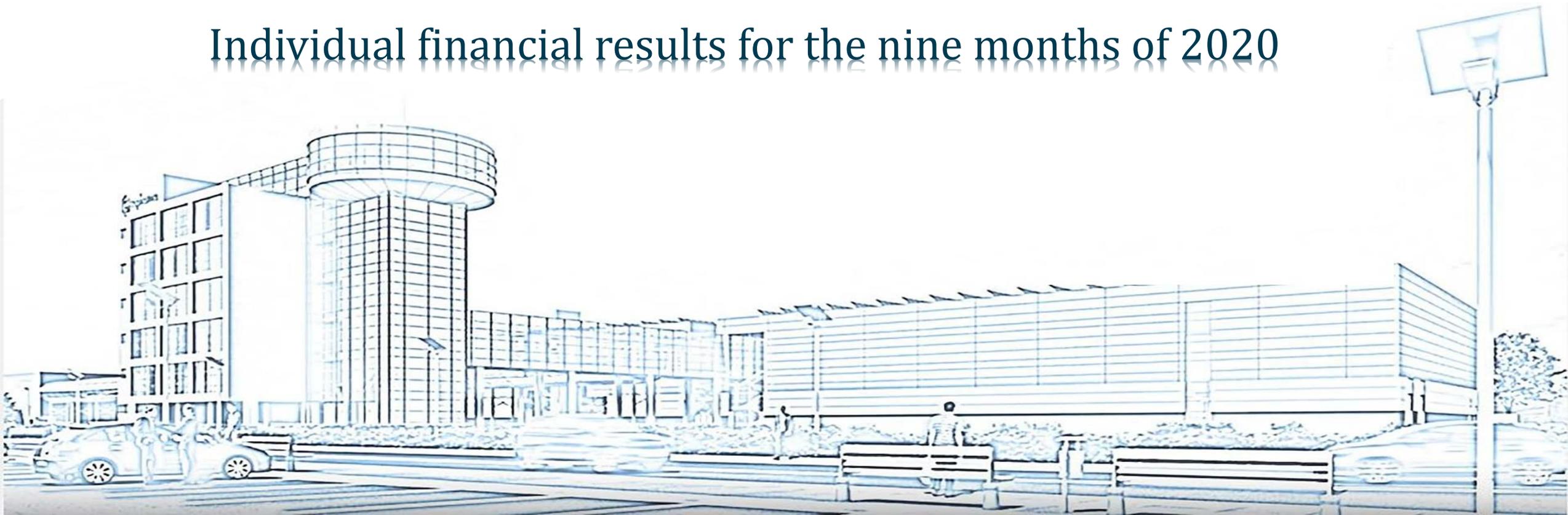


“Sopharma” AD

Individual financial results for the nine months of 2020





Individual financial results for the nine months of 2020

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.



“Sopharma” AD
**Bulgarian based mother company,
pharmaceutical producer**

API production

Farmer, Bulgaria
Farming of medicinal plants

**“Sopharma” AD ,
Kazanlak Bulgaria**
Extraction of active ingredients

Pharmaceuticals production

“Sopharma” AD , Bulgaria
Self-developed products from herbal origin, Generic products

