

CONSOLIDATED MANAGEMENT REPORT

2020



SOPHARMA GROUP

28 April 2021

*This document is a translation of the original text in Bulgarian,
in case of divergence the Bulgarian original is prevailing.*

CONTENT

I.	General information about Sopharma Group	4
1.	Main activities	4
2.	Registration and activity of the Company	4
3.	Controlled companies	4
4.	Board of directors.....	7
5.	Shareholder structure as at 31 December 2020	7
II.	Recent developments.....	8
1.	Industrial activity	8
2.	Products.....	8
3.	Distribution.....	9
III.	Information under Article 39 of the Accountancy Act	0
1.	An overview of the company's performance and the main risks it faces (Art. 39, para 1 of the Accountancy Act /	0
2.	Analysis of financial and non-financial key performance indicators of the Group / Article 39, item 2 of the Accountancy Act /	3
3.	Significant events occurring after the date of preparation of the annual financial statements / Article 39, paragraph 3 of the Accountancy Act /	11
4.	Future development of Sopharma Group (article 39, item 4 of the Accountancy Act) and planned economic policy in the following year (Article 247 (3) of the Commerce Act)	12
5.	Research and development (article 39, item 5 of the Accountancy Act).....	12
6.	Information on the acquisition of own shares required by Article 187d of the Commerce Act/ Article 39, Item 6 of the Accountancy Act/	15
7.	Existence of branches of the Company / Article 39, item 7 of the Accountancy Act /	16
8.	Use of financial instruments / Article 39, item 8 of the Accountancy Act /	16
IV.	Information under Article 247 and Art. 240b of the Commerce Act	18
1.	Information under Art. 247 of the Commerce Act.....	18
2.	Information under art. 240b of the Commercial Law on the obligation of Board members to notify in writing the Board of Directors or the Management Board when they or their related parties conclude contracts with the company outside its usual activity or substantially deviate from market conditions	21
V.	Information on Annex 10 to art. 32, para 1, item 2 of Regulation 2 of LPOS.....	22

1. Information given in value or quantitative terms about the main categories of goods, products and / or services provided, including their share in sales revenue of the Group in general and changes in the reporting year.....	22
2. Information about the revenues allocated by separate categories of activities, domestic and foreign markets and information on sources for supply of materials needed for production of goods or the provision of services with the degree of dependence on any individual seller or buyer / user, in case their share exceeds 10 per cent of the expenses or sales revenue, provide information for each person for his share in sales or purchases and links with the issuer	22
3. Information on significant transactions	22
4. Information regarding transactions between the issuer and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside its usual activity or substantially deviate from market conditions when, the issuer or its subsidiary is party, indicating the value of the transactions, the nature of relatedness and any information necessary to assess the impact on the financial position of the issuer.....	23
5. Information about events and indicators unusual for the issuer that have a significant impact on its activity and realized income and expenses; assessment of their impact on the current year results	24
6. Information on off-balance sheet transactions - nature and business purpose, the financial impact of transactions on the activity, if the risks and benefits of these transactions are material to the issuer and the disclosure of this information is essential for assessing the financial position of the issuer.....	24
7. Information on shares of the issuer, its major investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as investments in equity securities outside its group of companies under Accountancy Act and the sources /methods of financing	24
8. Information about the concluded by the issuer, its subsidiary or parent company in their capacity as borrowers, loan contracts specifying the terms and conditions, including the deadlines for repayment as well as information about guarantees and commitments.....	24
9. Information about the concluded by the issuer, its subsidiary or parent company in their capacity of lenders, loan agreements, including the provision of guarantees of any kind, including related parties, and the specific terms, including the deadlines for payment and the purpose for which they were granted	24
10. Information on the use of funds from the issuance of new issue of securities during the reporting period	25
11. Analysis of the relationship between the financial results reflected in the financial statements for the financial year and earlier published forecasts for these results	25

12.	Analysis and evaluation of the policy on the management of financial resources, including the ability to meet its obligations, possible threats and measures that the issuer has taken or will take to resolve them.....	25
13.	Assessment of the feasibility of investment intentions, indicating the amount of available funds and possible changes in the financing structure of this activity	26
14.	Information about changes in the reporting period in the basic principles of management of the issuer and its group of companies under the Accounting Law	26
15.	Information about the main characteristics applied by the issuer in the process of preparing the financial statements, internal control system and risk management.....	26
16.	Information about changes in management and supervisory boards during the accounting year	26
17.	Information on the amount of remuneration, rewards and / or benefits of each of the members of the management and supervisory bodies for the financial year, paid by the issuer and its subsidiaries, regardless of whether they have been included in the expenses of the issuer, or arising from profit distribution, including:	26
18.	Information on held by members of management and supervisory bodies, the procurators and the senior management of the issuer shares, including the shares held by each of them individually and as a percentage of shares of each class and provided by the issuer options on its securities - type and amount of securities on which options have been set, exercise price of the options, purchase price, if any, and the term of the options.....	28
19.	Arrangements (including after the end of the financial year) as a result of which future changes may occur in the holding of shares or bonds by current shareholders or bondholders There are no such arrangements.....	28
20.	Information about pending legal, administrative or arbitration proceedings relating to liabilities or receivables of the issuer of at least 10 percent of its equity; if total liabilities or receivables of the issuer in all proceedings exceeds 10 per cent of its equity, provide information about each case separately	29
21.	Information about the Investor Relations Director, including telephone number and correspondence address:	29

I. General information about Sopharma 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, primarily 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 focused at the production site in Sandanski city;
- distribution of pharmaceuticals, medical supplies, sanitary materials, vitamins, food supplements and cosmetics, which is mainly performed by “Sopharma Trading” in Bulgaria;
- production and distribution of non-pharmaceutical products and other complementary activities to the production of pharmaceutical products and distribution of pharmaceutical products.

2. Registration and activity of the Company

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

“Sopharma” AD was established in 1933. The court registration of the Group is from 15.11.1991, decision №1/1991 of Sofia City Court. “Sopharma” AD is a public company under the Law on Public Offering of Securities.

The Company conducts the production and marketing of medicinal substances and dosage forms; research, engineering and implementation activities in the field of phytochemistry, chemistry and pharmaceuticals. “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 94 subsidiaries, directly or indirectly controlled by the Company. Additionally, the Group has investments in one associated company.

Company	Interest as at 31.12.2020 in %
Sopharma Trading AD, Sofia, Bulgaria*	76.17
Biopharm Engineering AD, Sliven, Bulgaria	97.15
Pharmalogistica AD, Sofia, Bulgaria	89.39
Elektroncommerce EOOD, Sofia, Bulgaria	100.00
Sopharma Buildings REIT, Sofia, Bulgaria	40.38
Momina Krepost AD, Veliko Tarnovo, Bulgaria	60.93
Phyto Palauzovo AD, Kazanluk, Bulgaria**	95.00
Sopharmacy EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 2 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 3 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 4 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 5 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 6 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 7 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 8 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 9 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 10 EOOD, Sofia, Bulgaria**	76.17
Veta Pharma" AD, Veliko Tarnovo, Bulgaria	99.98
Sopharmacy 11 (PharmaStore 1) EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 12 (PharmaStore 2) EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 13 (PharmaStore 3) EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 14 (PharmaStore 4) EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 15 (PharmaStore 5) EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 16 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 17 EOOD, Sofia, Bulgaria**	76.17
Sopharmacy 18 EOOD, Sofia, Bulgaria**	76.17
SCS Franchise EAD, Sofia, Bulgaria**	76.17
Sanita Franchising AD, Sofia, Bulgaria**	76.17
Valentina Vasileva – Lyulin EOOD, Sofia, Bulgaria**	76.17
Vasilka Lilovska EOOD, Sofia, Bulgaria**	76.17
Venera Mutashka EOOD, Sofia, Bulgaria**	76.17
Veselka Vasileva EOOD, Sofia, Bulgaria**	76.17
Victoria Angelova EOOD, Sofia, Bulgaria**	76.17
Desislava Jordanova EOOD, Sofia, Bulgaria**	76.17
Dimka Vladeva EOOD, Sofia, Bulgaria**	76.17
Donka Chivganova EOOD, Sofia, Bulgaria**	76.17
Ekaterina Mihaylova – Shumen 1 EOOD, Sofia, Bulgaria**	76.17
Elka Neykova EOOD, Sofia, Bulgaria**	76.17
Emilia Angelova EOOD, Sofia, Bulgaria**	76.17
Juliana Kotova EOOD, Sofia, Bulgaria**	76.17

