

sopharma

**MANAGEMENT REPORT FOR
Q1 2024**

SOPHARMA GROUP

30 May 2024

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I. General information about the Group

1. Main activities

Sopharma Group (the Group) is a leading Bulgarian producer, exporter and local distributor of pharmaceutical products with a strong presence in Eastern and South-eastern Europe, offering a wide range of prescription medicines and OTC products, food supplements, cosmetics and medical devices.

The Group operates in the following areas:

- production of pharmaceutical products, including medicines, mainly generics, herbal-based substances and food supplements, which is mainly done by “Sopharma” AD (the Company);
- production of medicinal products and medicinal cosmetics, as plasters, bandages and sanitary-hygiene products concentrated on the production site in Sandanski city;
- distribution of pharmaceuticals, medical supplies, sanitary materials, vitamins, food supplements, cosmetics and others, which is mainly performed by “Sopharma Trading” in Bulgaria and Serbia.

2. Registration and activity of the Company

“Sopharma” AD is a company registered in Bulgaria under the Provisions of the Commercial Law, with its registered office in Sofia, 16 Iliensko shose str.

“Sopharma” was established in 1933. The court registration of the Group is from 15 November 1991, decision №1/1991 of Sofia City Court. “Sopharma” AD is a public company under the Law on Public Offering of Securities.

The Group conducts the production and marketing of medicinal substances and dosage forms; research, engineering and implementation activities in the field of phytochemistry, chemistry and pharmacy, production of medical devices and cosmetic products, incl. - plasters, dressings, sanitary - hygiene products, herbal cosmetics, concentrates for hemodialysis. “Sopharma” AD provides services related to production, as well as to ancillary and supporting activities.

3. Controlled companies

Sopharma Group consists of “Sopharma” AD and the following subsidiaries, directly or indirectly controlled by the Company. Additionally, the Group has investments in four associated companies (“Doverie - obedinen holding” AD - 23.46% stake, “Sopharma Imoti” REIT - 45.65% stake, “Sopharma Buildings” REIT - 31.68% stake, “Pharmanova” DOO Serbia - 25% stake) and in one joint venture (“Momina krepost” AD - 37.46% stake).

Company	Interest as at 31.03.2024 in %
"Sopharma Trading" AD	87.68
"Pharmalogistica" AD	89.39
"Elektroncommerce" EOOD	100.00
"Phyto Palauzovo" AD	95.00
"Veta Pharma" AD	99.98
Sopharmacy EOOD**	87.68
Sopharmacy 2 EOOD**	87.68
Sopharmacy 3 EOOD**	87.68
Sopharmacy 4 EOOD**	87.68
Sopharmacy 5 EOOD**	87.68
Sopharmacy 6 EOOD**	87.68
Sopharmacy 7 EOOD**	87.68
Sopharmacy 8 EOOD**	87.68
Sopharmacy 9 EOOD**	87.68
Sopharmacy 10 EOOD**	87.68
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Sopharmacy 60 EOOD**	87.68
Sopharmacy 61 EOOD**	87.68
Sopharmacy 62 EOOD**	87.68
Sopharmacy 63 EAD**	87.68
Sopharmacy 64 AD**	87.68
Sopharmacy 65 AD**	87.68
Sopharmacy 66 AD**	87.68
Sopharmacy 67 AD**	87.68
Sopharmacy 68 AD**	87.68
PAO "Vitamini"	100.00
"Sopharma" Warsaw Sp. z. o. o	100.00
"Sopharma" Poland Sp. z. o. o - in liquidation	60.00
OOO "Sopharma" Ukraine	100.00
TOO "Sopharma" Kazakhstan	100.00
"Sopharma Trading" D.o.o. **	87.68
"Pharmachim" EOOD	100.00
Sopharma Rus OOO	100.00

