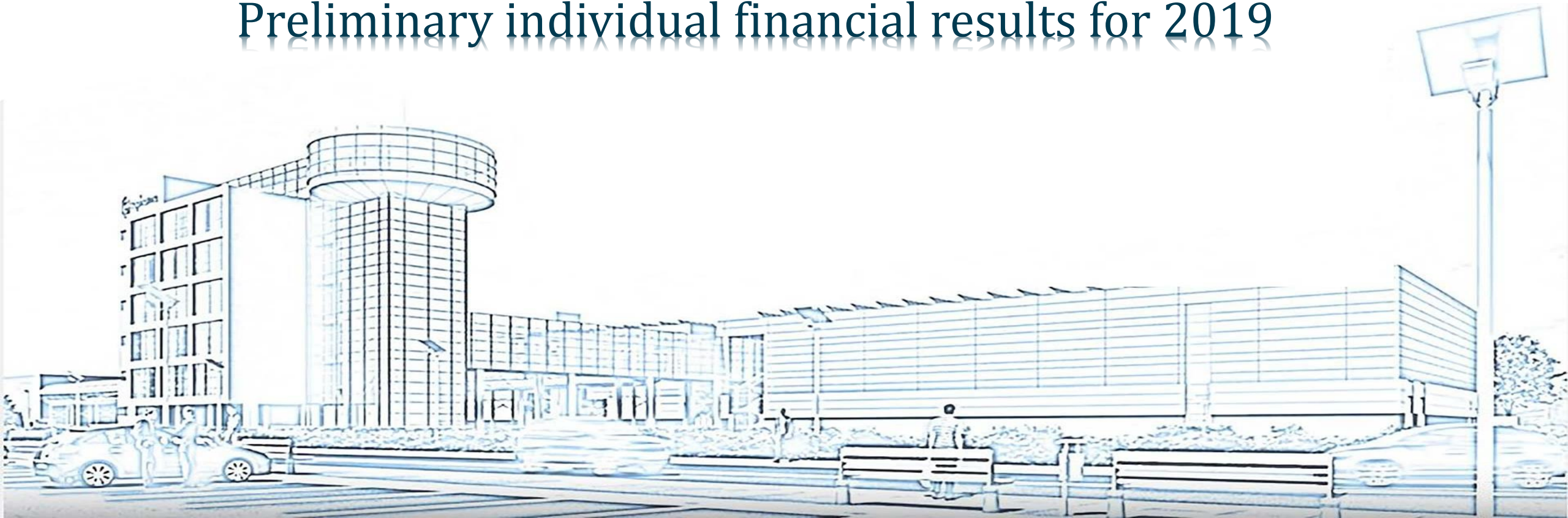


Sopharma AD

Preliminary individual financial results for 2019



Content:



- Who are we?
- Production activity
- Our business
- Management, shares and dividends
- Key markets
- Key financial indicators of Sopharma AD
- New developments, significant events and risks



Preliminary individual financial results for 2019

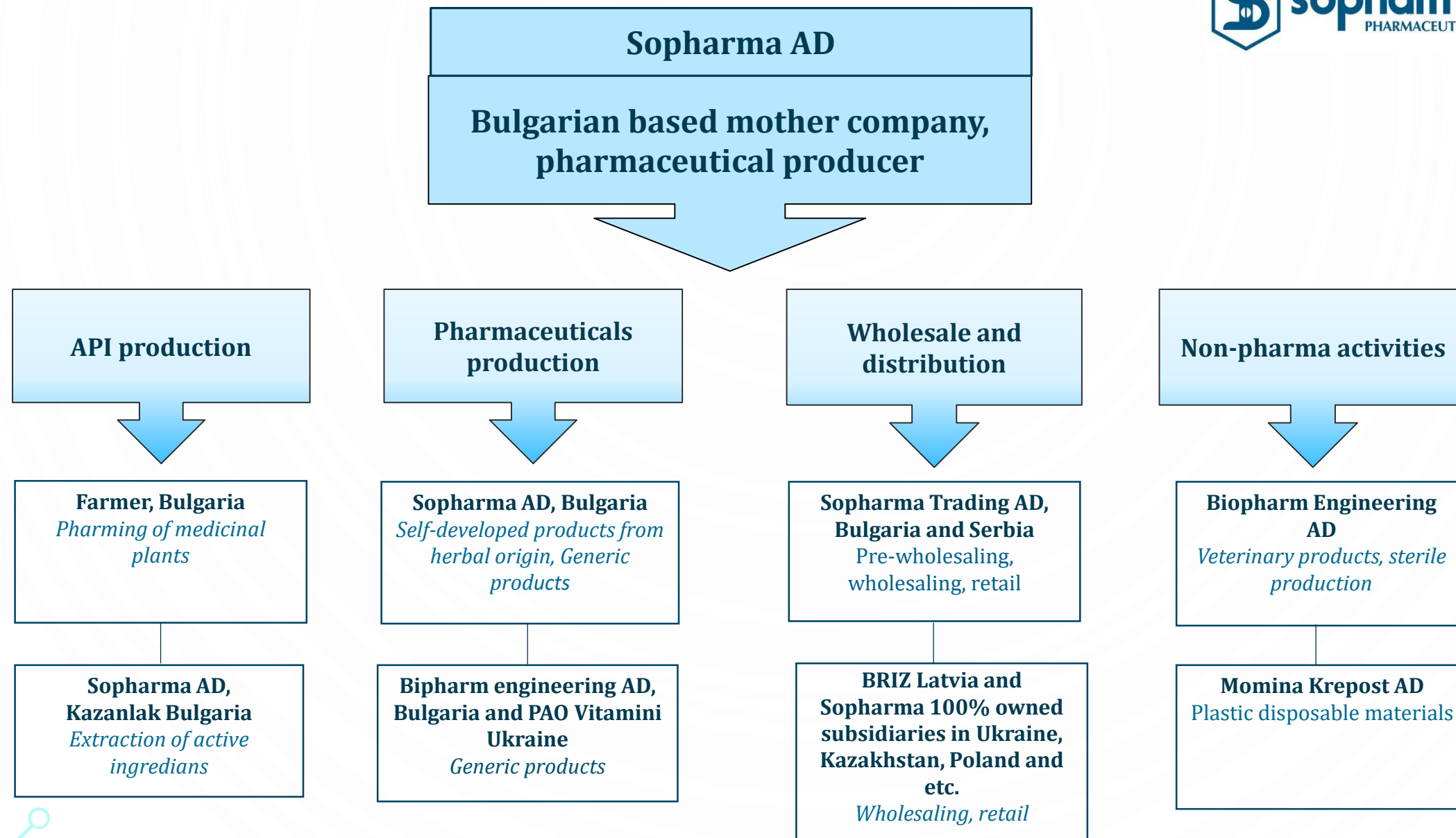
Who are we?