Sopharma Group

Ivan Ivanov 1 EOOD, Sofia, Bulgaria**	76.17
Iliana Kalushkova EOOD, Sofia, Bulgaria**	76.17
Irina Toncheva EOOD, Sofia, Bulgaria**	76.17
Kapka Nikolova – Military Hospital EOOD, Sofia, Bulgaria**	76.17
Kostadin Gorchev EOOD, Sofia, Bulgaria**	76.17
Krasimira Shunina EOOD, Sofia, Bulgaria**	76.17
Lora Doncheva EOOD, Sofia, Bulgaria**	76.17
Lyudmila Zlatkova EOOD, Sofia, Bulgaria**	76.17
Lyudmila Kovacheva EOOD, Sofia, Bulgaria**	76.17
Manik Burgazyan EOOD, Sofia, Bulgaria**	76.17
Mariyka Jaigarova EOOD, Sofia, Bulgaria**	76.17
Mariya Agova EOOD, Sofia, Bulgaria**	76.17
Mariya Gancheva EOOD, Sofia, Bulgaria**	76.17
Mariya Kenova EOOD, Sofia, Bulgaria**	76.17
Mariya Hristova – Motopista EOOD, Sofia, Bulgaria**	76.17
Mariyana Markova EOOD, Sofia, Bulgaria**	76.17
Mary Ivanova EOOD, Sofia, Bulgaria**	76.17
Nelly Stavreva EOOD, Sofia, Bulgaria**	76.17
Preslava Becheva EOOD, Sofia, Bulgaria**	76.17
Rayna Madzharova - St. Georgi Sofiyski EOOD, Sofia, Bulgaria**	76.17
Rumyana Ignatova – Gancheva EOOD, Sofia, Bulgaria**	76.17
Sashka Todorova EOOD, Sofia, Bulgaria**	76.17
Svetla Harizanova EOOD, Sofia, Bulgaria**	76.17
Svetlana Pirpirova EOOD, Sofia, Bulgaria**	76.17
Ceiba-Blagoevgrad-1 EOOD, Sofia, Bulgaria**	76.17
Silviya Veneva EOOD, Sofia, Bulgaria**	76.17
Siyana Milanova EOOD, Sofia, Bulgaria**	76.17
Stoyanka Radenkova EOOD, Sofia, Bulgaria**	76.17
Ana Avdzhieva EOOD, Sofia, Bulgaria**	76.17
Radina Bekova EOOD, Sofia, Bulgaria**	76.17
Rumen Raynov EOOD, Sofia, Bulgaria**	76.17
Hani Modhi EOOD, Sofia, Bulgaria**	76.17
PAO Vitamini, Uman, Ukraine	100.00
Sopharma Poland Sp. z. o. o, Warsaw, Poland in Liquidation	60.00
Sopharma Warsaw Sp. z. o. o, Warsaw, Poland	100.00
BRIZ SIA, Riga, Latvia	100.00
Brititrade SOOO, Minsk, Belarus**	80.00
Tabina SOOO, Minsk, Belarus **	80.22
OOO Sopharma Ukraine, Kiev, Ukraine	100.00
OOO Pharmacist Plus, Minsk, Belarus**	59.08
OOO Bellerofon, Minsk, Belarus***	85.80
TOO Sopharma Kazakhstan, Almaty, Kazakhstan	100.00
ZAO Interpharm, Vitebsk, Belarus***	90.00

Sopharma Group

OOO Galenapharm, Pinsk, Belarus**	90.60
ODO Medjel, Minsk, Belarus**	82.00
ODO Alenpharm-Plus, Belarus**	91.98
ODO Salius Line, Grodno, Belarus**	77.00
Rap Pharma International OOD, Kishinev, Moldova	80.00
Sopharma Trading D.o.o., Sabac, Serbia**	76.17
OOO Zdorovei, Minsk, Belarus**	66-85
BOOO SpetzApharmacia, Bobruisk, Belarus**	70.00
UAB Recessus, Kaunas, Lithuania**	50-98
OOO Zdorovei Pharm, Minsk, Belarus**	43.46
Pharmachim EOOD, Belgrad, Serbia	100.00

*effective interest in percent

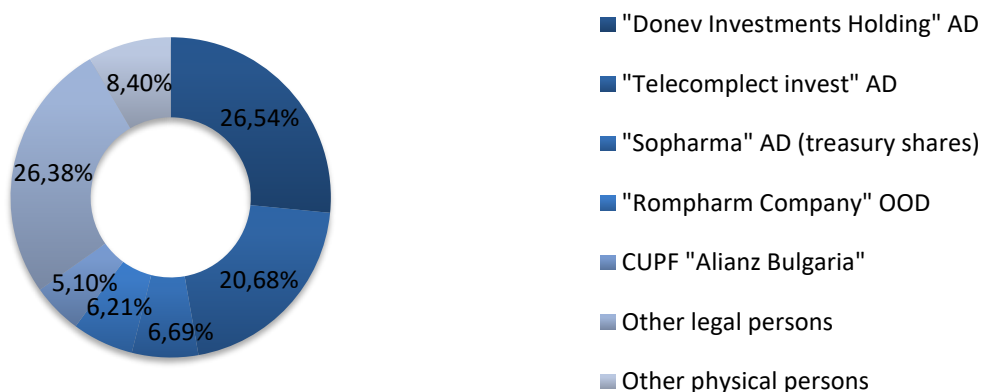
**indirect interest

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 and members Vessela Stoeva, Ognian Palaveev, Alexandar Tchaushev 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.

Members of the key management personnel of the Group include the disclosed in Note №1 Executive Director and members of the Board of Directors of the Company. Additionally, it includes the executive directors, the board of directors and the managers of subsidiaries of the Group.

5. Shareholder structure as at 31 December 2020



II. Recent developments

1. Industrial activity

The company and its production subsidiaries have 10 manufacturing plants in Bulgaria, conforming with EU Good Manufacturing Practices (GMP), a factory in the Ukraine, certified by local authorities and recognized in all CIS countries.

The production activities of the Company are realized and developed in the following areas:

- Substances and preparations based on plant raw materials (phytochemical production);
- Ready-to-use formulations, incl.:
 - ✓ Hard tablets, coated tablets, film-coated tablets, capsules;
 - ✓ Galenic - suppositories, drops, syrups, ointments;
 - ✓ Parenteral - injection solutions, lyophilic powder for injections.
- Medical and cosmetic products, incl.:
 - ✓ Plasters;
 - ✓ Bandages;
 - ✓ Sanitary-hygiene products;
 - ✓ Herbal cosmetics;
 - ✓ Concentrates for hemodialysis.
- Infusion solutions.

2. Products

“Sopharma” AD

The Company has more than 200 products in its portfolio: incl. nearly 190 medicinal products and 11 groups of medical devices. Medicinal products mainly include generics and 15 traditional products, 12 of the products are plant-based. The Company's traditional products (in particular Tabex, Carsil and Tempalgin) make a major share to its export market income, while the company's generic products are of major importance for domestic sales, Analgin being the leader among these products.

The product portfolio of “Sopharma” AD focuses on the following therapeutic areas: cardiology, gastroenterology, pain management, cough and cold, immunology and dermatology, respiratory tract and asthma, neurology and psychiatry, urology and gynecology, nephrology, surgery, orthopedics and traumatology.

The most significant pharmaceutical products in terms of their contribution to the amount of revenues are:

- Carsil - traditional plant-based product used to treat gastro-enterology diseases (liver diseases);
- Tempalgin - traditional analgesic (painkiller);
- Tabex - traditional plant-based smoking cessation drug;
- Tribestan - traditional plant-based product that stimulates the functions of the sexual system;
- Broncholitin - traditional plant-based product used to suppress cough;
- Analgin - generic analgesic (pain reliever);
- Nivalin - traditional plant-based product used for diseases of the peripheral nervous system;
- Methylprednisolon - generic medicine for 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;
- Medical devices - gauzes, compresses and dressings.

3. Distribution

“Sopharma Trading” AD

The company is a leading distributor of pharmaceutical products and cosmetics in Bulgaria, with a market share in the pharmaceutical products segment of 22% (according to IQVIA). “Sopharma Trading” AD is the exclusive distributor on the Bulgarian market of particular pharmaceutical products of several leading international pharmaceutical and other companies in the field of healthcare such as Amgen, Astra Zeneca, GE Healthcare, Johnson and Johnson, Abbot Diagnostics, Hartmann, Novartis and Novo Nordisk.

The Company has more than 15 000 products (particularly pharmaceutical products, medical equipment and devices, accessories, cosmetics, vitamins and food supplements) in its portfolio, including the brands of “Sopharma” AD, and holds exclusive rights for Bulgaria over brands of strategic partners such as “Aboca”, “Colief”, “Jamieson”, “Planter's”, “Premax”, “Skincode”, “SVR” Laboratories, “US Pharmacia” and “Wyeth”, specialized services (such as software solutions for pharmacies and advice and consulting services) and national logistics services. “Sopharma Trading” AD cooperates with more than 400 partners and over 3 000 clients.