*effective interest in percentage

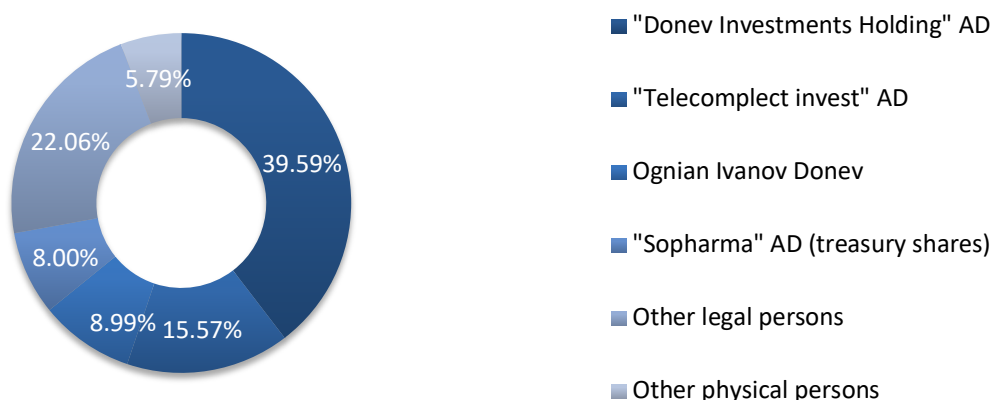
**indirect interest

4. Board of directors

"Sopharma" AD has a one tier management system with a Board of Directors of five members as follows: Ognian Donev, PhD – Chairman, Vessela Stoeva – Deputy Chairman and members – Alexander Tchaoushev, Bissera Lazarova and Ivan Badinski. The company has two

procurators - Simeon Donev and Ivan Badinski. The company is represented and managed by the Executive Director Ognian Donev, PhD.

5. Shareholder structure as at 31 March 2024



6. Information about the shares and other securities issued by the Company

The total number of shares issued as at 31 March 2024 by "Sopharma" AD is 179 100 063 with a nominal value of BGN 1 per share. All issued shares are registered, dematerialized, ordinary and indivisible, according to the Articles of Association of the Company. All issued shares are of one class. Each share gives equal rights to its holder in proportion to the nominal value of the share.

By Decision № 804 - E of 4 November 2021 the Financial Supervision Commission entered an issue in the amount of 44,932,633 dematerialized, freely transferable and registered warrants, with an issue value of BGN 0.28, issued by "Sopharma" AD under Art. 112 b, para. 11 of the LPOS. The underlying asset of the issued warrants are future ordinary, registered, dematerialized, freely transferable shares, giving the right to one vote in the General Meeting of Shareholders, which will be issued by the company on condition only in favor of the owners of warrants. Each subscribed warrant entitles its holder to subscribe for one share of a future issue. Holders of warrants may exercise their right to subscribe for the respective number of shares from a future increase in the company's capital within 3 years at a fixed price of BGN 4,13 per share. The right to exercise arises from the date on which the issue of 44 925 943 warrants is registered with Central Depository AD – January 11, 2022. The warrants are admitted to trading on the BSE main market on the Bulgarian Stock Exchange AD as of January 25, 2022.

II. Recent developments

Key financial indicators

Indicators	1-3/2024	1-3/2023	change %
	BGN '000	BGN '000	
Revenues	509 476	467 204	9.0%
EBITDA	45 891	45 477	0.9%
Operating profit	31 969	32 078	-0.3%
Net profit	31 371	33 643	-6.8%
CAPEX*	18 425	12 017	53.3%
	31.03.2024	31.12.2023	
	BGN '000	BGN '000	
Non-current assets	725 082	727 099	-0.3%
Current assets	897 006	787 063	14.0%
Owners' equity	812 434	753 626	7.8%
Non-current liabilities	151 933	151 346	0.4%
Current liabilities	657 721	609 190	8.0%

* acquired tangible and intangible fixed asset

Indicators	1-3/2024	1-3/2023
	EBITDA/ Sales revenues	9.0%
Operating profit / Sales revenues	6.3%	6.9%
Net profit/Sales revenues	6.2%	7.2%
	31.03.2024	31.12.2023
Debt/ Equity	1,00	1,01
Net debt*/ EBITDA on annual basis	2,3x	1,4x

* net debt includes bank loans and leasing and factoring liabilities less cash, taking into account the effects of the adoption of IFRS 16 Leasing, effective from 1 January 2019.

Operating revenues

Sales revenues of the Group increased by BGN 42,3 million or 9%, reaching BGN 509,5 million in the first quarter of 2024 compared to BGN 467,2 million in the first quarter of 2023. Sales of goods increased by BGN ,7 million or 12,3%, reaching BGN 435 million in the first quarter of 2024 compared to BGN 387,3 million in the first quarter of 2023. Sales of finished products decreased by BGN 5,5 million or 6.8%, to BGN 75,5 million in the first quarter of 2024 compared to BGN 79,9 million in the first quarter of 2023.