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.

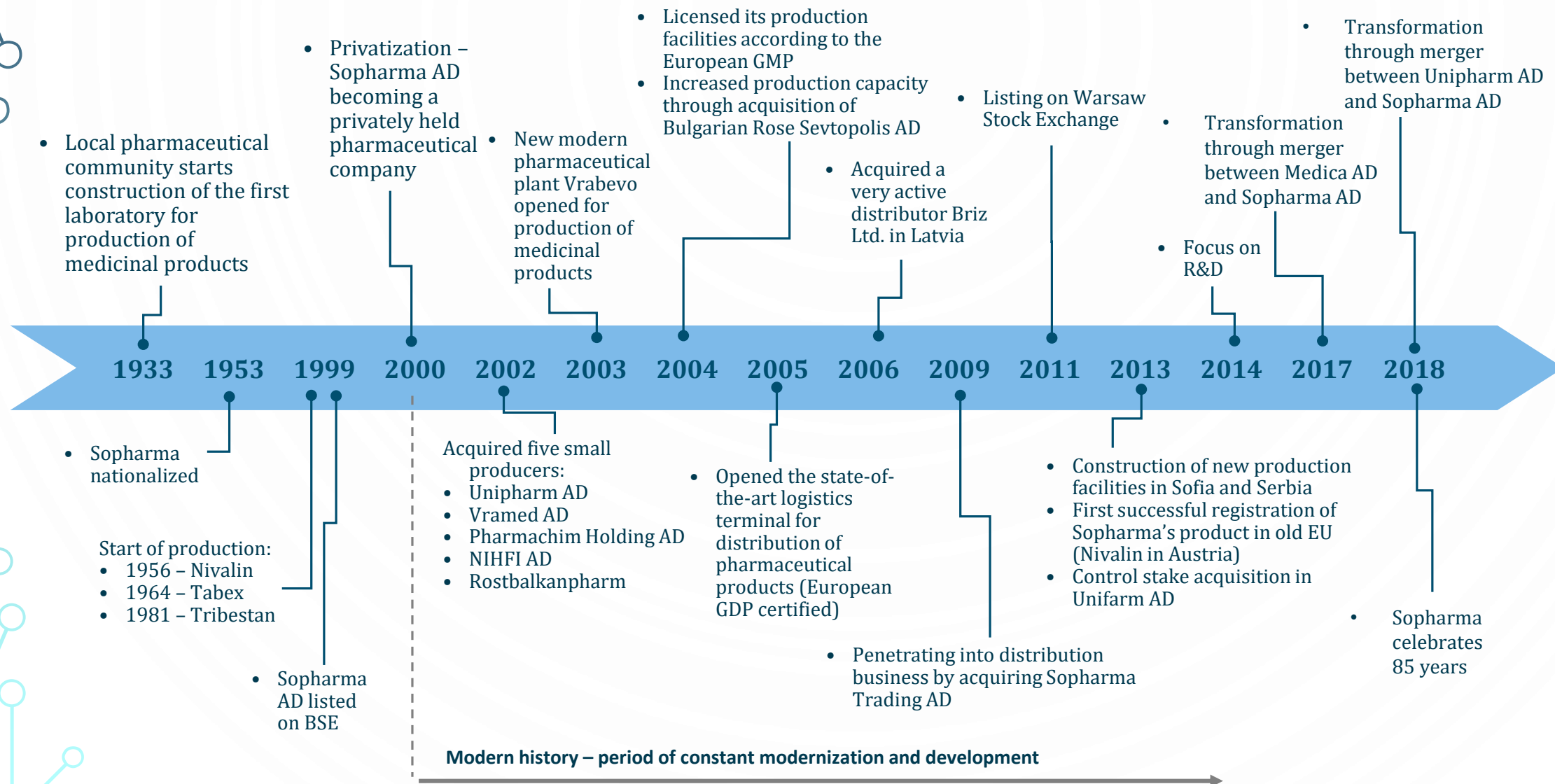
The Company works in the following areas:

- Production of active substances;
- Pharmaceutical production;
- Single trade and distribution;
- Non-pharmaceutical activities.





Brief history and key milestones:



Sopharma AD



Established in 1933



**№1 manufacturer of
ampules and
suppositories**



**More than 200
products**



**Company with established
traditions and experience**



**10
manufacturing plants**



2 275 employees



**Revenues
BGN 230 691
thousand**



**EBITDA
BGN 64 301
thousand**



**134 797 899
shares**

Personnel



2 275

workers and
employees.

- The training programs offered to employees of the Company aim to develop employee competencies.
- 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.

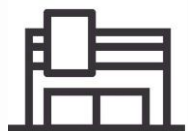
Number of employees as at 31 December 2019	31.12.2019	Rel. Share %
	2 246	100%
Higher education	952	42%
College education	47	2%
Secondary education	1212	54%
Primary education	35	2%
Employees under 30 years	219	10%
Employees 31 - 40 years	416	18%
Employees 41 - 50 years	651	29%
Employees 51 - 60 years	755	34%
Employees over 60 years	205	9%
Women	1408	63%
Men	838	37%



Preliminary individual financial results for 2019

Production activity

Production activity and major products – Sopharma AD



10 manufacturing plants in line.



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



Tabex, Carsil and Tempagine make a major contribution to its export market income



Domestic sales are of major importance to the company's generic products is **Analgin**.