III. Information under Article 39 of the Accountancy Act

1. An overview of the company's performance and the main risks it faces (Art. 39, para 1 of the Accountancy Act /

Key financial indicators

Indicators	1-12/2020 BGN '000	1-12/2019 BGN '000	Change %
Revenues	1 438 826	1 281 587	12.3%
EBITDA	92 433	103 696	-10.9%
Operating profit	45 800	59 692	-23.3%
Net profit	25 280	84 359	-70.0%
CAPEX*	41 720	62 282	-33.0%
	31.12.2020 BGN '000	31.12.2019 BGN '000	
Non-current assets	629 935	626 172	0.6%
Current assets	612 177	549 100	11.5%
Owners' equity	566 595	575 772	-1.6%
Non-current liabilities	131 066	115 448	13.5%
Current liabilities	544 451	484 052	12.3%

* acquired tangible and intangible long-term assets

Indicators	1-12/2020	1-12/2019
EBITDA/ Revenues	6.4%	8.1%
Operating profit/Sales Revenue	3.2%	4.7%
Net profit/ Sales Revenue	1.8%	6.6%
	31.12.2020	31.12.2019
Debt/ Equity	1,19	1,04
Net debt*/ EBITDA on annual basis	4,3x	4,68x

* 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.

COVID-19

On 11 March 2020 the World Health Organization declared a COVID-19 pandemic, and on 13 March 2020 the Bulgarian Parliament imposed a state of emergency in Bulgaria, as a result of which a number of restrictive measures were taken.

On 24 March 2020, the State of Emergency Act was promulgated, imposing measures for the period of the pandemic state of emergency in various areas – employment relations and social security, taxation and annual financial closure, default and forced execution, terms and deadlines, etc.

On 10 April 2020 the Bulgarian National Bank (“BNB”) approved a “Procedure for deferral and settlement of payables due to banks and their subsidiaries – financial institutions, in relation to the state of emergency imposed by Parliament on 13 March 2020” (the “Procedure”), resulting from the COVID-19 pandemic and consequences thereof.

As a result of the restrictions imposed in Bulgaria and in most countries around the world, the normal operations of businesses in a number of economic sectors was disrupted. There were difficulties with the supplies of raw and other materials from suppliers, shipments to clients, and procuring workforce. Almost all entities, though to a different extent, had to impose certain actions and measures to reorganize business operations, work schedules, business communications and other aspects of their relations to counterparts, partners, and state institutions.

Impact on the Group’s operations and financial position

The Group operates in the production and distribution of pharmaceuticals sector, whose normal functioning was not significantly affected by the restrictive measures applied. Even though there is an increase in the Group’s sales revenue by BGN 157,239 thousand or 12.27%, as a whole, operating volumes in 2020 were also affected by the pandemic situation in Bulgaria and the other countries it has business connections and relations with.

The management has not dismissed personnel and has not made use of the measures introduced by the State of Emergency Act (“60:40”, etc.).

The Group continues to perform its business activities without significant difficulties in procuring asset supplies (materials, goods, machines, equipment, etc.), and to perform sales to customers.

The Group’s management continues to currently monitor for risks, respectively, consequences of the pandemic on the business. At this stage, no indicators have been identified

that result in suspension of significant decrease in the Group's operations, nor are such planned, and no significant circumstances have been identified that would necessitate such measures or restrictive actions by the management.

Risks related to the Group's business and the industry the Group operates in

- The Group faces significant competition;
- Part of Sopharma Trading's revenues in Bulgaria is generated from sales to state hospitals, which predetermines a high degree of business risk;
- The Group is dependent on regulatory approvals;
- Government regulations affecting the Group's business may change, thus possibly increasing compliance costs or otherwise affecting its operations;
- Part of the Group's revenues, in particular in Bulgaria, depends on the inclusion of the Group's medicines in reimbursement lists;
- The Group's production facilities and processes are subject to strict requirements and regulatory approvals that may delay or disrupt the Group'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 or at all in any given year;
- The Group is subject to operational risk, which is inherent to its business activities;
- The Group is subject to numerous environmental and health and safety laws and regulations and is exposed to potential environmental liabilities;
- Litigations or other out-of-court proceedings or actions may adversely affect the Group's business, financial position and results of operations.

Risks, related to Bulgaria and other markets in which the Group operates

- The macroeconomic environment, particularly in Bulgaria, Russia and Ukraine, has a significant effect on the Group's operations and position;
- The political environment in Bulgaria and in the export markets, especially Russia, Belarus and Ukraine, has a significant effect on the Group 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, Belarus and the Ukraine, may negatively impact the Group's operations in these countries;

- Risks relating to exchange rates and the Currency Board in Bulgaria;

- 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 Belarus and Ukraine, the group carries out business operations in these countries and, accordingly, has substantial exposures in Belarusian rubles and Ukrainian hryvnia. 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.

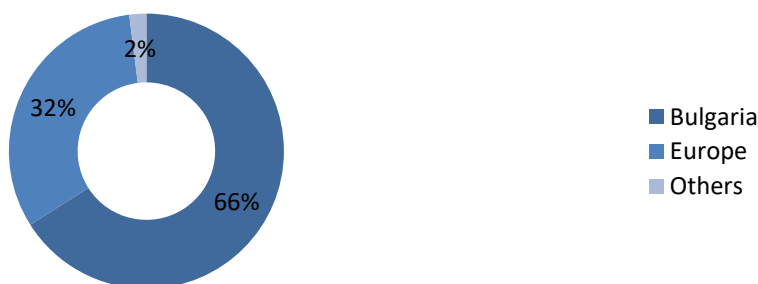
In order to control the currency risk, a system of planning of import deliveries, for foreign currency sales, as well as procedures for daily monitoring of movements in the dollar exchange rate and control of forthcoming payments, is introduced. The exposure of subsidiaries in Bulgaria in foreign currency 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.

2. Analysis of financial and non-financial key performance indicators of the Group / Article 39, item 2 of the Accountancy Act /

Sales revenues

Sales revenues of the Group increased by BGN 157,2 million or 12%, reaching BGN 1 438,8 million in 2020 compared to BGN 1 281,6 million in 2019. Sales of goods increased by BGN 175,8 million or 18%, reaching BGN 1 168,9 million in 2020 compared to BGN 993,1 million in 2019. Sales of finished products decreased by 18,6 million BGN, or 6%, to BGN 269,9 million in 2020 compared to BGN 288,5 million in 2019.



The contribution of sales in Bulgaria to the consolidated sales revenues in 2020 amounted to 66%, increasing by 16% compared to 2019. “Sopharma” AD has a 3% share on the Bulgarian pharmaceutical market in terms of value and a 11% share in terms of units. The positions of the main competitors of the Company in the country are as follows: Novartis—6.8% (3.7% in units), Roche – 6.7% (0.2% in units), Actavis – 4.3% (10% in units), Merck Sharp Doh– 4.3% (0.8% in units), Abbvie – 3.7% (0% in units), Pfizer – 3.5% (0.5% in units), Glaxosmithkline – 2.8% (2.3% in units), Astrazeneca – 2.8% (0.4% in units), Sanofi-Aventis – 2.8% (2% in units).

Sales revenues of the Group on European markets amount to 32% of total consolidated sales revenues for 2020 and increase with 6% compared to 2019.

Other operating revenues

Other operating revenues	2020	2019	change	Relative
	BGN '000	BGN '000	%	share 2020
Services rendered	5 845	5 648	3%	46%
Liabilities written off and provisions for liabilities released (Loss)/Profit from exchange rate differences under trade receivables and payables and current accounts	2 640	847	212%	21%
Government grants	(1 650)	1 052	-257%	-13%
Rents	1 298	842	54%	10%
Profit on sale of long-term assets	1 014	1 059	-4%	8%
Profit from change in the fair value of investment property	729	272	168%	6%
Revenue from fines and penalties	387	407	-5%	3%
Services related to social activities and events	293	-	-	2%
Interests on current accounts	219	918	-76%	2%
Profit on sale of materials	181	87	108%	2%
Other revenue	167	39	328%	1%
Total other operating revenues	1 554	1 250	24%	12%
	12 677	12 421	2%	100%

Other operating revenues increased by BGN 0,3 million, to BGN 12,7 million in 2020, compared to BGN 12,4 million in 2019 due to increase in written-off liabilities and released provisions for liabilities by BGN 1,8 million, profit from sale of fixed assets by BGN 0,5 million, government grants by BGN 0,5 million and others. A decrease was recorded from exchange rate differences on trade receivables and payables and current accounts by BGN 2,7 million and social services and events by BGN 0,7 million.

Operating expenses

Operating expenses	2020	2019	change	relative share
	BGN '000	BGN '000	%	of expenses in 2020
Changes in inventories of finished goods and work in progress	(2 124)	3 479	-161%	0%
Materials	89 324	93 234	-4%	6%
Hired services	80 869	75 239	7%	6%
Personnel	133 547	127 087	5%	10%
Depreciation and amortization	46 633	44 004	6%	3%
Carrying amount of goods sold	1 041 687	878 504	19%	74%
Other operating expenses	15 767	12 769	23%	1%
Total operating expenses	1 405 703	1 234 316	14%	100%

Operating expenses in 2020 increased by BGN 171,4 million or by 14% from BGN 1 234,3 million in 2019 to BGN 1 405,7 million in 2020. The change is a consequence of growth of sales and, respectively, of the carrying amount of goods sold of the Group, an increase in the cost of external services, personnel costs, amortization and other operating expenses.