On a consolidated basis, the growth in sales of finished products in Bulgaria for the first quarter of 2024 is 7.7% compared to the previous period. According to IQVIA data, at the end of the first quarter of 2024, the company occupies 1,99% (fifteenth position) of the Bulgarian

pharmaceutical market in value and 6,78% (second position) in volume. The positions of main competitors of the company on the territory of the country are as follows: Roche - 5,21% (0,30% in volume), Merck Sharp & Dohme - 4,97% (0,12% in volume), AstraZeneca - 4,64% (0,49% in volume), Novartis - 3,84% (1,13% in volume), Swixx Biopharma - 3,80% (1,17% in volume), Pfizer - 3,67% (0,67% in volume), Abbvie - 3,58% (0,08% in volume), Teva - 3,13% (8,15% in volume), Stada – 2,85% (4,39% in volume), Johnson & Johnson – 2,80% (0,82% in volume). The products with the largest share of sales in the country are Analgin, Vicetin, Famotidine, Vitamin C, Paracetamol, Methylprednisolone.

On a consolidated basis for the first quarter of 2024, growth in sales revenues was registered in Georgia by 24%, in Azerbaijan by 69.7%, in Uzbekistan by 6.1%, in Vietnam by 111.9%, in Moldova by 72.8% and in Poland by 59%.

A decrease in sales revenue was registered in Russia by 16.1%, in Ukraine by 15.6%, in Belarus by 19% and in Kazakhstan 2.8%.

Other operating income increased by BGN 1,9 million to BGN 4,6 million in the first quarter of 2024 compared to BGN 2,7 million in the first quarter of 2023 as a result of sales of fixed assets and an increase in income from services rendered.

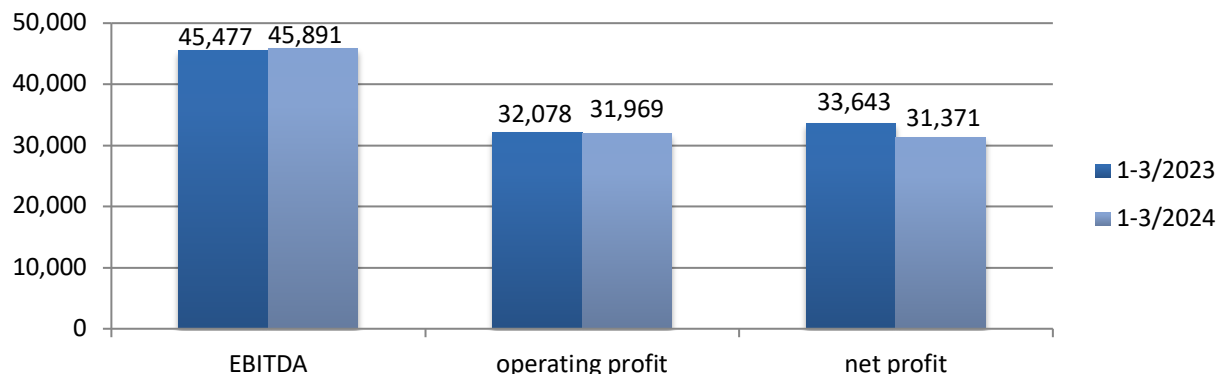
Operating revenues

For the current period, the costs of materials increased by BGN 4,3 million to BGN 28 million, като най- with the most significant change being recorded in the costs of basic materials, which increased by BGN 5 million, and costs for electricity and heat, decreasing by BGN 10,5 million and BGN 0,9 million. Costs for external services increased by BGN 3,7 million to 23,3 million, as the most significant change there are expenses for advertising, which increased by BGN 3,3 million. Personnel expenses increased by BGN 3 million to BGN 47,1 million as a result of updating the current remuneration of the average number of employees in the Group. Other expenses for the activity increased by BGN 0,7 million.

Financial income and expenses

Financial income and expenses in the first quarter of 2024 registered a net loss of BGN 2,7 million, which is an increase of BGN 0,8 million compared to the same period the previous year. Financial income increased by BGN 0,2 million. Financial expenses increased by a total of BGN 1,1 million, and interest expenses on received loans and leases for the current period increased by BGN 1,1 million.