Product	Description
Carsil	Traditional product used for the treatment of gastrointestinal diseases (liver diseases).
Tempalgin	Traditional analgesic drug used as a painkiller
Tabex	Traditional product and is used for the treatment of nicotine dependence
Tribestan	Traditional plant-based product that stimulates the functions of the sexual system
Broncholitin	Traditional product used for treatment of diseases affecting respiratory system and causing coughing and catarrhal changes
Analgin	Generic painkiller
Nivalin	Traditional plant-based product used for 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
Valerian	Generic non-prescriptional herbal medicine used to reduce stress

Sopharma AD as a contract manufacturer



Team work



MANUFACTURING

Experience



QUALITY

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).



Preliminary individual financial results for 2019

Our business

Key financial indicators



Sales from revenues **increase with 8.6%**



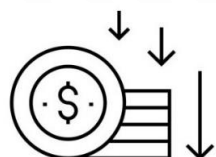
EBITDA **increase with 42.2%**



Operating profit **increase with 65.2%**



Net profit **increase with 20.7%**



Capex **decrease with 18.9%**

Indicators	1-12/2019 BGN '000	1-12/2018* BGN '000
Sales revenues	230 691	212 418
EBITDA	64 301	45 212
Operating profit	45 919	27 798
Net profit	40 190	33 298
CAPEX**	11 691	14 423
	31.12.2019	31.12.2018
Non-current assets	477 921	410 609
Current assets	201 692	197 617
Owners' equity	522 302	489 219
Non-current liabilities	21 844	25 606
Current liabilities	135 467	93 401
Ratios	1-12/2019	1-12/2018*
EBITDA / Sales revenues	27,9%	21,3%
Operating profit/ Sales revenues	19,9%	13,1%
Net profit/ Sales revenues	17,4%	15,7%
	31.12.2019	30.09.2019
Borrowed capital/Owners' equity	0,30	0,33
Net debt**/ EBITDA	1,7x	2,7x
Net bank debt***/ EBITDA	1,7x	2,6x



Preliminary individual financial results for 2019

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

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

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 Tchaushev

Independent Member

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 December 31, 2019

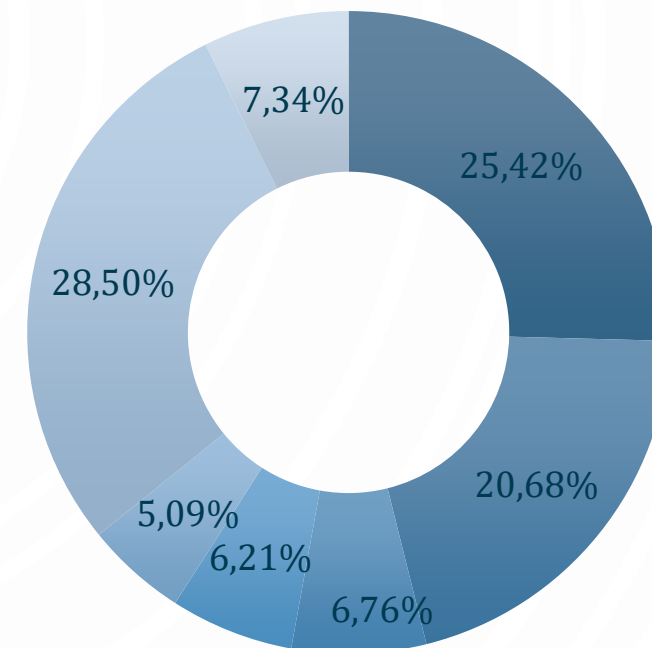


134 797 899 shares with nominal BGN 1



Shareholder participation of the members of the Board of Directors:

- Ognian Donev – **1 653 000** shares, **1.23%** of capital and indirectly **34 267 577** shares 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 Allianz Bulgaria
- Other companies
- Physical persons

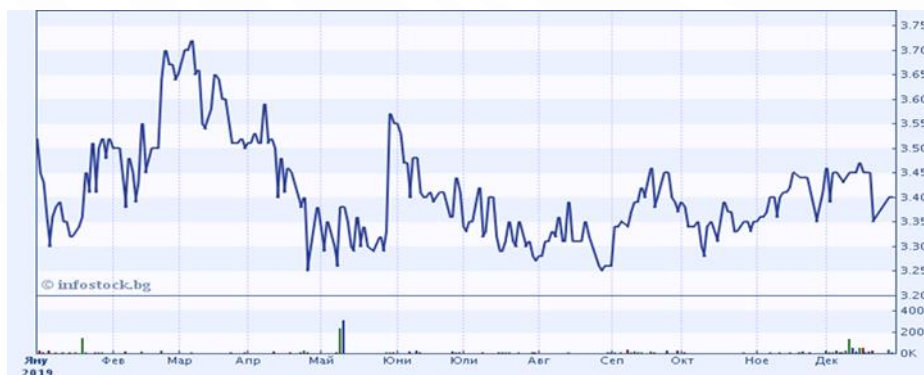
Information about the shares



134 797 899 shares with nominal BGN 1 per share.



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



	31.12.2019	30.09.2019
Total number of issued shares	134 797 899	134 797 899
Average-weighted number of outstanding shares for the last four quarters	125 896 515	125 923 829
Number of shares outstanding at the end of the period	125 684 432	125 916 067
Net earnings per share in BGN ¹	0,319	0,310
Price per share at the end of the period in BGN	3,406	3,383
Price/Earnings ratio (P/E)	10,68	10,91
Book value per share in BGN ²	4,156	4,149
Price/Book value ratio (P/B)	0,82	0,82
Sales per share in BGN ³	1,835	1,714
Price per share / Sales per share(P/S)	1,86	1,97
Market capitalization in BGN	459 121 644	456 021 292

Dividend policy

Dividend per share in BGN

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sopharma AD	0.085	0.07	0.07	0.07	none	0.07	0.10	0.11	0.05	0.05

Dividend payout ratio

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sopharma AD	28%	23%	23%	27%	няма	37%	36%	30%	28%	16%

Sopharma AD is among the first companies to pay a dividend for the first 6 months of 2018.



Preliminary individual financial results for 2019

Key markets

Republic of Bulgaria: Demography and key economic indicators

GDP (BGN million)



2015 2016 2017 2018 2019

GDP per capita
BGN 15,344 (€ 7,829)

GDP growth 2018 and 2017
3.1% growth

Currency

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

Health budget 2019:
BGN 5 billion

For the period 2008-2018, the revenue share
in healthcare has increased by 53%.