**“Biopharm Engineering” AD, Bulgaria and PAO
“Vitamini” Ukraine**
*Generic products
Veterinary products*

Wholesale and distribution

**“Sopharma Trading” AD,
Bulgaria and Serbia**
Pre-wholesaling, wholesaling, retail

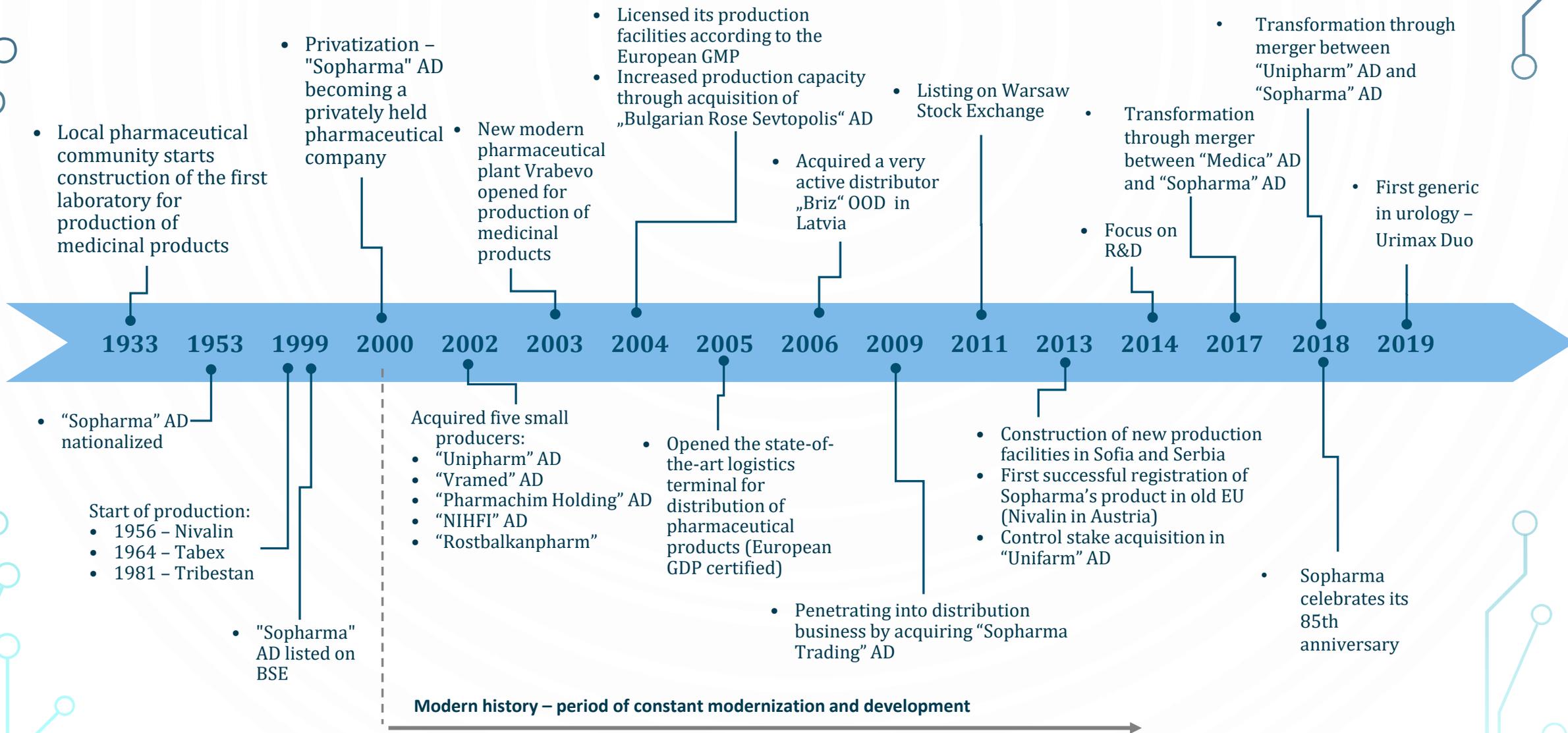
“BRIZ” Latvia and Sopharma 100% owned subsidiaries in Ukraine, Kazakhstan, Poland and etc.
Wholesaling, retail

Non-pharma activities

“Biopharm Engineering” AD
Veterinary products, sterile production

“Momina Krepost” AD
Plastic disposable materials

Brief history and key milestones:





Individual financial results for the nine months of 2020

Our business

“Sopharma” AD



Established in 1933



№1 manufacturer of
ampules and suppositories



Revenues
BGN 140 845
thousand



More than 200
products



Company with established
traditions and experience



EBITDA
BGN 34 207
thousand



10
manufacturing plants



134 797 899
shares



employees
2 098

Key financial indicators



Sales revenues decrease with 10.1%



EBITDA decreases with 12%



Operating profit decreases with 18.3%



Net profit decreases with 33.9%



Capex decreases with 11.8%

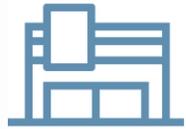
Indicators	1-9/2020	1-9/2019
	BGN '000	BGN '000
Sales revenues	140 845	156 637
EBITDA	34 207	38 860
Operating profit	20 501	25 100
Net profit	22 134	33 509
CAPEX**	8 768	9 944
	30.09.2020	31.12.2019
Non-current assets	441 406	477 027
Current assets	239 313	201 738
Owners' equity	530 805	522 644
Non-current liabilities	17 102	20 667
Current liabilities	132 812	135 454
	Ratios	1-9/2019
EBITDA / Sales revenues	24.3%	24.8%
Operating profit/ Sales revenues	14.6%	16.0%
Net profit/ Sales revenues	15.7%	21.4%
	30.09.2020	30.06.2020
Borrowed capital/Owners' equity	0,28	0,28
Net debt**/ EBITDA	1,7x	1,6x



Individual financial results for the nine months of 2020

Production activity: "Sopharma" AD

Production activity and major products – "Sopharma" AD



10 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;
- EU primary and secondary packaging services for international markets;
- Development of various dosage forms;
- Technological transfer of customer-developed products;
- Cleaning validation, Process validation;
- EU batch release and 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).

Personnel



2 098

workers and employees.

- The training policy is specifically aimed at providing professional competences and information concerning the requirements for health and safety at work.
- The training policy is specifically aimed at providing professional competences and information concerning the requirements for health and safety at work.
- Employees are entitled to higher additional remuneration required by applicable law for overtime, night shifts and work on Saturdays, Sundays and holidays.

	30.09.2020	Rel. Share %
Number of workers and employees as at September 30, 2020	2 088	100%
Higher education	933	45%
College education	46	2%
Secondary education	1079	52%
Primary education	30	1%
Employees under 30 years	189	9%
Employees 31 - 40 years	377	18%
Employees 41 - 50 years	602	29%
Employees 51 - 60 years	721	35%
Employees over 60 years	199	10%
Women	1305	63%
Men	783	37%



Individual financial results for the nine months of 2020

Management, shares and dividends

Sopharma Board of Directors



Ognian Donev, PhD
Chairman of the Board of Directors 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 Board of directors

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 Board of directors

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.



Ognian Palaveev
Independent Member of the BoD

Mr. Palaveev completed his economic education in Germany and has over 37 years of experience in the fields of economics and trade.