Financial result



Earnings before interest, taxes and depreciation EBITDA) increased by BGN 0,4 million or with 0.9%, while in the first quarter of 2024 it amounted to BGN 45,9 million compared to BGN 45,5 million in the first quarter of 2023. The realized profit from the increase in sales compared to the previous period was offset by the increased costs for realization and management in both main segments.

Profit from operating activities decreased by BGN 0,1 million or by 0.3%, to BGN 32 million in the first quarter of 2024 compared to BGN 32,1 million in the first quarter of 2023.

Net profit decreased by BGN 2,3 million or 6.8%, to BGN 31,4 million in the first quarter of 2024 compared to BGN 33,6 million in the first quarter of 2023. This decline was mainly influenced by the reduction during the current period of profits from associated companies by BGN 2,4 million.

Assets

Non-current assets, compared to the end of 2023, decreased by BGN 2 million. The most significant increase is the change in other long-term capital investments due to the newly acquired shares in Achieve Life Sciences, Inc, USA in the amount of BGN 8,7 million. Long-term receivables on affiliated enterprises decreased by BGN 20,7 million as a result of loans granted „Doverie Invest“ EAD and “Industrial Holding Doverie” AD.

Current assets at the end of the first quarter of 2024 increased by BGN 109,9 million compared to the end of the previous year. The most significant is the impact of the increase in other short-term receivables and assets in the amount of BGN 142, 9 million, representing cash provided to the Central Depository for dividend payment, while cash and equivalents decreased by BGN 101,1 million. An increase was registered in inventories by BGN 22.3 million and in trade receivables by BGN 45.7 million.

Owners' equity and liabilities

The equity of Sopharma Group at the end of the first quarter of 2024 increased by BGN 58,8 million compared to December 31, 2023 as a result of an increase in the fixed capital and reserves, retained earnings.

Liabilities at the end of the first quarter of 2024 increased by BGN 49,1 million compared to the end of 2023 as a result of the increase in bank loan obligations by BGN 31,9 million. Trade payables increased by BGN 9,1 million compared to the end of the previous year.

Cash flows

	31.03.2024	31.03.2023
	BGN '000	BGN '000
Net cash flows from operating activities, normalized*	(14 822)	12 709
Purchases of property, plant and equipment, intangible assets, net	(8 534)	(6 856)
Payments under lease contracts	(4 783)	(4 540)
Free cash flow (normalized)	(28 139)	1 313

* The net cash flows from/(used in) operating activities for the first quarter of 2024 are normalized with the amount paid for dividends to the Central Depository in the amount of BGN 141,890 million and not reflected at the end of the period in the "Cash flows from financial activity" section .

The free cash flow (normalized with the revenues from factoring and payments under leasing contracts), generated in the first quarter of 2024 amounts to BGN 28,1 million outflow compared to BGN 1,3 million inflow in the first quarter of 2023.

New developments and products

During the reporting period January - March 2024 in the Division "Development and Regulatory Compliance" the following activities were performed:

- **New medicines**

During the reporting period, a marketing authorization was obtained for four new medicinal products:

- Sophamet XR 500 mg prolonged-release tablets (Bulgaria);
- Sophamet XR 750 mg prolonged-release tablets (Bulgaria);
- Sophamet XR 1000 mg prolonged-release tablets (Bulgaria);
- Ketorolac-Sopharma 30 mg/ml solution for injection (Ukraine);

- **New registrations and re-registrations / changes**

New registrations of medicinal products

Documentation for registration of 18 medicinal products has been submitted:

- Manitol 10% solution for infusion MAH transfer from "Biopharm Engineering", Bulgaria
- Manitol 15% solution for infusion MAH transfer from "Biopharm Engineering", Bulgaria
- Ringer solution for infusion MAH transfer from "Biopharm Engineering", Bulgaria
- NaCl 0.9% solution for infusion MAH transfer from "Biopharm Engineering", Bulgaria
- Metronidazole 500mg/100ml solution for infusion MAH transfer from "Biopharm Engineering", Bulgaria
- Glucose 5% + NaCl 0.9% solution for infusion MAH transfer from "Biopharm Engineering", Bulgaria
- Glucose 5% solution for infusion MAH transfer from "Biopharm Engineering" Bulgaria
- Paracetamol Siromed 500 mg tablets, Lithuania
- Vitamin C Zentiva 100 mg/ml solution for injection/infusion Poland
- Tempaforte 500 mg/ml solution for injection – Peru
- Dexamethasone Sopharma 4 mg/ml solution for injection, Albania
- Analgin 500 mg/ml solution for injection, Albania
- Norepinephrine Sopharma 1 mg/ml concentrate for solution for infusion,
- Zondaron 2 mg/ml solution for injection/infusion, Albania