Financial income and expenses

Financial income	2020	2019	Change	relative share of
	BGN '000	BGN '000	%	income of 2020
Interest income on granted loans	2 641	2 803	-6%	52%
Interest income on overdue trade receivables	1 594	2 876	-45%	31%
Income from equity share (dividends)	510	188	171%	10%
Net change in the impairment adjustment for credit losses on trade receivables	132	481	-73%	3%
Net gain from investment operations in securities and shares	93	3 955	-98%	2%
Interest on receivables under special contracts	77	69	12%	2%
Interest income on bank deposits	22	1	-	0%
Recovered impairment for credit losses of cash	12	-	-	0%
Net gain from exchange rate differences from lease contracts	-	506	-100%	0%
Net gain from exchange rate differences on receivables from securities transactions	-	47	-100%	0%
Others	-	27	-100%	0%
Total	5 081	10 953	-54%	100%

Financial expenses	2020	2019	Change	relative share of expenses in 2020
Interest expenses on loans received	10 061	9 264	9%	53%
Net foreign exchange loss on foreign currency loans and leases	5 469	-	100%	29%
Interest expense on lease contracts	1 648	1 736	-5%	9%
Bank fees and charges on loans and guarantees	813	935	-13%	4%
Interest expense on factoring	582	449	30%	3%
Net loss from exchange rate differences on receivables from securities transactions	294	-	100%	2%
Other interest expenses	117	7	100%	1%
Other	115	-	100%	1%
Total	19 099	12 391	54%	100%

Financial income and expenses in 2020 changed significantly as a result of the registered net foreign exchange loss on foreign currency loans and leases with BGN 5,5 million, which is mainly due to the depreciation of the Belarusian ruble and its effect on the debt exposure in EUR and USD of the Group companies in Belarus. The decrease in financial income is due to the registered profit from operations with investments in the amount of BGN 4 million in the previous period, as well as to reported income from interest for arrears, which are BGN 1,3 million less than in 2019.

Financial result from the activity



Profit before interest, taxes, depreciation and amortization (EBITDA) decreased by BGN 11,3 million or 11%, reaching BGN 92,4 million in 2020, compared to BGN 103,7 million in 2019. The main factor is the lower profit margin of the sold goods, as in 2020 this indicator is 10.9%, compared to 11.5% for the previous period, as a result of which the negative effect amounts to BGN 7,7 million.

The operating profit decreased by BGN 13,9 million or 23% to BGN 45,8 million in 2020 compared to BGN 59,7 million in 2019.

Net profit decreased by BGN 59,1 million or by 70% to BGN 25,3 million in 2020 compared to BGN 84,4 million in 2019, as a negative impact had the increased financial costs as a result of exchange rate losses, as well as the one-time effect of the profits reported in the previous period by associates.

Assets

	31.12.2020	31.12.2019	change	Relative share 2020
	BGN '000	BGN '000	%	%
Non-current assets				
Property, plant and equipment	395 872	378 625	5%	63%
Intangible assets	58 272	42 829	36%	9%
Goodwill	13 269	15 909	-17%	2%
Investment property	11 691	10 856	8%	2%
Investments in associated companies and joint ventures	62 811	62 985	0%	10%
Other long-term capital investments	14 294	10 079	42%	2%
Long-term receivables from related parties	59 726	91 794	-35%	9%
Other long-term receivables	11 951	10 674	12%	2%
Deferred taxes	2 049	2 421	-15%	0%
	629 935	626 172	1%	51%

	31.12.2020	31.12.2019	change	Relative share 2020
	BGN '000	BGN '000	%	%
Current assets				
Inventories	287 569	229 873	25%	47%
Trade receivables	250 707	255 660	-2%	41%
Receivables from related parties	6 682	7 112	-6%	1%
Assets held for sale	-	1 462	-100%	0%
Other receivables and prepayments	41 926	27 480	53%	7%
Cash and cash equivalents	25 293	27 513	-8%	4%
	612 177	549 100	11%	49%
TOTAL ASSETS	1 242 112	1 175 272	6%	100%

Total assets increased by BGN 66,8 million or by 6%, from BGN 1 242,1 million as at 31 December 2020 to BGN 1 175,3 million as at 31 December 2019, due to an increase in non-current and current assets.

Non-current assets increased by BGN 3,8 million or 1%, mainly due to an increase in property, plant and equipment and intangible assets, while long-term receivables from related companies decreased by BGN 32,1 million as a result of partial repayment of loans by companies from the Group of "Doverie - Obedinen Holding" AD.

Current assets increased by BGN 63,1 million or 11%, to BGN 612,2 million as of 31.12.2020, compared to BGN 549,1 million as of 31.12.2019, as the growth is most significant in the part of trade inventories by BGN 57,7 million and other short-term receivables and assets by BGN 14,6 million.

Owners' equity and liabilities

OWNER'S EQUITY	31.12.2020	31.12.2019	Change	rel. share compared to equity 2020
	BGN '000	BGN '000	%	%
Equity attributable to owners of the parent company				
Share capital	134 798	134 798	0%	24%
Reserves	57 701	60 977	-5%	10%
Retained earnings	360 770	360 656	0%	64%
	553 269	556 431	-1%	98%
NON-CONTROLLING PARTICIPATION	13 326	19 341	-31%	2%
TOTAL OWNER'S EQUITY	566 595	575 772	-2%	100%

LIABILITIES	31.12.2020	31.12.2019	Change	rel. share compared to total liabilities 2020
	BGN '000	BGN '000	%	%
Non-current liabilities				
Long-term bank loans	34 567	56 832	-39%	5%
Deferred tax liabilities	7 937	8 196	-3%	1%
Long-term liabilities to related parties	8 783	2 972	196%	1%
Long-term liabilities to personnel	7 339	6 626	11%	1%
Lease liabilities	49 593	25 840	92%	7%
Government grants	10 422	10 940	-5%	2%
Other non-current liabilities	12 425	4 042	207%	2%
	131 066	115 448	14%	19%

	31.12.2020	31.12.2019	Change	rel. share compared to total liabilities 2020
	BGN '000	BGN '000	%	%
Current liabilities				
Short-term bank loans	255 281	274 829	-7%	38%
Short-term part of long-term bank loans	31 172	16 730	86%	5%
Trade liabilities	164 919	116 407	42%	24%
Liabilities to related parties	2 367	7 668	-69%	0%
Liabilities on contract for factoring	36 591	24 772	48%	5%
Current portion of finance lease liabilities	17 951	10 012	79%	3%
Liabilities to the personnel and for social insurance	17 996	15 418	17%	3%
Tax payables	6 590	7 217	-9%	1%
Other current liabilities	11 584	10 999	5%	2%
	544 451	484 052	12%	81%
TOTAL LIABILITIES	675 517	599 500	13%	100%
TOTAL OWNERS' EQUITY AND LIABILITIES	1 242 112	1 175 272	6%	

The equity of Sopharma Group decreased by BGN 9,2 million compared to 31 December 2019, mainly due to a decrease of non-controlling interest by BGN 6 million, as a result of the negative financial results of the subsidiaries in Latvia and Belarus, mainly due to the depreciation of the local currency.

Non-current liabilities increased by BGN 15,6 million, or 14%, from BGN 115,5 million at the end of 2019 to BGN 131,1 million at the end of 2020, mainly from an increase in leasing liabilities by BGN 23,7 million and other non-current liabilities related to the purchase of shares by BGN 8,4 million, and decreased in the part of long-term bank loans by BGN 22,3 million.

Current liabilities increased by BGN 60 million or by 12% compared to the end of 2019, mainly due to an increase of trade liabilities by BGN 48,5 million, as well as of short-term part of long-term bank loans by BGN 14,4 million, obligations under factoring contracts with BGN 11,8 million, short-term part of leasing liabilities by BGN 7,9 million. There is a decrease of short-term bank loans by BGN 19,5 million and liabilities to related companies by BGN 5,3 million.

Total liabilities on bank loans, leasing and factoring of the Group increased by BGN 11,3 million compared to the end of 2019, with the net debt after deduction of cash and cash equivalents increased by BGN 13,5 million to BGN 400,2 million. The acquisition of the companies "SCS Franchise" AD and "Sanita Franchising" AD has a significant impact on the increase in the debt, as a result of which the Group's leasing liabilities increased by BGN 29,5 million.

Cash flows

	31.12.2020	31.12.2019
	<i>BGN '000</i>	<i>BGN '000</i>
Net cash flows from operating activities	(179 411)	(128 444)
Proceeds of amounts by factoring	243 935	200 845
Purchases of property, plant and equipment, intangible assets, net	(24 814)	(38 971)
Payments under lease contracts	(16 790)	(13 095)
Free cash flow (normalized)	22 920	20 335

The free cash flow (normalized with the revenues from factoring and payments under lease contracts), generated for 2020, amounts to BGN 22,9 million compared to BGN 20,3 million in 2019.