In the last 15 years he has been an executive director of Unipharm AD and for more than 8 years he is member of the Board of Directors 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 September 30, 2020

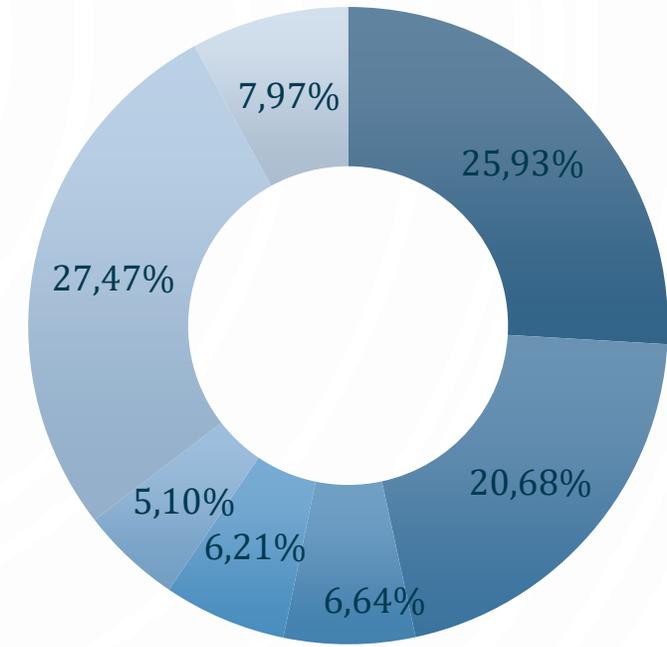


134 797 899 shares with nominal value BGN 1 per share.



Shareholder participation of the members of the Board of Directors:

- Ognian Donev – directly **2 230 000** shares, **1.65%** of capital and indirectly **34 948 892** shares, **25.93%** through “Donev Investments Holding” AD
- Ognian Palaveev – **187 520** shares, **0.14%** of capital
- Alexander Tchaoushev – **111 142** shares, **0.08%** of capital
- Vessela Stoeva – **150** shares
- Ivan Badinski – **350** shares



- "Donev Investments Holding" AD
- "Telecomplex invest" AD
- "Sopharma" AD (treasury shares)
- "Rompharm company" OOD
- 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.



Key indicators of the shares of "Sopharma" AD	30.09.2020	30.06.2020
Total number of issued shares	134 797 899	134 797 899
Average-weighted number of outstanding shares for the last four quarters	125 767 240	125 817 480
Number of shares outstanding at the end of the period	125 851 432	125 769 432
Net earnings per share in BGN ¹	0,231	0,285
Price per share at the end of the period in BGN	3,08	3,167
Price/Earnings ratio (P/E)	13,33	11,11
Book value per share in BGN ²	4,218	4,246
Price/Book value ratio (P/B)	0,73	0,75
Sales per share in BGN ³	1,708	1,841
Price per share / Sales per share(P/S)	1,80	1,72
Market capitalization in BGN	415 177 529	385 772 551

1 Net profit for the last four quarters belonging to the owners of the Company's equity / weighted average number of outstanding shares for the same period

2 Equity other than minority interest / number of outstanding shares at the end of the period

3 Sales revenue for the last four quarters / number of outstanding shares at the end of the period

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.
- On November 23, 2020 “Sopharma” AD started the payment of the 6-month dividend for the first half of 2020 in the amount of BGN 0.04 per share, voted at the Extraordinary General Meeting of Shareholders held on September 25, 2020.

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	0.05 0.07	0.04

Dividend payout ratio

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



Individual financial results for the nine months of 2020

Key markets

Republic of Bulgaria: Demography and key economic indicators

GDP (BGN million)



GDP per capita

BGN 17,008 (€ 8,678)

GDP growth 2019 and 2018

3.4% growth

Currency

BGN fixed to the euro from 1998
(€ 1 = BGN 1,96)

Health budget 2020:

BGN 5 billion

Pharmaceutical industry:

99% private



Area

111.000 km²

Population

6.951 million

Member of EU

since 2007

Source: NSI 2019

Sales revenues from products

Sales revenues from products for the nine months of 2020 decrease by BGN 16 million or by 10%, to BGN 139,5 million compared to BGN 155,5 million in the nine months of 2019.

- **Europe**

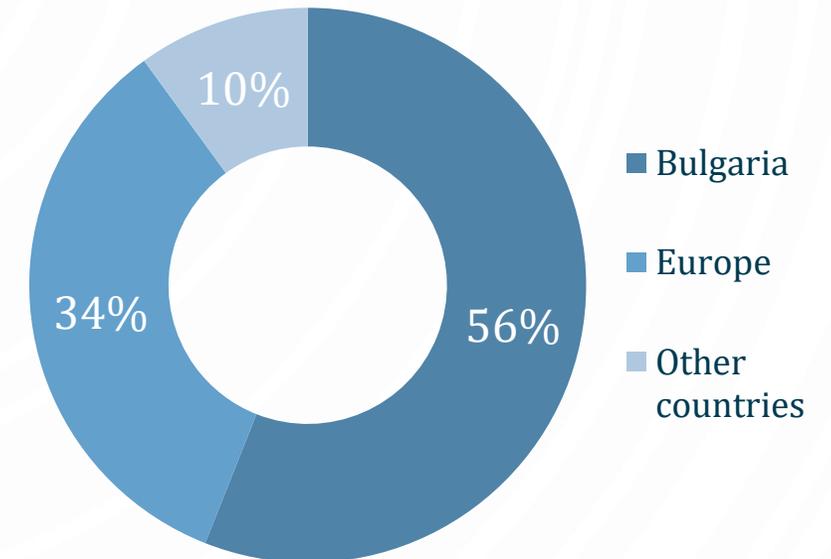
Sales revenues for European countries decrease by 8% compared to the nine months of 2019 due to the decrease of sales in Russia with 14%, Balkan countries with 12%, Ukraine with 3%, Caucasus and Central Asia, Moldova. Revenues for Poland, Belarus and the Baltics are increasing.