In 2018 for medicines were paid:
BGN 2,5 billion

Growth in the pharmacy market 2018 and 2017:
4.8%

Pharmaceutical industry:
99% PRIVATE



Area
111.000 km²

Population
7.102 million

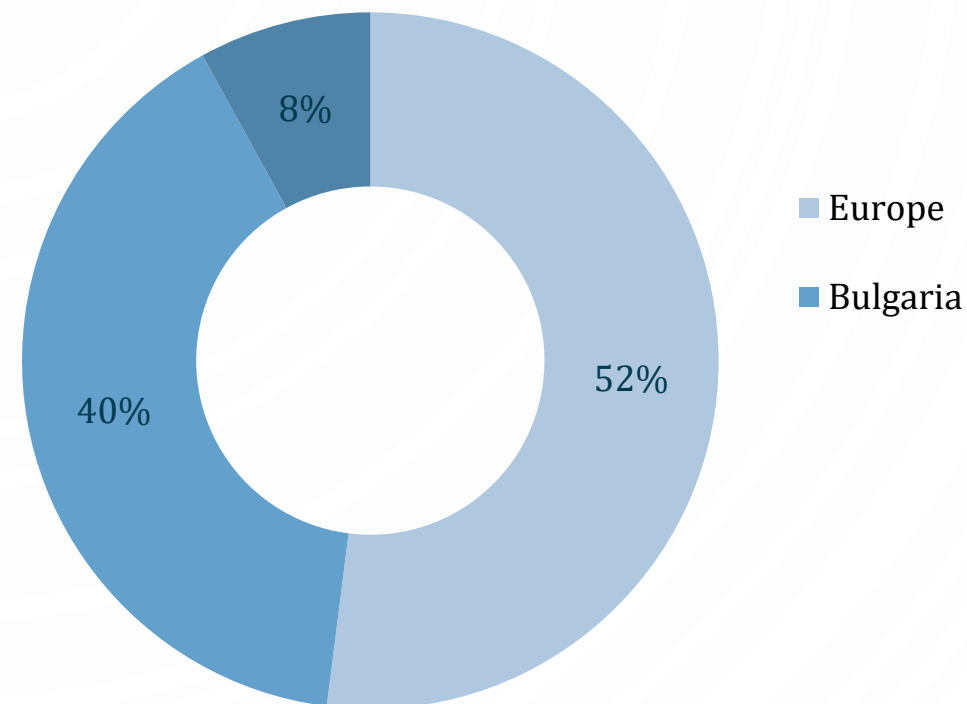
Member of EU
since 2007

Source: NSI 2017

Sales revenues from products



- **Sales revenues from products** - increase by BGN 18,1 million or 9%, to BGN 228,9 million for 2019.
- **Europe** - increase by 21% compared to 2018 due to the increase of sales in Ukraine with 5% and Russia with 32%. Sales to Balkan countries, Poland, The Czech Republic, Moldova and others have increased.
- **Bulgaria** - the sales on the domestic market retain their value to BGN 92 million. Sopharma AD has a 3% share of the total Bulgarian pharmaceutical market in value and 10% of sales in volume.