Ratios

	31.12.2020	31.12.2019
ROE ¹	5.4%	15.6%
ROA ²	2.4%	7.4%
Asset turnover ³	1,16	1,15
Current liquidity ⁴	1,12	1,09
Quick ratio ⁵	0,60	0,58
Cash/current liabilities ⁶	0,05	0,05
Owners' equity/liabilities ⁷	0,84	0,96

1 Net profit on an annual basis attributable to owners of the parent /equity attributable to owners of the parent

2 Net profit on an annual basis / total assets

3 Revenues from sales on an annual basis /total assets

4 Current assets / current liabilities

5 Receivables + Cash and cash equivalents / Current liabilities

6 Cash and cash equivalents / Current liabilities

7 Equity / Liabilities

Ecology and environmental protection

“Sopharma” AD maintains and observes its commitments in compliance with the national legislation in the field of environmental protection. The company applies measures to:

- separate collection of waste, minimization, recovery and recycling of production and household waste;
- provide appropriate personnel training on environmental and pollution prevention issues;
- responsibly fulfill the imperative requirements of the Packaging and Waste Ordinance and pays its product tax in accordance with Regulation for Packaging and Wastage from Packaging;
- measure annual emissions of waste gases into the ambient air from the Solid Form Factory;

- once every two years, own periodic measurements (STI) of waste gases in the atmospheric air are carried out at the Steam Power Plant Installation at sites “A” and “B”. Emissions are measured and reported in 2020.
- Sofiyska Voda measures on a monthly basis emission in wastewater at production sites A and B.
- every quarter the drinking water from the production plants is given for testing (short chemical and microbiological analysis) in an accredited laboratory;
- twice a year the groundwater and wastewater are given for testing in an accredited laboratory according to the permits for water abstraction and for use of surface water body.

In 2020 the separately collected waste increased by 40% compared to the previous year. Production waste is disposed with licensed recyclers. The annual emissions of waste gases into the ambient air as well as the emissions in the wastewater are within the required standards. The requirements of the Discharge Permit are fulfilled. Once a month, a report is made on the packaging imported and / or marketed by type of material for which a monthly installment is paid to “EcoBulpak” AD, with which “Sopharma” AD has concluded a contract for the recovery of packaging waste.

Personnel

As at 31 December 2020, the average number of employees of Sopharma Group is 5 803 (compared to 5 163 in 2019). The average number of employees of “Sopharma” AD as at 31 December 2020 is 1 991 (at 2 275 in 2019) and of “Sopharma Trading” AD is 799 (compared to 833 in 2019).

3. Significant events occurring after the date of preparation of the annual financial statements / Article 39, paragraph 3 of the Accountancy Act /

- ✚ On 10 March 2021 the Company sold 396,600 of its shares in the capital of “Momina Krepost” AD, as a result of which the share of ownership of “Sopharma” AD became 37.46%. On 15 March 2021 an agreement was concluded between “Sopharma” AD and “Medical Consumables” OOD for a common policy in the management of Momina Krepost” AD through joint exercise of voting rights.
- ✚ On 23 March 2021 a notification under Art. 151, para 3 of LPOS was received, accompanied by a draft Tender Offer under Art. 149, para 6 of the LPOS for purchase of all shares from the other shareholders of “Momina Krepost” AD, Veliko Tarnovo city by the majority shareholder “Medical Consumables” OOD, Sofia city.

“Medical Consumables” OOD offers to buy the shares of the other shareholders in “Momina Krepost” AD at a price of one share in the amount of BGN 3,16. Authorized investment intermediary for the tender offer is “Sofia International Securities” AD,

Sofia city. The Financial Supervision Commission is expected to comment on the tender offer.

- ✚ At the Extraordinary General Meeting of Shareholders of “Sopharma” AD, held on 2 April 2021, the amendments to the Articles of Association of the Company proposed by the Board of Directors were adopted by a majority of 85.93% of the presented capital.
- ✚ At the Extraordinary General Meeting of Shareholders of “Sopharma Trading” AD, held on 2 April 2021, the amendments to the Articles of Association of the Company proposed by the Board of Directors were adopted.

4. Future development of Sopharma Group (article 39, item 4 of the Accountancy Act) and planned economic policy in the following year (Article 247 (3) of the Commerce Act)

- ✚ On the local market, the Group aims to provide patients with more affordable treatment by registering new generic products in shorter terms.
- ✚ On the foreign markets, efforts are focused on preserving and increasing the share of the Group in the main markets (Russia, Ukraine and Poland), as well as establishing and expanding market positions in other countries (Middle and Eastern Europe and Caucasus region).
- ✚ The Group continues the policy of active partnership with established international pharmaceutical companies, with new companies, as well as expanding the product range of already established collaborations.
- ✚ Optimization of the product portfolio.

5. Research and development (article 39, item 5 of the Accountancy Act)

The Group focuses its research and development mainly on generic products. Research and development projects are focused on finding and developing new formulas and composition or physical properties (such as medicine form or tablet form) of a product in order to adapt it to current market needs. The strategic goal of the Group is to achieve in the future a stable result of developing eight to ten new products per year.

The Parent Company mainly submits applications for new product authorizations including new product forms in Bulgaria and / or export markets and for existing products in new markets.

Intellectual Property

Although oriented towards generic pharmaceutical products, “Sopharma” AD has been known for years with the traditional production of several unique products based on plant extracts obtained from own-produced technologies. These products are protected not only by trademark, but also by patent or company know-how.

Regarding the generic products it produces, for their market distinctiveness, Sopharma Group relies on brand names, all of which are registered trademarks of the Company.

In all the years of existence, Sopharma Group has generated and defended its industrial property. As a result, the Group owns a large number of industrial property sites, the majority of which - registered rights (trademarks, patents, designs) and fewer unregistered objects - mainly technology.

These assets are the result of the Group's special policy towards product and technological update, and in particular innovation.

New developments and products

- New Products for the period January - December 2020
 - Marketing Authorization was obtained for 5 new medicinal products - Solifenax 5 mg film-coated tablet (Bulgaria), Ambrolitin 30 mg/5 ml syrup (Bulgaria, Latvia, Estonia), Ketoprofen 100 mg/ 2 ml solution for injection (Bulgaria), Sofazolon 40mg powder and solvent for solution for injection (Bulgaria), Dexketoprofen 50mg/2ml solution for injection (Latvia, Lithuania, Estonia).

- New medicinal products introduced into production
 - The following new medicinal products were introduced into the 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.
 - Until the end of 2021 it is expected that 3 to 5 new products will be implemented.

- New registrations and re-registrations / changes

New registrations

- Permissions to use for new destinations of 28 medicinal products have been received, namely:
 - Pyraminol 800 mg film-coated tablets (Armenia);
 - Sophalor 5 mg film-coated tablets (Azerbaijan);
 - Indometacin Sopharma 100 mg suppositories (Azerbaijan);
 - Deavit Neo 0.5 mg/ml oral drops, solution (Azerbaijan);
 - Otofix 40 mg/g+10 mg/g ear drops, solution (Azerbaijan);
 - Sophalor 0.5 mg/ml oral solution (Azerbaijan);
 - Sydnopharm 2 mg tablets (Azerbaijan);
 - Sophtensif 1.5 mg prolonged-release tablets (Azerbaijan);
 - Methadone Sopharma 10 mg/ml oral solution (Bosnia and Herzegovina);
 - Analgin Kids 500 mg/ml oral drops, solution (Georgia);
 - Verapamil Sopharma 2.5 mg/ml solution for injection (Iran);
 - Valeriana 30 mg film-coated tablets (Kazakhstan);
 - Broncholytin 7 mg/ml syrup (Kyrgyzstan);
 - Ambrolytin 15 mg/ 5 ml syrup (Kyrgyzstan);
 - Felogel 1 g/100 g gel (Kyrgyzstan);
 - Sophalor 0.5 mg/ml oral solution (Kyrgyzstan);
 - Adrenaline Sopharma 1 mg/ml solution for injection (Malta);
 - Carsil Max 110 mg capsules, hard (Mongolia);
 - Deflamol unguent (Kyrgyzstan);
 - Duspaverin 135 mg film-coated tablets (Kyrgyztan);
 - Troxerutin Sopharma 2 g/100 g gel (Mongolia);
 - Troxerutin Sopharma 300 mg capsules, hard (Mongolia);
 - Dexamethasone Medszo 4 mg/ml solution for injection (Portugal);
 - Feloran 1 mg/100 g gel (Mongolia);
 - Tuspan 7 mg/ml syrup (Russia);
 - Felogel 1% gel (Serbia);
 - Amlodipine Sopharma 5 mg tablets (Serbia);
 - Sophamet 850 mg film-coated tablets (Tunisia).

- Documentation has been submitted for the registration of 62 medicinal products to agencies of new destinations.
 - ✓ *Food additives*

- 17 nutritional supplements have been notified for Bulgaria, Armenia, Azerbaijan, the Ukraine, Kazakhstan and Kyrgyzstan.

✓ *Medical devices*

- 48 medical devices are registered in Ukraine (two), Moldova (thirty) and Macedonia (sixteen).

Re-registrations / changes

- Renewed Marketing Authorizations for 85 medicinal products.
- Documentation submitted for the renewal of the Marketing Authorizations for 119 medicinal products to agencies.
- Agreements approved 854 changes to medicinal products.
- 949 changes for medicinal products submitted to agencies.

Developments

- Pharmaceutical development of 11 new medicinal products / projects is underway.
- 18 medicinal products/ active substances were transferred in the process of transfer and 30 production processes / technologies were validated / optimized.