- **Bulgaria**

Sales of “Sopharma” AD in the domestic market decrease by BGN 10,1 million or by 17% to BGN 48 million in the nine months of 2020 compared to BGN 58,1 million in the nine months of 2019.

- **Other markets**

Revenues from other markets increase with 8% compared to the nine months of 2019, mainly as a result of an increase of the export for Vietnam.

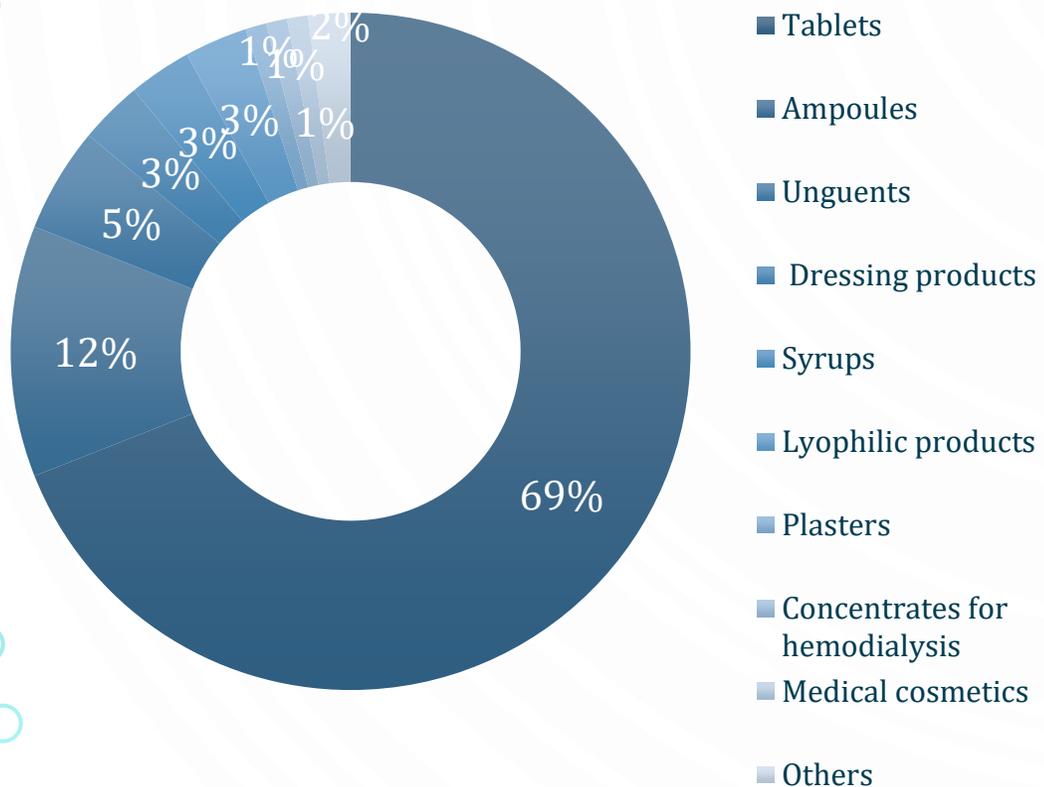




Individual financial results for the nine months of 2020

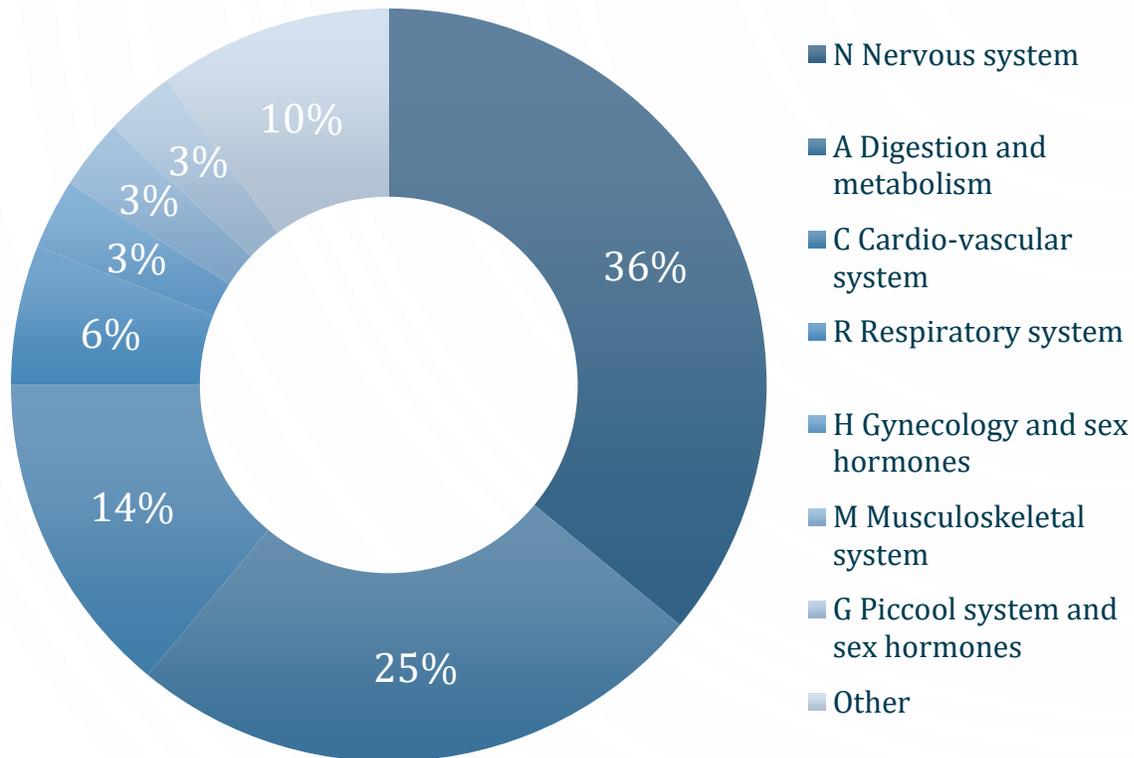
Key financial indicators of “Sopharma” AD

Sales by type of formulation



Revenues by type of formulation	1-9/2020	1-9/2019	Change
	BGN '000	BGN '000	
Tablets	96 853	108 419	-11%
Ampoules	16 445	18 218	-10%
Unguents	7 026	6 630	6%
Dressing products	4 639	5 053	-8%
Syrups	3 809	6 035	-37%
Lyophilic products	3 794	3 770	1%
Plasters	2 260	2 534	-11%
Concentrates for hemodialysis	1 017	1 205	-16%
Medical cosmetics	928	577	61%
Others	2 714	3 004	-10%
Total	139 485	155 445	-10%

Sales by therapeutic group



Revenues by therapeutic group	1-9/2020 BGN '000	1-9/2019 BGN '000	Change %
N Nervous system	50 206	53 177	-6%
A Digestion and metabolism	34 593	43 713	-21%
C Cardio-vascular system	19 099	18 907	1%
R Respiratory system	7 780	11 014	-29%
G Urinary system and sex hormones	4 130	3 712	11%
M Musculoskeletal system	3 762	3 579	5%
H Gynecology and sex hormones	3 649	3 689	-1%
Other	16 266	17 653	-8%
Total	139 485	155 445	-10%

Other operating income



- **Other operating income** decrease by BGN 0,6 million in the nine months of 2020 compared to the nine months of 2019 mainly in the part of revenues from services rendered and other revenues and increased in the part of the amounts awarded, profit from sale of long-term assets, revenues from fines and penalties and others.



Other operating income	1-9/2020	1-9/2019	Change	Rel. share
	BGN '000	BGN '000	%	2020
Services rendered	1 637	2 257	-27%	54%
Income from government grants under European projects	405	405	0%	13%
Revenues from fines and penalties	293	10	2830%	10%
Gain on sale of long-term assets	284	28	914%	9%