Preliminary individual financial results for 2019

Key financial indicators of Sopharma AD

Key financial indicators



Sales from revenues **increase with 8.6%**



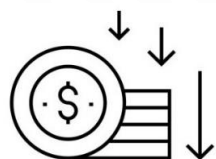
EBITDA **increase with 42.2%**



Operating profit **increase with 65.2%**



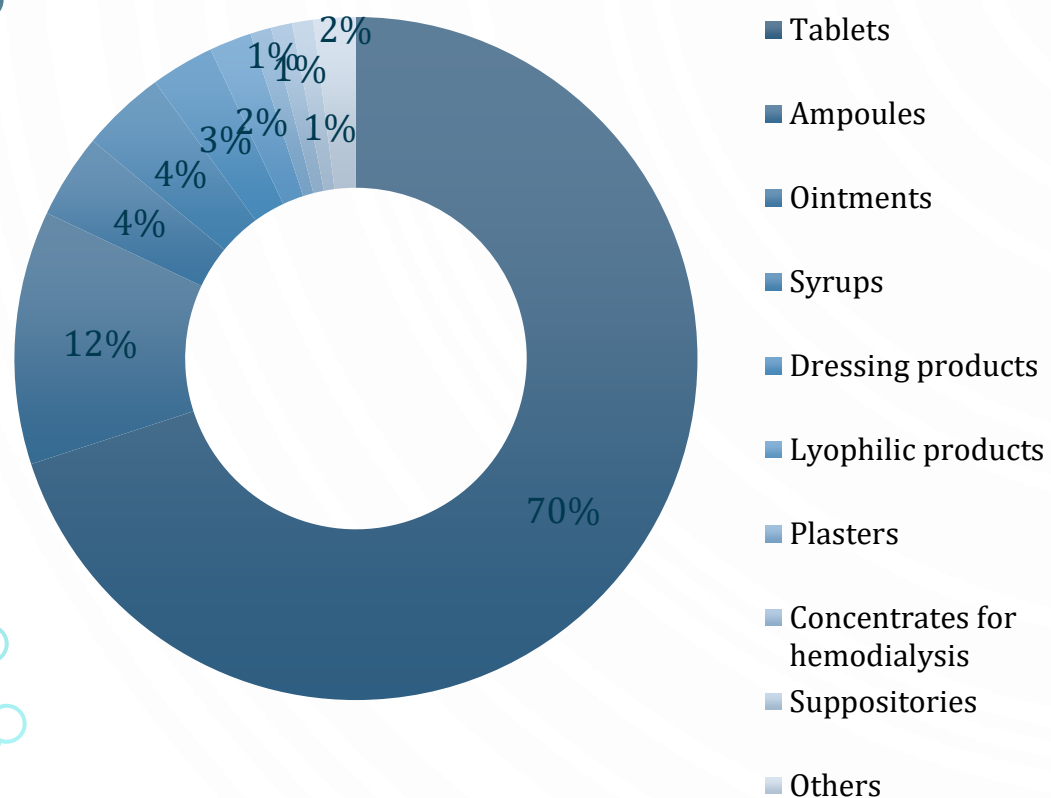
Net profit **increase with 20.7%**



Capex **decrease with 18.9%**

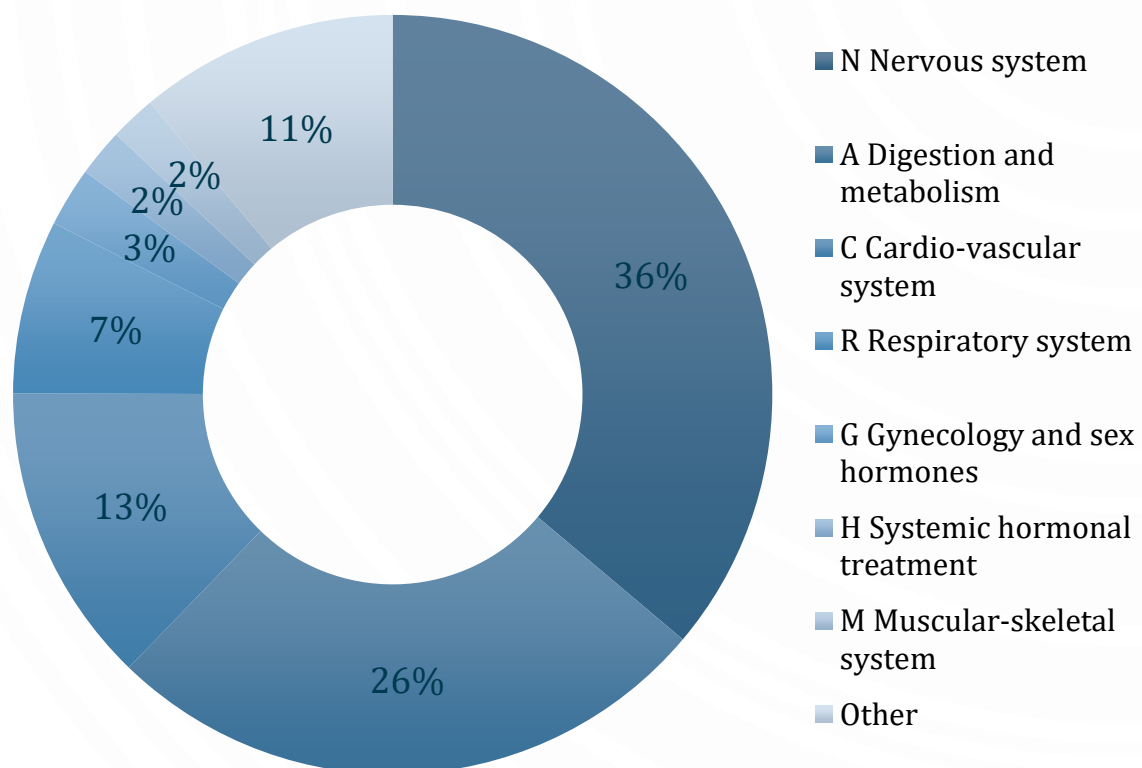
Indicators	1-12/2019 BGN '000	1-12/2018* BGN '000
Sales revenues	230 691	212 418
EBITDA	64 301	45 212
Operating profit	45 919	27 798
Net profit	40 190	33 298
CAPEX**	11 691	14 423
	31.12.2019	31.12.2018
Non-current assets	477 921	410 609
Current assets	201 692	197 617
Owners' equity	522 302	489 219
Non-current liabilities	21 844	25 606
Current liabilities	135 467	93 401
Ratios	1-12/2019	1-12/2018*
EBITDA / Sales revenues	27,9%	21,3%
Operating profit/ Sales revenues	19,9%	13,1%
Net profit/ Sales revenues	17,4%	15,7%
	31.12.2019	30.09.2019
Borrowed capital/Owners' equity	0,30	0,33
Net debt**/ EBITDA	1,7x	2,7x
Net bank debt***/ EBITDA	1,7x	2,6x

Sales by type of formulation



Revenues by type of formulation	2019 BGN '000	2018 BGN '000	Change %
Tablets	159 485	139 187	15%
Ampoules	28 670	32 995	-13%
Ointments	9 770	7 896	24%
Syrups	9 617	7 595	27%
Dressing products	6 608	6 339	4%
Lyophilic products	4 673	6 281	-26%
Plasters	3 180	3 074	3%
Concentrates for hemodialysis	1 571	1 945	-19%
Suppositories	1 226	1 128	9%
Others	4 114	4 344	-5%
Total	228 914	210 784	9%

Sales by therapeutic group



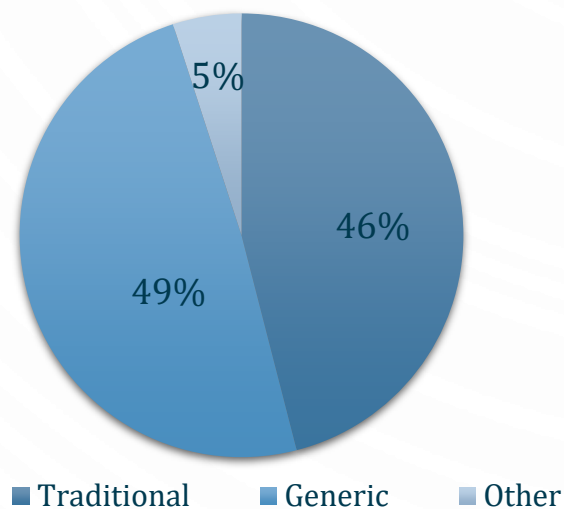
Revenues by therapeutic group	2019 BGN '000	2018 BGN '000	Change %
N Nervous system	82 599	74 023	12%
A Digestion and metabolism	59 562	50 521	18%
C Cardio-vascular system	29 289	30 919	-5%
R Respiratory system	16 909	14 574	16%
G Gynecology and sex hormones	5 766	5 834	-1%
H Systemic hormonal treatment	4 652	3 703	26%
M Muscular-skeletal system	4 487	5 977	-25%
Other	25 650	25 233	2%
Total	228 914	210 784	9%