6. Information on the acquisition of own shares required by Article 187d of the Commerce Act/ Article 39, Item 6 of the Accountancy Act/

In the current year 151 748 treasury shares were purchased and 253 748 shares were sold. The treasury shares purchased during the year amount to 0.11% of the Company's share capital and the average acquisition price is BGN 3,04 per share.

	Shares	Equity, net of treasury shares
	Number	BGN '000
Balance at 1 January 2020	125,684,432	100,656
Sold back Treasury shares	253,748	949
Treasury shares repurchased	(151,748)	(461)
Expense on treasury shares	-	(2)
Balance at 31 December 2020	125,786,432	101,142

The Board of Directors is authorized to buy treasury shares under certain conditions, according to the decisions of the GMS, held on 23.06.2010, of the EGMS from 30.11.2011, of the EGMS from 01.11.2012, of the EGMS from 28.02.2013 and of the EGMS from 23.02.2018.

Number and nominal value of the own shares held and the proportion of the capital they represent

“Sopharma” AD holds 9 011 467 treasury shares, representing 6.69% of the company's capital.

7. Existence of branches of the Company / Article 39, item 7 of the Accountancy Act /

“Sopharma” AD has no branches.

8. Use of financial instruments / Article 39, item 8 of the Accountancy Act /

Overall risk management focuses on the difficulties in predicting financial markets and minimizing potential negative effects that may affect the financial performance and position of the Group.

Financial risks are currently identified, measured and monitored by various control mechanisms introduced to determine adequate prices for the group's products and services and borrowed capital and to adequately assess the market circumstances of the investments made by them and forms of maintenance of the free liquid assets, without allowing unjustified concentration of risk.

Risk management is carried out on an ongoing basis by the management of the parent company and respectively the management of the subsidiaries in accordance with the policy defined by the Board of Directors. The Board of Directors has adopted basic principles for general financial risk management, on the basis of which specific procedures have been developed for the management of individual specific risks, such as currency, price, interest, credit and liquidity, and the risk of using non-derivative instruments.

Credit risk

Credit is the risk that the clients of the Group will not be able to pay fully and within the usual time limits the amounts due from them under the trade receivables. Trade receivables are presented in the statement of financial position in net amount after deducting the accrued impairment for doubtful and bad debts. Such impairments are made where and when there are events identifying loss of collectability under previous experience.

The Group has developed policies and procedures for assessing the creditworthiness of its counterparties and setting credit rating and credit limits by group of clients.

Cash in the Group and the payment operations are concentrated in various premium banks. In the distribution of cash flows between them, the management of the Company and the subsidiaries take into account a number of factors, including the capital, security, liquidity, credit potential and rating of the bank, etc.

Liquidity risk

The liquidity risk is expressed in the negative situation that the Group will not be able to meet unconditionally all its obligations according to their maturity, including due to the presence of over-inflation, and the indexation of trade accounts for companies operating in such an environment.

The Group generates and maintains a sufficient volume of liquidity. An internal source of liquidity for the Group is the main business of its companies generating sufficient operating flows. External sources of funding are banks and other permanent partners.

Risk of interest-bearing cash flows

In the structure of the Group's assets, interest-bearing assets are represented by the cash at floating rate and the loans granted at a fixed interest rate. On the other hand, the borrowed funds of the Group in the form of long-term and short-term loans are usually with variable interest rates. This circumstance partly puts the cash flows of the Group in line with interest rate risk. The coverage of this risk is achieved in two ways:

- (a) optimizing sources of credit resources to achieve a relatively lower cost of borrowed funds;
- (b) combined structure of interest rates on loans, which contains two components - fixed and variable, the ratio between which and their absolute value can be achieved and maintained at a favorable rate for the companies in the Group. The fixed component has a relatively low absolute value and a large enough relative share in the total interest rate. This circumstance eliminates the probability of a significant change in interest rates with a possible update of the variable component. This also minimizes the probability of a change in the unfavorable direction of cash flows.

The management of the companies in the Group together with the management of the Company are currently monitoring and analyzing its exposure to changes in interest rates. Different scenarios of refinancing, renewal of existing positions and alternative financing are simulated. Based on these scenarios, the effect on financial result and equity is measured when changing with certain points or percentages. For each simulation, the same assumption of interest rate change applies to all major currencies. Calculations are made for significant interest-bearing items.

IV. Information under Article 247 and Art. 240b of the Commerce Act

1. Information under Art. 247 of the Commerce Act

Information concerning the course of activity and the condition of the Company and explanations regarding the annual financial statements

Section II, item 2 describes the operations and the position of the Group and explains the annual financial statements.

Remuneration received during the year by members of the Board of directors

The remuneration and other income of the key management and executive directors, the members of the Board of directors and the managers of the Group's subsidiaries amount to BGN 6 356 thousand (2019: BGN 6 869 thousand), including:

- current - BGN 5 751 thousand (2019: BGN 6 356 thousand);
- tantieme - BGN 605 thousand (2019: BGN 513 thousand).

The remuneration and other short-term income of the Board of directors of the parent company for 2020 amounting to 1,321 thousand BGN (2019: BGN 1,242 thousand) are as follows:

- current – BGN 917 thousand (2019: BGN 909 thousand);
- tantieme – BGN 404 thousand (2019: BGN 333 thousand).

Acquired, held and transferred by the members of the Boards during the year shares and bonds of the company

The Company's shares acquired, owned and transferred by the members of the Board of Directors in 2020 are as follows:

Members of the Board of directors	31.12.2020		31.12.2019		Shares acquired in 2020	Change
	Shares	rel. share of capital %	Shares	rel. share of capital %		
Ognian Ivanov Donev	3 038 940	2.25%	1 653 000	1.23%	1 385 940	1 385 940
Vessela Lyubenova Stoeva	150	0.0001%	150	0.0001%	-	-
Ognian Kirilov Palaveev	187 520	0.14%	187 520	0.14%	-	-
Alexandar Viktorov Tchaushev	111 142	0.08%	111 142	0.08%	-	-
Ivan Venetskov Badinski	350	0.0003%	350	0.0003%	-	-
Simeon Ognianov Donev	200 450	0.15%	-	-	18 000	18 000

The Company has no bonds issued.

Rights of members of Board to acquire shares and bonds of the company

The Articles of Association of “Sopharma” AD do not contain any restrictions on the right of the members of the Board of directors to acquire shares and bonds of the company.

Participation of members of the Board of directors in commercial companies as unlimited liability partners, the holding of more than 25 percent of the capital of another company, as well as their participation in the management of other companies or co-operatives, such as procurators, managers or board members

Participation of the members of the Board of Directors by more than 25 percent of the capital of other companies:

Ognian Ivanov Donev has a direct / indirect significant share (over 25%) of the capital of the following companies:

- “Donev investments holding” AD, UIC 831915121, with headquarters in Sofia, 12 Pozitano Str.;
- “Telecomplect” AD, UIC 831643753, with headquarters in Sofia, 5 Lachezar Stanchev Str.
- “Sopharma Buildings” REIT, UIC 175346309, with headquarters in Sofia, 5 Lachezar Stanchev Str.;
- “Sopharma Properties” REIT, UIC 175059266, with headquarters in Sofia, 5 Lachezar Stanchev Str., Building A;
- “Sofprint Group” AD, UIC 175413277 with seat and headquarters: Sofia, 12 Pozitano Str.;
- “Sopharma” AD, UIC 831902088, with seat and headquarters: Sofia, 16 Iliensko Shose Str.;
- “Energoinvestment” AD, UIC 200929754, with a registered office in Sofia, Slaveykov Square 9
- “ZEBRA.BGN” AD, UIC 202936530, with seat and headquarters in Sofia, 5 Lachezar Stanchev Str., Building B.
- “Simba Private Kindergarten” EOOD, UIC 204683684, with seat and headquarters in Sofia, 16 Iliensko Shose Str.

Vessela Lyubenova Stoeva controls or owns directly/indirectly a significant share (more than 25%) of the capital of the following companies:

- “VES elektroinvest systems” EOOD, UIC 201812700, with seat and headquarters: Sofia, 9 P. R. Slaveykov Square;
- “Eco Solar Invest” OOD, UIC 201634905, with seat and headquarters: Sofia, 48 Alabin Str;
- “Aquatex” OOD, UIC 203934379, with seat and headquarters: Sofia, 9 P.R. Slaveykov Square.
- “VLS” AD, UIC 175082980, with headquarters in Sofia, 9 P.R. Slaveikov Square.

Alexandar Victorov Tchaushev controls or owns directly/indirectly a significant share (more than 25%) of the capital of the following companies:

- “Alpha In” EOOD, UIC 131156322, with headquarters: Sofia, 1B Dimcho Debelianov Str.

Ivan Venetkov Badinski does not hold a direct / indirect significant share (over 25%) of the capital of companies.