- **Licensing:**
 - Sophtica 60 mg film-coated tablets Bulgaria
 - Sophtica 90mg film-coated tablets Bulgaria
 - Telmitan Duo 80 mg/5 mg tablets Bulgaria
 - Telmitan Duo 80 mg/10 mg tablets Bulgaria
 - Medicinal products have been registered for 7 new directions:
 - Aminophylline Sveikuva 24 mg/ml solution for injection/infusion Lithuania
 - Amolytin 30 mg tablets Lithuania
 - Vitamin D3 Sopharma oral drops, solution Czech Republic
 - Carsil 22.5 mg film-coated tablets, Georgia (MRP)
 - Ambrolytin 30 mg/ 5 ml syrup, Georgia (MRP)
 - Vipalgin 500 mg/ml solution for injection – Columbia
 - Papaverine 20 mg/ml solution for injection –Iran for 1-year temporary import

Re-registrations / changes

- Renewed Marketing Authorizations for 9 medicinal products.
- Submission of documentation for the renewal of the Marketing Authorizations for 9 medicinal products.
- 196 changes for medicinal products submitted to agencies;
- 105 changes for medicinal products approved by agencies;

Food additives

- 6 food supplements have been notified – 3 for Bulgaria; 1 for Ukraine; 1 for Azerbaijan; 1 for Kazakhstan;
- 3 food additives have been added for notification - 3 for Georgia;

- **Developments**

Pharmaceutical development of 13 new medicinal products/projects is being carried out:

- Cytisine 3.0 mg TB – Project with company Achieve;
- Dexcetoprofen 25 mg tb.;
- Xylmetazoline/Dexpanthenol nasal spray;
- Paracetamol 500 mg tab.;
- Molsidomin 4 mg tab.;
- Ketorolac 10 mg tab.; Vitamin C 200 mg/mL solution for injection;
- Butamirate Citrate oral drops;
- Ibuprofen 200; 400 and 600 mg tb.;
- Ibuprofen 100 and 200 mg/5 ml oral suspension;

API :

- Valeriana extract/ Maltodextrin;
- Glaucine hydrobromide;
- Dry extract of milk thistle fruits;
- Dry extract of Granny's teeth;

- **Transfer and validation of technological processes**

3 new medicinal products were transferred:

- Cytisinicline 3 mg tb. (with L- Cysteine);
- Molsidomin 4 mg tb.;
- Sulfamethoxazole 400mg and Trimethoprim 80 mg solution for injection – 5 ml.

5 production processes/technologies have been validated/optimized.

- **Prepared documentation for quality assessment/ production**
- Documentation for quality of raw materials for production – 58;
- Production regulations – 30;
- Documentation for quality of finished forms – 78;

III. Significant events in the first quarter of 2024 until the date of the consolidated management report

- On January 15, 2024, the Board of Directors of "Sopharma" AD adopted a decision to initiate a procedure for the merger of the subsidiary company "Veta Pharma" AD, EIC: 104111084 into "Sopharma" AD under the conditions and in accordance with Chapter XVI of the Commercial Law and Art. 122 of the Law on Public Offering of Securities. At the time of starting the procedure, Sopharma AD owns 99.98% of the company's capital.

- On January 22, 2024, the Company started payment of the dividend for 6 months of 2023 in gross amount of 90 cents per share voted at the Extraordinary General Meeting of Shareholders held on November 24, 2023. The right to receive a dividend has the persons entered in the register of "Central Depository" AD as shareholders on the 14th day after the day of the General Meeting, at which the decision to distribute the dividend to the shareholders was made, namely December 08, 2023. In accordance with the Regulations of "Central Depository" AD, the dividend will be paid as follows: for shareholders with client accounts with investment intermediaries - through the relevant investment intermediary; for shareholders with personal accounts in "Central Depository" AD - through the branches of "Eurobank Bulgaria" AD /Post Bank/ in the country.