Sales by group products

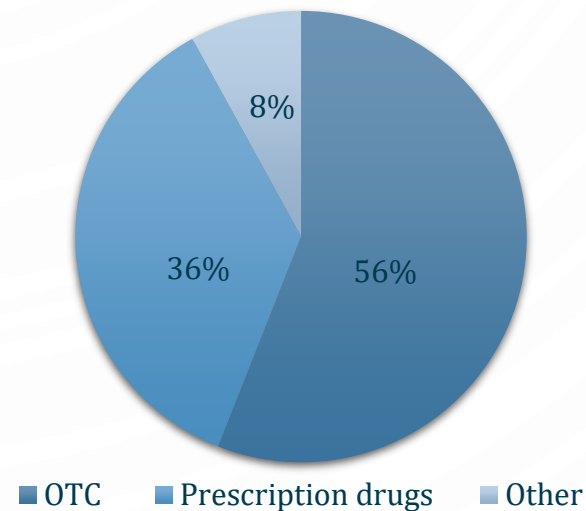


- The medicine products include mainly generics and 15 traditional products, 12 of the products are plant-based.
- The Company's traditional products in particular Tabex, Carsil and Templigne make a major contribution to its export market income, while domestic sales are of major importance to the company's generic products.
- The sales of Sopharma AD on the domestic market increase by 8% to BGN 58 million. The products with largest share of sales in the country are Analgin, Methylprednisolone, Vicetin, Vitamin C, Ranitidine and medical supplies - gauzes, compresses, bandages and plasters.

% of sales revenues



% of sales revenues



Other operating revenues

- Other operating income decreases by BGN 0,8 million in 2019 compared to 2018 mainly in the part of derecognized liabilities, but increases in the part of revenues from services rendered and profit from the sale of goods.



Other operating revenues	2019	2018	Change %	Rel. share
	<i>BGN '000</i>	<i>BGN '000</i>		
Income from services rendered	2 792	2 612	7%	68%
Derecognised liabilities	747	1 398	-47%	18%
Income from government grants under European projects	540	588	-8%	13%
Income from sale of goods	195	114	71%	5%
Income from sale of materials	61	72	-15%	1%
Income from sale of LTA	115	148	-22%	3%
Net loss on exchange differences under trade receivables and payables and current accounts	(311)	(226)	38%	-8%
Other (see Notes to the FS)	(21)	204	-110%	-1%
Total other operating revenues	4 118	4 910	-16%	100%

Expenses for:



- **operating decrease** by BGN 0,6 million to BGN 188,9 million in 2019;
- **materials decrease** by BGN 0,3 million or 0.4% to BGN 75,5 million in 2019;
- **services expenses account decrease** by BGN 3,8 million or 10% to BGN 34,9 million in 2019;
- **personnel decrease** by BGN 1 million or by 2% to BGN 49,1 million in 2019;
- **other operating expenses decrease** by BGN 4,7 million in 2019 compared to 2018 mainly in the part of accrued impairments of finished goods and work in progress, accrued / (reversed) impairment on receivables credit losses incl. from affiliated enterprises, net and representative events.
- **amortization increase** of BGN 1 million or by 6% to BGN 18,4 million in 2019.
- **changes in inventories** of finished goods and work in progress have an impact on the increase in operating expenses by BGN 8,2 million.

Operating expenses	2019 BGN '000	2018 BGN '000	Change %	Rel. share
Changes in the finished goods and work-in-progress inventory	6 192	(2 016)	407%	3%
Materials	75 476	75 752	0%	40%
External services	34 860	38 654	-10%	18%
Personnel	49 158	50 147	-2%	26%
Amortization	18 382	17 414	6%	10%
Other operating expenses	4 822	9 579	-50%	3%
Total	188 890	189 530	-0.3%	100%

Financial income:

Financial revenue:

- increase by BGN 6,5 million to BGN 17 million in 2019 compared to BGN 10,5 million in 2018, mainly in the part of net profit from securities investment operations equity income and interest earnings on loans granted.
- Increased:
 - income from shareholding with 21%;
 - income from interested on loans granted with 115%.

Financial income	2019 BGN '000	2018 BGN '000	Change %	Rel. share
Income from shareholding	10 653	8 789	21%	63%
Income from interest on loans granted	3 387	1 579	115%	20%
Net gain on transactions with investments in securities and shares	2 925	-	-	17%
<i>Incl. profits from the sale of investments in subsidiaries</i>	242	-	-	1%
Net gain on exchange differences on sale of a subsidiary	47	152	-69%	0%
Total	17 012	10 520	62%	101%

Financial expenses:

Financial expenses:

- increase by BGN 1,2 million to BGN 2,9 million in 2019;
- increase in interest and bank charges on loans and guarantees, mainly in the part of net profit from securities investment operations equity income and interest earnings on loans granted;

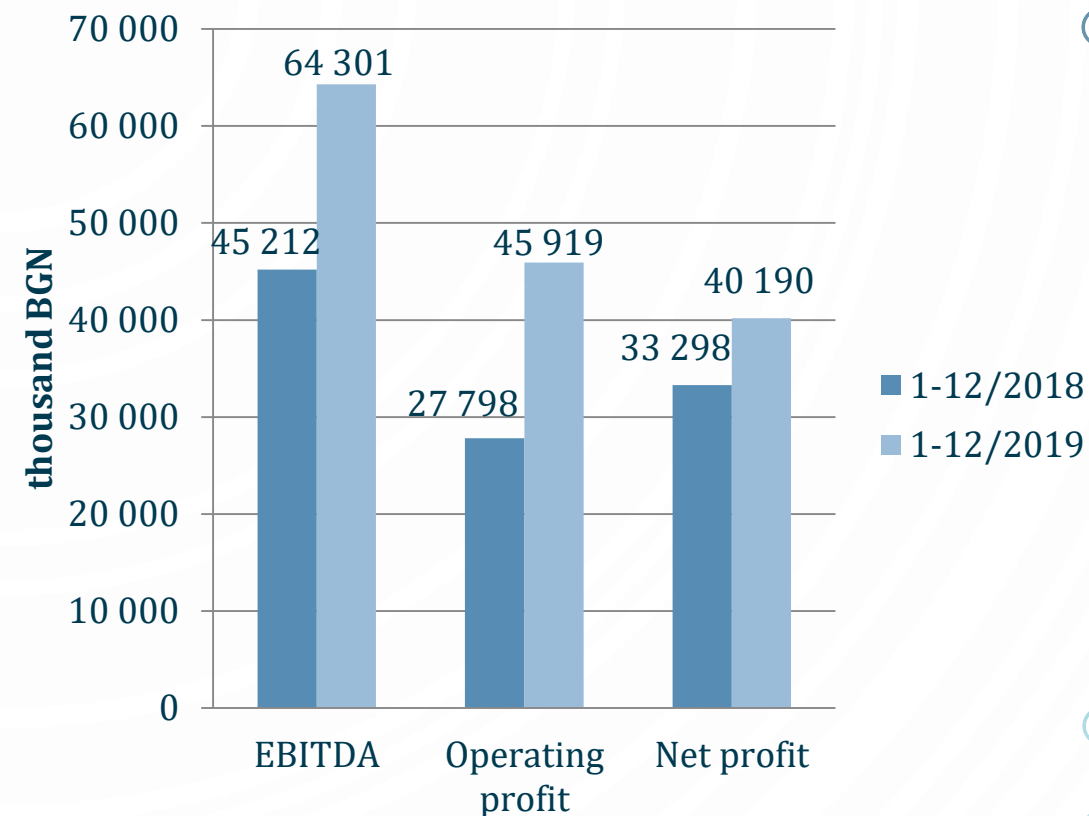
Net financial revenues (costs) **increase** by BGN 5,3 million compared to 2018.