Ognian Kirilov Palaveev controls or owns directly/indirectly a significant share (more than 25%) of the capital of the following companies:

- “Melnitsa Stefanovo Village” EOOD, UIC 201148801, with headquarters in Sofia, 3 Trayko Stanoev Str.
- “Sirius” OOD, UIC 110543305, with headquarters in Sofia, 3 Trayko Stanoev Str.
- “OKP Investments” OOD, UIC 204361991, with headquarters in Sofia, 10B Rikkardo Vakkarini Str.

Participation of Board members in the management of other companies or cooperatives as procurators, managers or board members:

Ognian Ivanov Donev participates in the managing/controlling body in the following companies:

- “Sopharma Trading” AD, UIC 103267194, with headquarters in Sofia, 5 Lachezar Stanchev Str. – Chairman of the Board of directors.
- “Donev investments holding” AD, UIC 831915121, with headquarters in Sofia, 12 Pozitano Str. – Member of the Board of directors.
- “Telecomplect” AD, UIC 831643753, with address management in Sofia, 5 Lachezar Stanchev Str., Building A – Chairman of the Supervisory Board.
- “Doverie Capital” AD, UIC 130362127, with headquarters in Sofia, 82 Knyaz Dondukov Blvd – Member of the Supervisory Board.
- “Sopharma” AD, UIC 831902088, with seat and headquarters: Sofia, 16 Iliensko Shose Str. – member of the Board of directors and Executive Director.

Vessela Lyubenova Stoeva participates in the management/supervisory body for the following companies:

- “VLS” AD, UIC 175082980, with headquarters in Sofia, Slaveikov Square 9 - member of the Board of directors;
- “VES elektroinvest systems” EOOD, UIC 201712700, with seat and headquarters: Sofia, 9 P. R. Slaveykov Square - Manager.

- “Sopharma” AD, UIC 831902088, with seat and headquarters: 16 Iliensko Shose Str. – Deputy Chairperson of the Board of directors.

Alexandar Victorov Tchaushev participates in the management/supervisory body of the following companies:

- “DK-Domostroene” AD, UIC 102148397, with registered office in Burgas, PO Box 8000, Pobeda area – member of the Board of directors;
- “Sopharma” AD, UIC 831902088, with seat and headquarters: Sofia, 16 Iliensko Shose Str. – member of the Board of directors.
- “Alpha IN” EOOD, UIC 131156322; with seat and headquarters: Sofia, 1B Dimcho Debelyanov – Manager.

Ivan Venetzkov Badinski participates in the management/supervisory body for the following companies:

- “Sopharma” AD, UIC 831902088, with seat and headquarters: 16 Iliensko Shose Str. – member of the Board of directors.

Ognyan Kirilov Palaveev participates in the management/supervisory body of the following companies:

- “Sirius” OOD, UIC 110543305, with headquarters in Sofia, 3 Trayko Stanoev Str – Manager.
- “Sopharma” AD, UIC 831902088, with seat and headquarters in Sofia, 16 Iliensko Shose Str. – member of the Board of directors.
- “Melnitsa Stefanovo Village” EOOD, UIC 2201148801, with headquarters in Sofia, 3 Trayko Stanoev Str. – Manager.
- “OKP Investments” OOD, UIC 204361991, with headquarters in Sofia, 10B Rikkardo Vakkarini Str.- Manager.

Planned economic policy in the next year (Article 247, paragraph 3 of the Commerce Act)

The information is reflected in Section III, paragraph 4 of this Report - Future development of the Company (Article 39, paragraph 4, of the Accountancy Act).

2. Information under art. 240b of the Commercial Law on the obligation of Board members to notify in writing the Board of Directors or the Management Board when they or their related parties conclude contracts with the company outside its usual activity or substantially deviate from market conditions

In 2020, there are no contracts outside the ordinary business of the company or significantly deviate from market conditions.

V. Information on Annex 10 to art. 32, para 1, item 2 of Regulation 2 of LPOS

1. Information given in value or quantitative terms about the main categories of goods, products and / or services provided, including their share in sales revenue of the Group in general and changes in the reporting year

The information is included in Section III, item 2 of this document. The Group does not publish quantitative information due to the specifics of the production.

2. Information about the revenues allocated by separate categories of activities, domestic and foreign markets and information on sources for supply of materials needed for production of goods or the provision of services with the degree of dependence on any individual seller or buyer / user, in case their share exceeds 10 per cent of the expenses or sales revenue, provide information for each person for his share in sales or purchases and links with the issuer

Information about the revenues allocated by separate categories of activities, domestic and foreign markets are provided in Section III item 2 of this report. For 2020, there are no customers whose relative share exceeds 10% of total sales revenue.

The raw materials used exceed 3,500 nomenclature numbers that have a dynamic structure and diverse origin (synthetic, vegetable), aggregate (liquid, solid, gaseous).

The main share of raw materials is secured by imports. Sources of supply are validated manufacturers, which is in line with regulatory requirements and aims to maintain consistency and traceability in terms of quality.

The respective counterparty companies operate according to the requirements of GMP, GDP and other industry standards. "Sopharma" AD is working with a number of Bulgarian and foreign suppliers as their selection is done according to procedure developed in-house and aims to provide an alternative security in the supply and competitive flexibility in trade relations. Non-negotiable conditions that "Sopharma" AD implies in the negotiation process are: consistent quality, competitive prices and attractive payment terms, rhythmic and timely deliveries which prevent the accumulation of inventories on the one hand, while guaranteeing the regularity of the production process.

In 2020 none of the suppliers' share exceeds 10% of the total cost of services rendered and materials.

3. Information on significant transactions

The Group has adopted that significant transactions are those that result or may be reasonably assumed to lead to favorable or unfavorable change in the amounts of 5 or more percent of sales revenues or net profit. There are no such transactions in 2020.

4. Information regarding transactions between the issuer and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside its usual activity or substantially deviate from market conditions when, the issuer or its subsidiary is party, indicating the value of the transactions, the nature of relatedness and any information necessary to assess the impact on the financial position of the issuer

Information on transactions concluded between “Sopharma” AD and related parties during the reporting period is set out in an annex to the consolidated financial statements "Related party transactions".

At the Annual General Meeting of Shareholders, held on 5 June 2020, the following transactions were authorized for conclusion between the Company and related parties:

- ✓ Conclusion of a contract for the provision of marketing services for medicinal products and other products health related between “Sopharma” AD as the Assignor and “Sopharma Trading” AD as the Contractor, pursuant to which obligations to “Sopharma” AD will arise to “Sopharma Trading” AD in the total amount of the transaction up to BGN 5 million without VAT for a period of 3 years, as of 1 July 2020.
- ✓ Transaction for purchase and sale of medicinal products and other health related products / medical devices, sanitary and hygienic materials, food additives / between “Sopharma” AD as a producer and seller of goods and “Sopharma Trading” AD as a buyer, pursuant to which a receivable from “Sopharma Trading” AD will arise for “Sopharma” AD in the amount of up to BGN 360 million without VAT for a period of 3 years, as of 1 July 2020.
- ✓ Conclusion of a contract for provision of services for pre-distribution of medicinal products and deposit between „Sopharma“ AD as a depositor and „Sopharma Trading“ AD as a service provider, pursuant to which „Sopharma“ AD will incur payables to “Sopharma Trading” AD in the amount of up to BGN 8 million without VAT for a period of 3 years, as of 1 July 2020.
- ✓ Conclusion of a contract for marketing services for medicinal products, medical devices, sanitary and hygienic materials and food additives between „Sopharma“ AD as the Assignor and “Soparmacy” EOOD as the Contractor, under which „Sopharma“ AD will incur payables to “Soparmacy” EOOD of up to BGN 1,8 million without VAT for a period of 3 years.
- ✓ Framework contract for rent of conference areas between “Sopharma” AD as a Tenant and “Sopharma Properties” REIT as a Landlord for a period of 3 years with a rental price determined depending on the capacity and duration of use of individual sites on prices in accordance with the market valuation for use of these assets.

“Sopharma” AD has not concluded transactions outside of its usual activities or that substantially deviate from the market conditions.

5. Information about events and indicators unusual for the issuer that have a significant impact on its activity and realized income and expenses; assessment of their impact on the current year results

In 2020 there were no events and indicators of unusual nature for the Group.

6. Information on off-balance sheet transactions - nature and business purpose, the financial impact of transactions on the activity, if the risks and benefits of these transactions are material to the issuer and the disclosure of this information is essential for assessing the financial position of the issuer

The contingent obligations took by the Group as at 31 December 2020 are stated in the annual financial statements in the note "Contingent Liabilities and Commitments".

7. Information on shares of the issuer, its major investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as investments in equity securities outside its group of companies under Accountancy Act and the sources /methods of financing

The information on shareholdings and major investments, domestic and foreign, of "Sopharma" AD are listed in the Notes to the annual financial statements - "Investments in subsidiaries", "Other long-term capital investments" and "Investments in associates". Information regarding investments in intangible assets and real estate is presented in the Notes "Intangible assets", "Property, plant and equipment" and "Investment property".

8. Information about the concluded by the issuer, its subsidiary or parent company in their capacity as borrowers, loan contracts specifying the terms and conditions, including the deadlines for repayment as well as information about guarantees and commitments

The information on concluded by "Sopharma" AD and its subsidiaries loan agreements are listed in the notes to the annual consolidated financial statements "Long-term bank loans" and "Short-term bank loans."