Amounts awarded	166	52	219%	6%
Profit on sale of goods	200	169	18%	7%
Profit on sale of materials	119	47	153%	4%
Gains / (Losses) from revaluation of agricultural production to fair value	114	(43)	-365%	4%
Net exchange losses on trade receivables and payables and current accounts	(298)	(204)	46%	-10%
Other revenues (see Notes to the FS)	84	874	-90%	3%
Total other operating income	3 004	3 595	-16%	100%

Operating expenses:



- **Operating expenses** decrease by BGN 11,8 million to BGN 123,3 million in the nine months of 2020;
- The expenses of **materials** decrease by BGN 2,2 million or 4% to BGN 52,9 million in the nine months of 2020;
- **External services** expenses decrease by BGN 0,1 million or 0.2% to BGN 25,2 million;
- **Personnel** expenses increase by BGN 1,1 million or by 3% to BGN 38,1 million in Q3 2020;
- **Other operating expenses** increase by BGN 2,6 million in the nine months of 2020, compared to the same period in 2019 mainly in the part of scrapped fixed assets and decrease in the part of accrued impairments of finished products and work in progress;
- **Depreciation** expenses decrease by BGN 0,05 million or by 0.4%, retaining their value from BGN 13,7 million.
- **Changes in inventories of finished goods and work in progress** have an impact on the decrease in operating expenses by BGN 13,2 million.

Operating expenses	1-9/2020	1-9/2019	Change	Rel.
	BGN '000	BGN '000		share of expenses 2020
			%	%
Changes in inventories of finished goods and work in progress	(12 960)	222	-5938%	-11%
Materials	52 936	55 130	-4%	43%
External services	25 217	25 276	0%	20%
Personnel	38 080	36 968	3%	31%
Depreciation and amortization	13 706	13 760	-0.4%	11%
Other operating expenses	6 369	3 776	69%	5%
Total operating expenses	123 348	135 132	-8.7%	100%

Financial income:



Financial income decrease by BGN 2,1 million to BGN 11,7 million in the nine months of 2020 compared to BGN 13,8 million in the nine months of 2019, mainly in the part of shareholding income by BGN 1,4 million and net profit from operations with investments in securities by BGN 0,4 million.