Financial expenses	2019 BGN '000	2018 BGN '000	Change %	Rel. share
Interest expense on loans received	1 697	1 255	35%	73%
Bank fees and charges on loans and guarantees	286	222	29%	13%
Financial guarantee provision	231	30		2%
Interest expense on operating lease	58	1		0%
Impairment of credit losses on receivables from commercial loans granted	1 460	166		
Impairment recovered of credit losses on receivables from commercial loans granted	(835)	(12)		
Net change in impairment of loans	625	154	306%	9%
Effects from derivatives		47	-100%	3%
Interest expense on finance leases	8	-	-	0%
Total	2 905	1 709	70%	100%

Financial result of the activity



- Profit before interest, taxes and depreciation (**EBITDA**) increase in 2019 by BGN 19,1 million or by 42.2% to BGN 64,3 million compared to BGN 45,2 million in 2018.
- **Operating profit** increase by BGN 18,1 million or 65.2% to BGN 45,9 million in 2019 compared to BGN 27,8 million in 2018.
- **Net profit** increase by BGN 6,9 million or by 20.7%, to BGN 40,2 million in 2019 compared to BGN 33,3 million in 2018.



Assets

- **Total assets** increase to BGN 679,6 million.
- **Non-current assets** increase by BGN 67,3 million.
- **Intangible assets decrease** by BGN 3,4 million
- **Current assets** increase to BGN 201,7 million.
- **Inventories decrease** by BGN 7,2 million.
- **Receivables from related parties** increase by BGN 5,9 million.
- **Commercial loans to third parties** increased by BGN 2,4 million.
- **Cash and cash equivalents** decrease by BGN 5 million.

Non-current assets	31.12.2019 BGN '000	31.12.2018 BGN '000	Change %	Rel. share
Property, plant and equipment	225 919	226 956	0%	47%
Intangible assets	8 485	11 881	-29%	2%
Investment property	39 325	37 451	5%	8%
Investments in subsidiaries	87 146	89 945	-3%	18%
Investments in associated companies	6 062	7 962	-24%	1%
Other long - term equity investments	9 644	7 599	27%	2%
Long-term receivables from related parties	91 767	23 055	298%	19%
Other long-term receivables	9 573	5 760	66%	2%
	477 921	410 609	16.4%	70%
Current assets				
Inventories	61 336	68 499	-10%	30%
Receivables from related parties	97 447	91 509	6%	48%
Commercial receivables	27 185	19 431	40%	13%
Loans granted to third parties	5 665	3 270	73%	3%
Other receivables and prepaid expenses	6 100	5 937	3%	3%
Cash and cash equivalents	3 959	8 971	-56%	2%
	201 692	197 617	2%	30%
TOTAL ASSETS	679 613	608 226	12%	100%

Owner's equity and liabilities – non-current liabilities



- **Owners equity of Sopharma AD** increases by BGN 33,1 million, mainly as a result of the increase in reserves with BGN 25,1 million.

- **Non-current liabilities** decrease by BGN 3,8 million or by 14% to BGN 21,8 million at end of 2019 compared to BGN 25,6 million as at 31 December 2018 mainly in the part of long-term bank loans by BGN 7,2 million.

OWNERS' EQUITY	31.12.2019	31.12.2018	Change %	Rel. share
	BGN '000	BGN '000		
Share capital	134 798	134 798	0%	26%
Treasury shares	(34 142)	(33 337)	2%	-7%
Reserves	382 397	357 310	7%	73%
Retained earnings	39 249	30 448	29%	8%
TOTAL OWNERS' EQUITY	522 302	489 219	7%	100%
LIABILITIES				
Non-current liabilities				
Long-term bank loans	2 397	9 556	-75%	2%
Liabilities on deferred taxes	5 972	6 235	-4%	4%
Government grants	4 858	5 397	-10%	3%
Operating leasing liabilities to related parties	1 610			1%
Operating leasing liabilities to third parties	2 369			2%
Long-term liabilities to personnel	4 638	4 418	5%	3%
	21 844	25 606	-15%	14%

Current liabilities

- **Increase:**

- short-term bank loans increased by BGN 34,7 million;
- liabilities to related parties by BGN 6 million;
- other current liabilities by BGN 3,8 million;
- liabilities to personnel and for social security by BGN 0,5 million;
- commercial debt obligations decrease by BGN 3,1 million;
- Total bank loans exposure of the Company as at 31 December 2019 increases with BGN 27,6 million compared to 31 December 2018.