- On February 27, 2024, "Sopharma" AD notified that in implementation of the decision of the General Meeting of Warrant Holders (AGM) dated January 26, 2024 and the decision of the Board of Directors of "Sopharma" AD dated January 26, 2024 . and on the basis of Art. 195 and Art. 196 of the Commercial Law, art. 113, para. 2, item 2 of the Civil Code and Art. 25 of the Company's Articles of Association) a capital increase procedure was launched by issuing up to 7 133 264 ordinary registered non-transferable shares with a nominal value of BGN 1 each and an issue value of BGN 4.13 per share, provided that the shares from the increase are subscribed by the holders of warrants, issue ISIN BG9200001212, in accordance with the terms and conditions described in the Prospectus for public offering of warrants, confirmed by Decision of the Financial Supervisory Service No. 804-E/November 11,2021.The term for the exercise of

warrants determined by the Board of Directors in accordance with the requirements of the Law on the Public Offering of Securities and the Prospectus for the Public Offering of Warrants, confirmed by FSC Decision No. 804-E/November 04, 2021, started on February 2, 2024 year and ended on February 23, 2024. During this period, a total of 36 requests were received for the subscription of the shares from the increase by exercising warrants, submitted by 36 persons, of which 3 legal persons and 33 individuals. A total of 6 510 985 (six million five hundred and ten thousand nine hundred and eightyfive) warrants were exercised. 6 509 485 (six million five hundred and nine thousand four hundred and eightyfive) shares were registered against them - with 1 500 shares. less - because a request submitted by an individual has not been paid to the collection account of "Sopharma" AD within previously established period. The right to participate in the capital increase of "Sopharma" AD, by exercising the rights under the warrants, was granted to the persons who acquired warrants no later than 5 working days after the later date between the date of publication of the announcement under Art. 89t, para. 2 of the Law on the Public Offering of Securities (IPO) on the website of Information Agency "X3news.com", on the website of "Sopharma" AD and the investment intermediary chosen to serve the capital increase. The issue value of the subscribed shares is in the total amount of BGN 26 884 173.05.

- On April 23, 2024, the Company acquired 84 312 corporate bonds of "Doverie Obedinen Holding" AD, which were registered in "Central Depository" AD on April 4, 2024. They were admitted to trading on "Bulgarian Stock Exchange" AD.

- On April 16, 2024, the Financial Supervision Commission notified the company by letter No. RG-05-684-2 on the basis of Art. 125 in connection with Art. 89 r, para. 2 of the LPOS that it should submit additional information within one month, data and documents regarding the requested merger "Veta Pharma" AD.

IV. Review of the main risks faced by the Company

Risks related to the Company's business and the industry the Company operates

- The Company faces significant competition;
- Part of the revenues of Sopharma Trading AD in Bulgaria are generated from sales of state hospitals, which predetermines a high degree of business;
- The Company is dependent on regulatory approvals;
- Government regulations affecting the Company's business may change, thus possibly increasing compliance costs or otherwise affecting its operations;
- Part of the Company's revenues, in particular in Bulgaria, depends on the inclusion of the Company's medicines in reimbursement lists.

- The Company's production facilities and processes are subject to strict requirements and regulatory approvals that may delay or disrupt the Company's operations.
- 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;
- The Company is subject to operational risk, which is inherent to its business activities;
- The Company is subject to multiple laws and regulations on environmental protection and health and safety work conditions and is exposed to potential environmental liabilities;
- Litigations or other out-of-court proceedings or actions may adversely affect the Company's business, financial position and results of operations;

Risks related to Bulgaria and other markets in which the Company operates

- The macroeconomic environment, particularly in Bulgaria, Russia and Ukraine, has a significant effect on the Group's operations;
- The political environment in Bulgaria and in the export markets, especially Russia and the Ukraine, has a significant effect on the Group's operations and financial position;
- Risks related to the Bulgarian legal system;
- Developing legal frameworks in some countries in which the Group sells its products, in particular Russia and Ukraine, may negatively impact the Group's operations in these countries;
- Risks relating to exchange rates and the Currency Board in Bulgaria;
- The interpretations of tax regulations may be unclear and tax laws and regulations applicable to the Group may change.