Finance income	1-9/2020	1-9/2019	Change	Rel. share of expenses in 2020
	BGN '000	BGN '000	%	%
Shareholding income	9 217	10 653	-13%	79%
Interest income on loans extended	2 476	2 441	1%	21%
Net profit from exchange rate differences under lease contracts	17	-	-	0%
Impairment reimbursement for credit losses of cash	12	-	-	0%
Net profit from exchange differences on the sale of a subsidiary	-	171	-100%	0%
Impairment reimbursement for credit losses on trade loans	-	124	-100%	0%
Net gain on transactions with investments in securities	--	435	-100%	0%
<i>Incl. profits from the sale of investments in subsidiaries</i>		227	-100%	0%
Total	11 722	13 824	-15%	100%

Financial expenses:

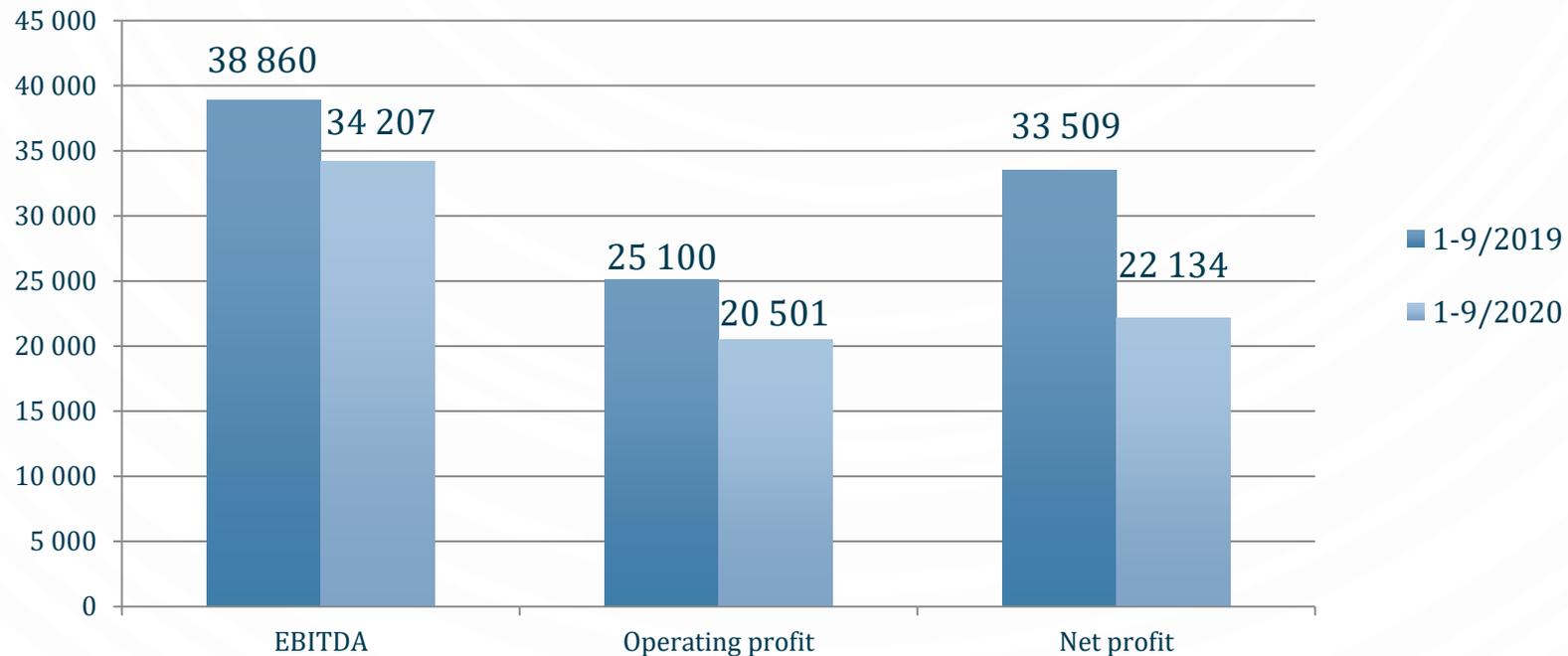
- **Financial expenses** increase by BGN 5,7 million to BGN 7,4 million in the current period of 2020, due to an increase in net change in impairment on loans granted to subsidiaries (SIA Briz Latvia).
- **Net financial revenues (expenses)** decrease by BGN 7,8 million compared to the nine months of 2019.