Current liabilities	31.12.2019 BGN '000	31.12.2018 BGN '000	Change %	Rel. share
Short-term bank loans	100 377	65 652	53%	64%
Short-term part of long-term bank loans	7 181	7 168	0%	5%
Commercial liabilities	5 814	8 922	-35%	4%
Liabilities to related parties	6 618	633	945%	4%
Liabilities for taxes	2 381	1 884	26%	2%
Liabilities to the personnel and for social insurance	7 249	7 119	2%	5%
Other current liabilities	5 847	2 023	189%	4%
	135 467	93 401	45%	86%
TOTAL LIABILITIES	157 311	119 007	32%	100%
TOTAL OWNERS' EQUITY AND LIABILITIES	679 613	608 226	12%	

Cash flow and ratios

- Net cash flows in 2019 generated:
 - by operating activities – BGN 47,8 million inflow;
 - from investment activity – BGN 77,5 million outflow;
 - from financial activity - BGN 24,6 million outflow.
- As a result of these activities, cash and cash equivalents decreased net by BGN 5 million and by 31 December 2019 amounted to BGN 4 million compared to BGN 9 million as at 1 January 2019.

	31.12.2019	30.09.2019
ROE ¹	7,9%	7,8%
ROA ²	6,0%	6,0%
Asset turnover ³	0,35	0,33
Current liquidity ⁴	1,49	1,41
Quick liquidity ⁵	1,04	0,94
Monetary liquidity ⁶	0,03	0,01
Financial autonomy ⁷	3,32	3,00
	1-12/2019	1-12/2018
	BGN '000	BGN '000
Net cash flow from/ (used in) operations	47 810	32 317
Net cash flow used in investment activities	(77 454)	(13 032)
Net cash flow (used in)/from financial operations	24 632	(16 078)
Net increase/(decrease) of cash and cash equivalents	(5 012)	3 207
Cash and cash equivalents on 1 January	8 971	5 764
Cash and cash equivalents on 31 December	3 959	8 971

1 Net profit per annum / average equity for the last five quarters

2 Net profit on an annual basis / average value of total assets for the last five quarters

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

4 Current assets / current liabilities

5 Receivables + Cash / Current liabilities

6 Cash / Current liabilities

7 Equity / Liabilities

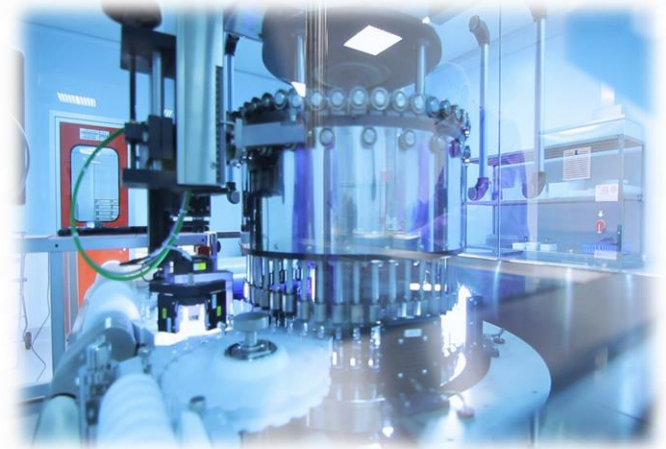


Preliminary individual financial results for 2019

New products, significant events and risks

New developments and products

- Authorization to use the medicinal product Norepinephrine 1 mg/ml concentrate for solution/infusion (Bulgaria, Latvia, Lithuania and Estonia);
- By the end of 2020, it is expected that 3 to 5 new products will be introduced.;
- During the reporting period four food supplement for Bulgaria, Azerbaijan and Lithuania was notified.
- Received 67 Authorizations for the use of medicinal products for new destinations;
- 14 cosmetic products were notified in Georgia (two), Moldova (two), Poland (two), Kazakhstan (two) Ukraine (two), Armenia (two) and Kyrgyzstan (two);
- 16 medical devices are registered in Bulgaria;
- Agency submissions for re-registrations/changes to 81 medicinal products;
- Agreements approved by the agencies 1 219 for medicinal products;
- Submissions to agencies 1 370 changes for medicinal products;
- There is a pharmaceutical development of 17 new medicinal products;
- Translated and validated / optimized are 64 production processes and technologies.



Significant events for the 2019



- As at 30.01.2019 the share participation of ZLPF Allianz Bulgaria in the capital of Sopharma AD reached 5.09%.
- On 31.01.2019 the Company received a valid production / import license for medicinal products № BG / MIA 0081 from the Bulgarian Drug Agency, in which the unincorporated subsidiary Unipharm AD was sold.
- On 15.02.2019, was made a deal for disposal by Sopharma AD of 253,000 shares of the capital of Momina Krepost AD, with which the share of Sopharma AD in the capital of Momina Krepost AD drops from 93. 56% to 78.60%.
- As at 29.03.2019, after the sale of 126,626 shares of the capital of Momina Krepost AD, the share of Sopharma AD in the capital of Momina Krepost AD went below 75%
- from 78.60% to 71.11%.
- On June 7, 2019 the General Meeting of Shareholders of Sopharma AD was held.
- As at 12.09.2019, after the sale of 94 636 shares of the capital of Momina Krepost AD, the share of Sopharma AD in the capital of Momina Krepost AD passes the threshold of 70% to 65.07% (1 100 398 shares).



- On 07.11.2019 Sopharma AD presented an invitation for convening an Extraordinary General Meeting of Shareholders and the materials for a General Meeting of Shareholders, which will be held on 13.12.2019.
- On 12.11.2019 with the participation of His Excellency Evgueni Stoytchev, the Ambassador of the Republic of Bulgaria in Moldova, Sopharma AD celebrated the opening of a new warehouse and administrative building in Kishinev with a total area of 5000 sq. m.
- As at 12.12.2019 after the sale of 32 500 shares of the capital of Momina Krepost AD, the share of Sopharma AD in the capital of Momina Krepost AD passes the threshold from 65% to 63.12% (1 067 398 shares).
- December 13, 2019 - Sopharma notifies all shareholders of the Company about the decision of the EGM of Sopharma AD that took place on December 13, 2019 regarding the amount and type of dividend distributed and the terms and conditions for its distribution.
- On 22.01.2020 Sopharma AD started initiate gross dividend payment of the voted on the EGM held on December 13, 2019 dividend of 0.05 BGN per share on January 22, 2020.



Review the main risks:

1. Significant competition.
2. The Company is dependent on regulatory approvals.
3. 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 Group'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!



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