Currency risk

The Group companies perform their activities in active exchange with foreign suppliers and customers and are therefore exposed to 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. The rest of the companies abroad sell mainly on local markets, leading to currency risk and against their currencies - the Serbian dinar and the Polish zloty.

In order to control the currency risk, a system of planning of import deliveries, for foreign currency sales, as well as procedures for daily monitoring of movements in the dollar exchange rate and control of forthcoming payments, is introduced. The exposure of subsidiaries in Bulgaria in foreign currency is insignificant, as almost all sales are made on the local market in Bulgarian leva. Imports of goods are fully realized in euro. Borrowings denominated in foreign currency are mainly denominated in euro.

V. Information on related party transactions

<i>Related party</i>	<i>Relation type</i>	<i>Relation period</i>	
“Telecomplect invest” AD	Company shareholder with significant influence	2024	2023.
“Donev Investments Holding” AD	Company shareholder with significant influence	2024	2023
“Momina krepost” AD	Joint venture	2024	2023
“Sopharma Imoti” REIT	Associate	2024	2023
“Doverie Obedinen holding” AD	Associate	2024	2023
“Sofarma Buildings” REIT	Associate	2024	from 08.09.2023
Pharmanova D.O.O.	Associate	2024	From 10.11.2023
Subsidiaries form DOH Group	Companies controlled by an associate	2024	2023
“Sofprint Group” AD	Company related through key management personnel	2024	2023
“Sofconsult Group” AD	Company related through key management personnel	2024	2023
“VES electroinvest systems” EOOD	Company related through key management personnel	2024	2023
“Eco Solar Invest” OOD	Company related through key management personnel	2024	2023
“Alpha in” EOOD	Company related through key management personnel	2024	2023
“Consumpharm” OOD	Company related through key management personnel	2024	2023
DZZD “Veterinary Diagnostic”	Civil societies for the implementation of joint activity (direct participation)	2024	2023

	<i>1 january - 31 march 2024</i>	<i>1 january - 31 march 2023</i>
	<i>BGN ‘000</i>	<i>BGN ‘000</i>
Supplies from related parties:		
Supply of inventories from:		
Companies related through key management personnel	3,407	2,608
Associates	1,512	32
Joint ventures	74	25
Companies controlled by an associate company	5	28
	4,998	2,693
Supply of services from:		
Companies controlled by an associate	280	275
Shareholding companies with significant influence	166	148
Associates	128	112
Companies related through key management personnel	35	65
Joint ventures	1	1
	610	601
Deliveries of tangible fixed assets from:		
Companies controlled by an associate company	1,518	592

	1,518	592
Other deliveries:		
Companies controlled by an associate	63	56
	63	56
Total deliveries	7,189	3,942
Sales to related parties		
Inventory sales for:		
Companies related through key management personnel	451	326
Companies controlled by an associate company	128	470
	579	796
Sales of services for:		
Companies related through key management personnel	54	52
Companies controlled by an associate company	5	2
Companies controlled by an associate company	-	45
	59	99
Guarantee fees and guarantees of:		
Joint ventures	-	12
	-	12
Interest on granted loans:		
Companies related through key management persone	466	590
Joint ventures	20	-
Associated companies	-	15
	486	605
Interest on assignment contracts:		
Joint ventures	32	31
	32	31
	1,156	1,543

Leasing contracts

During the reporting period, the company recognized assets, liabilities, expenses, payments in connection with **lease agreements with related parties**, as follows:

The lease obligations as of March 31, in connection with lease agreements with related parties are as follows:

	31.3.2024	31.12.2023
	BGN '000	BGN '000
Recognized lease obligations on January 1	19,626	20,616
Increases	328	1,851
Payments of lease obligations for the period	(732)	(2,841)

Leasing liabilities as of March 31 / December 31

19,222	19,626
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The assets "right of use" as of March 31, in connection with lease agreements with related parties are as follows:

	31.3.2024	31.12.2023
	BGN '000	BGN '000
Asset "right of use" as of January 1	19,323	20,524
Increases	321	1,877
Depreciation accrued	(796)	(2,996)
Write-off book value of right-of-use assets	(110)	(82)
Assets "right of use" as of March 31 / December 31	18,738	19,323

The remuneration and other income of the key management personnel and the executive directors, the members of the Board of Directors and the managers of the subsidiaries of the Group amount to BGN 632 thousand (2023: BGN 930 thousand).