Financial expenses	1-9/2020 BGN '000	1-9/2019 BGN '000	Change %	Rel. share %
<i>Impairment for credit losses on receivables from trade loans</i>	3 893	-	-	53%
<i>Recovered impairment for credit losses on trade loans</i>	(261)	-	-	-4%
Net change in impairment on loans granted	3 632	-	-	49%
<i>Impairment for credit losses on dividend receivables</i>	1 293	-	-	18%
Interest expense on loans received	1 055	1 173	-10%	14%
Bank fees and charges on loans and guarantees	229	235	-3%	3%
Net foreign exchange loss on receivables from the sale of a subsidiary	136	-	-	2%
Interest expense on leasing contracts	68	43	58%	1%
Deregistered capital of a company from the scope of long-term capital investments	25	--	-	0%
<i>Accrued provision for financial guarantees</i>	930	231	303%	13%
<i>Reimbursed provision for financial guarantees</i>	(3)	-	-	0%
Net provision for financial guarantees	927	231	301%	13%
Net loss from operations with investments in securities	1	-	-	0%
Total	7 366	1 682	338%	100%

Financial result of the activity



- **EBITDA** decreases by BGN 4,7 million or by 12% to BGN 34,2 million compared to BGN 38,9 million in the nine months of 2019.
- **Profit from operating activities** decreases by BGN 4,6 million or by 18.3%, to BGN 20,5 million in the nine months of 2020.
- **Net profit** decreases by BGN 11,4 million or 33.9% to BGN 22,1 million in the nine months of 2020 compared to BGN 33,5 million in the nine months of 2019.



Assets



- **Total assets** increase to BGN 680,7 million.
- **Non-current assets** decrease by BGN 35,6 million.
- **Current assets** increase to BGN 239,3 million.
- **Inventories** increase by BGN 18,8 million.
- **Receivables from related parties** increase by BGN 23,7 million.
- **Trade receivables** decrease by BGN 4,5 million.
- **Commercial loans to third parties** decrease by BGN 1,4 million.
- **Other receivables** and prepaid expenses increase by BGN 1,6 million.
- **Cash and cash equivalents** decrease by BGN 0,7 million.

Assets	30.09.2020 BGN '000	31.12.2019 BGN '000	Change %	Rel. share
Non-current assets				
Property, plant and equipment	214 138	224 654	-5%	49%
Intangible assets	7 737	8 524	-9%	2%
Investment property	41 925	39 329	7%	9%
Investments in subsidiaries	90 411	87 146	4%	20%
Investments in associated companies	6 062	6 062	0%	1%
Other long-term equity investments	11 067	9 621	15%	3%
Long-term receivables from related parties	59 241	91 794	-35%	13%
Other long-term receivables	10 825	9 897	9%	2%
	441 406	477 027	-7%	65%
Current assets				
Inventories	80 191	61 365	31%	34%
Receivables from related parties	120 740	97 014	24%	50%
Trade receivables	22 683	27 212	-17%	9%
Loans granted to third parties	4 649	6 044	-23%	2%
Other receivables and prepaid expenses	7 777	6 144	27%	3%
Cash and cash equivalents	3 273	3 959	-17%	1%
	239 313	201 738	19%	35%
TOTAL ASSETS	680 719	678 765	0%	100%

Owner`s equity and liabilities – non-current liabilities



- The equity of company** increase by BGN 8,2 million or by 2% to BGN 530,8 million as at 30 September 2020 compared to BGN 522,6 million as at 31 December 2019, mainly as a result of the increase in reserves by BGN 26,4 million. Retained earnings decreased by BGN 19 million.
- Non-current liabilities** decrease by BGN 3,6 million or 17% to BGN 17,1 million at the end of current period in 2020 compared to BGN 20,7 million as at 31 December 2019 mainly in the part of long-term bank loans by BGN 2,4 million.

EQUITY	30.09.2020	31.12.2019	Change	From
	BGN '000	BGN '000	%	owners' equity 2020
Share capital	134 798	134 798	0%	25%
Treasury shares	(33 455)	(34 142)	-2%	-6%
Reserves	408 996	382 549	7%	77%
Retained earnings	20 466	39 439	-48%	4%
TOTAL OWNERS' EQUITY	530 805	522 644	2%	100%
LIABILITIES				
Non-current liabilities	BGN '000	BGN '000	%	%
Long-term bank loans	19	2 398	-99%	0%
Liabilities on deferred taxes	5 558	6 209	-10%	4%
Government grants	4 533	4 858	-7%	3%
Operating leasing liabilities to related parties	-	1 610	-100%	0%
Operating leasing liabilities to third parties	2 027	954	112%	1%
Long-term liabilities to personnel	4 965	4 638	7%	3%
	17 102	20 667	-17%	11%

Current liabilities



- **Increase:**

- trade liabilities by BGN 1,9 million;
- liabilities to personnel by BGN 0,1 million;
- other current liabilities by BGN 2,5 million.

- **Decrease:**

- short-term bank loans by BGN 0,9 million;
- short-term part of long-term bank loans by BGN 3 million;
- liabilities to related parties by BGN 2,2 million;
- liabilities for taxes by BGN 1,1 million;

Total exposure to bank loans of the company as of 30.09.2020 decreases by BGN 6,3 million compared to 31 December 2019.

Current liabilities	30.09.2020	31.12.2019	Change %	Rel. share
	BGN '000	BGN '000		
Short-term bank loans	99 462	100 359	-1%	66%
Short-term part of long-term bank loans	4 203	7 181	-41%	3%
Commercial liabilities	8 027	6 074	32%	5%
Liabilities to related parties	4 456	6 664	-33%	3%
Liabilities for taxes	1 235	2 329	-47%	1%
Liabilities to the personnel and for social insurance	7 342	7 266	1%	5%
Other current liabilities	8 087	5 581	45%	5%
	132 812	135 454	-2%	89%
TOTAL LIABILITIES	149 914	156 121	-4%	100%
TOTAL OWNERS' EQUITY AND LIABILITIES	680 719	678 765	0%	

Cash flow and ratios



- Net cash flows in the nine months of 2020 generated:
 - by operating activities – BGN 13,2 million outflow;
 - from investment activity – BGN 34,6 million inflow;
 - from financial activity - BGN 22 million outflow.
- As a result of these activities, cash and cash equivalents decrease net by BGN 0,7 million and by 30 September 2020 amounted to BGN 3,3 million compared to BGN 4 million as at 1 January 2020.

	30.09.2020	30.06.2020
ROE ¹	5.4%	6.8%
ROA ²	4.2%	5.2%
Asset turnover ³	0,31	0,34
Current liquidity ⁴	1,80	1,81
Quick ratio ⁵	1,20	1,28
Cash/current liabilities ⁶	0,02	0,02
Owners' equity/liabilities ⁷	3,54	3,55
	30.09.2020	30.09.2019
	BGN '000	BGN '000
Net cash flow from/ (used in) operations	(13 283)	15 299
Net cash flow used in investment activities	34 616	(69 682)
Net cash flow (used in)/from financial operations	(22 019)	46 492
Net increase/(decrease) of cash and cash equivalents	(686)	(7 891)
Cash and cash equivalents on 1 January	3 959	8 971
Cash and cash equivalents on 30 September	3 273	1 080

¹ Net profit on an annual basis attributable to equity holders of the Company / arithmetic mean of non-minority interest for the last five quarters

² Net profit on an annual basis attributable to equity holders of the Company / arithmetic mean of total assets for the last five quarters

³ Revenue from sales on an annual basis / arithmetic mean of total assets over the last five quarters

⁴ Current assets / current liabilities

⁵ Receivables + Cash / Current liabilities

⁶ Cash / Current liabilities

⁷ Own capital / Liabilities

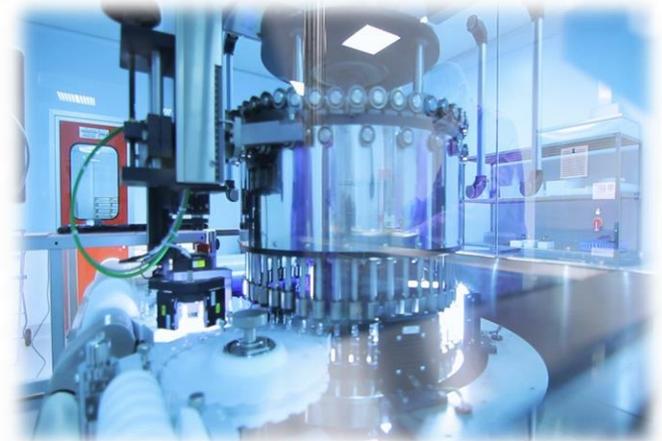


Individual financial results for the nine months of 2020

New products, significant events and risks

New developments and products

- Marketing Authorization was obtained for a new medicinal product - **Solifenax 5 mg film-coated tablet (Bulgaria)**.
- The following new medicinal products were introduced in production: **Paracedol Kids 120 mg / 5 ml oral suspension; Antiemetin 5 mg / ml solution for injection; Promerol 1 mg / ml solution for injection and food supplement Alovital oral solution 2.5 mg 5ml.**
- During the reporting period **13** food supplement for Bulgaria, Armenia, Azerbaijan, Lithuania, Kazakhstan and Kyrgyzstan were notified.
- **18** medical supplies were registered in the Ukraine (two) and Macedonia (sixteen);
- Submission of documentation for the renewal of the Marketing Authorizations for **101** medicinal products to agencies.
- **680** changes for medicinal products approved by agencies.
- **749** changes made for medicinal products to the agencies.
- There is a pharmaceutical development of **8** new medicinal products;
- **19** medicinal products have been transferred / undergoing transfer and **24** manufacturing processes / technologies have been validated / optimized.



Significant events during the reported period.

- On 22 January 2020, “Sopharma” AD began to pay the gross dividend of 5 stotinki per share voted at the GMS on 13 December 2019.
- On 22 April 2020, the company received BGN 30 million, which are paid interest and loans from an associate and a controlled company by it (“Doverie - obedinen Holding” AD and “Doverie Invest” AD).
- On 5 June 2020 the Annual General Meeting of “Sopharma” AD was held.
- On 3 August 2020 “Sopharma” AD started the payment of the dividend in the amount of 7 stotinki per share voted on the AGM held on 5 June 2020.
- On 25 September 2020 an EGM of the shareholders of Sopharma AD was held, at which the following decisions were taken: The GMS accepted the proposal of the Board of Directors to distribute a 6-month gross dividend to the shareholders in the amount of BGN 0.04 / four stotinki / per share. The present Policy has been developed by the Board of Directors of the public company “Sopharma” AD in accordance with Regulation №48 from 20 March 2013 of the Financial Supervision Commission.



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 assurance that the Company will be able to pay dividends in accordance with its dividend policy or at all in any given year.
4. Operational risk, which is inherent to its business activities.
5. The macroeconomic environment has a significant effect on the Company's operations and position.
6. 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

optimum
health
maximum
www.sopharma.com
vitality



sopharma[®]
PHARMACEUTICALS

ir@sopharma.bg

+3592 8134 556