9. Information about the concluded by the issuer, its subsidiary or parent company in their capacity of lenders, loan agreements, including the provision of guarantees of any kind, including related parties, and the specific terms, including the deadlines for payment and the purpose for which they were granted

The long-term loans granted are to a company controlled by an associate:

Contractual amount of EUR 31 194 thousand; interest rate - 3.5%; maturity – 31 December 2021; balance as of 31 December 2020 - BGN 0 thousand;

Contract amount of BGN 81 900 thousand; interest rate - 3.0%; maturity – 31 December 2025; balance as of 31 December 2020 - BGN 58 321 thousand;

Contractual amount of BGN 3 400 thousand; interest rate - 3.0%; maturity – 31 December 2021; Balance as of 31 December 2020 - BGN 0 thousand;

Contractual amount of EUR 708 thousand; interest rate - 3.33%; maturity – 31 December 2022; balance as of 31 December 2020 - BGN 1 404 thousand;

The long-term loans granted to related parties are intended to help finance activities for the achievement of common strategic objectives. They are secured by pledges of securities (stocks), pledges of receivables and promissory notes.

Long-term loans to third parties:

Contractual amount of EUR 695 thousand; interest rate - 3.05%; maturity – 12 October 2022; balance as of 31 December 2020 - BGN 1 473 thousand;

Contractual amount of EUR 3 000 thousand; interest rate - 3.05%; maturity – 29 June 2023; Balance as of 31 December 2020 - BGN 6 135 thousand;

The contractual amount is BGN 24 thousand; interest rate - 5%; maturity – 14 March 2023; balance as of 31 December 2020 - BGN 0 thousand.

Commercial loans granted to related parties:

Commercial loans granted to related parties are unsecured and to companies controlled by an associate:

Contractual amount of BGN 190 thousand; interest rate - 3.50%; maturity -31 December 2020; balance as of 31 December 2020 - BGN 48 thousand;

Contractual amount of BGN 8 937 thousand; interest rate - 3.10%; maturity - 31 December 2021; Balance as of 31 December 2020 - BGN 6 010 thousand.

10. Information on the use of funds from the issuance of new issue of securities during the reporting period

During the reporting period the Group did not issue securities.

11. Analysis of the relationship between the financial results reflected in the financial statements for the financial year and earlier published forecasts for these results

There are no published forecasts of financial results.

12. Analysis and evaluation of the policy on the management of financial resources, including the ability to meet its obligations, possible threats and measures that the issuer has taken or will take to resolve them

The management of the parent company and respectively the managements of the subsidiaries currently control the collection of receivables, the implementation of financial ratios of banking contracts and ensure regular servicing of their obligations. Financial risk management is fully disclosed in the "Financial Risk Management" as part of the consolidated financial statements of the Company.

13. Assessment of the feasibility of investment intentions, indicating the amount of available funds and possible changes in the financing structure of this activity

The planned investment program for 2021 includes investments of 14 million BGN for the acquisition of lands, buildings, machinery, equipment and software. Sources of funding are its own funds from regular business. The Company is not experiencing difficulties in carrying out its investment intentions and payments for operating activity thanks to the generated positive to cash flow and good liquidity.

14. Information about changes in the reporting period in the basic principles of management of the issuer and its group of companies under the Accounting Law

During the reporting period there were no changes in the main management principles of "Sopharma" AD and its economic group.


15. Information about the main characteristics applied by the issuer in the process of preparing the financial statements, internal control system and risk management

The information is provided in item 3 of the Corporate Governance Declaration pursuant to Art. 100n para 8 of LPOS, which is a separate report, published together with the management report.

16. Information about changes in management and supervisory boards during the accounting year

During the reporting period there were no changes in the management and supervisory bodies of "Sopharma" AD. As of 16.06.2020, Mr. Simeon Donev, Business Development Director at "Sopharma" AD, has been appointed procurator of the company.

17. Information on the amount of remuneration, rewards and / or benefits of each of the members of the management and supervisory bodies for the financial year, paid by the issuer and its subsidiaries, regardless of whether they have been included in the expenses of the issuer, or arising from profit distribution, including:

-  Amount of accrued by the Company remuneration of the Board of Directors and the Procurators:

	Remuneration BGN	Tantiems BGN	By employment contract	Total
Ognian Ivanov Donev	329 786	393 373	-	723 159
Vessela Lyubenova Stoeva	120 000	-	53 745	173 745
Ognian Kirilov Palaveev	120 000	-	-	120 000
Alexandar Victorov Tchaushev	120 000	-	-	120 000
Ivan Venetzkov Badinski	120 000	-	72 587	192 587
Procurator – Iv. Badinski	60 000	-	-	60 000
Procurator – S. Donev	33 409	-	111 610	145 019

The insurance contribution for the account of the company of the members of the Board of directors - calculated for the period January - December 2020 is in the amount of BGN 13 982,40.

✚ Amount of paid by the Company remuneration of the Board of directors and the Procurators:

	Remuneration BGN	Tantiems BGN	By employment contract	Total
Ognian Ivanov Donev	329 786	403 822	-	733 608
Vessela Lyubenova Stoeva	120 000	-	53 745	173 745
Ognian Kirilov Palaveev	120 000	-	-	120 000
Alexandar Victorov Tchaushev	120 000	-	-	120 000
Ivan Venetzkov Badinski	120 000	-	72 587	192 587
Procurator – Iv. Badinski	60 000	-	-	60 000
Procurator – S. Donev	33 409	-	111 610	145 019

Information about the amount of remuneration of the Board of directors of “Sopharma” AD as referred to in Section IV of this report - information under Art. 247 of the Commerce Act, para 2.

✚ deferred or contingent remuneration during the year, even if the remuneration is due at a later time:

On the grounds of Art. 24 para. 3, part B of the Articles of Association of the Company to the Executive Director of the company is entitled to an additional remuneration to 1% of the profit according to the approved on the General meeting of shareholders relevant Annual Financial Report.

According to Article 7.2, para. 3 of the Remuneration policy, 40% of the additional remuneration to the Executive Director is deferred for three years and the amounts due are as follows:

- BGN 166 079,36 due in 2021;
- BGN 126 400,37 due in 2022;
- BGN 153 290,87 due in 2023.

✚ the amount of accrued and paid remunerations to the members of the Audit Committee:

Members of the Audit Committee	Remuneration BGN
Tzvetanka Zlateva	12 000
Vasil Naidenov	12 000
Kristina Atanasova - Eliot	12 000

The insurance contribution for the account of the company of the members of the Audit Committee calculated for the period January - December 2020 is in the amount of BGN 2 282,40.

18. Information on held by members of management and supervisory bodies, the procurators and the senior management of the issuer shares, including the shares held by each of them individually and as a percentage of shares of each class and provided by the issuer options on its securities - type and amount of securities on which options have been set, exercise price of the options, purchase price, if any, and the term of the options.

Information about the shares held by the members of the Board of directors of “Sopharma” AD is indicated in Section IV of this report - information under Art 247 par. 2 from Commerce Act.

Members of the Audit Committee	31.12.2020		31.12.2019		relative share of capital %
	relative share of capital %	Number of shares	relative share of capital %	Number of shares	
Tzvetanka Zlateva	-	-	-	-	-
Vasil Naidenov	186	0.00007%	186	0.00007%	86
Kristina Atanasova - Eliot	-	-	-	-	-

19. Arrangements (including after the end of the financial year) as a result of which future changes may occur in the holding of shares or bonds by current shareholders or bondholders

There are no such arrangements.

20. Information about pending legal, administrative or arbitration proceedings relating to liabilities or receivables of the issuer of at least 10 percent of its equity; if total liabilities or receivables of the issuer in all proceedings exceeds 10 per cent of its equity, provide information about each case separately

There are no pending legal, administrative or arbitration proceedings relating to liabilities or receivables.

21. Information about the Investor Relations Director, including telephone number and correspondence address:

Director of Investor Relations of “Sopharma” AD is Pelagia Viatcheva, tel. +359 2 8134 319, correspondence address - Sofia, 5 Lachezar Stanchev Str., Building A, fl. 11.

Information about the shares of “Sopharma” AD

The total number of issuers by “Sopharma” AD as at 31 December 2020 is 134 797,899 with a nominal value of BGN 1 per share. All issued shares are registered, dematerialized, ordinary and indivisible, in accordance with the Articles of Association of the company. All issued shares are of one class. Each share gives the right to one vote in the General Meeting of Shareholders, the right to a dividend and a liquidation share, proportional to the nominal value of the share.

Structure of the capital of “Sopharma” AD as at 31 December 2020:

- ✚ Physical persons – 6 649 – 11 333 055 shares – 8.40%
- ✚ Legal persons – 152 – 123 464 844 shares – 91.60%

The capital of the Company may be increased by a decision of the General Meeting of Shareholders adopted by majority as required by law. In case of capital increase, each Shareholder has the right to acquire shares of the new emission, which correspond to their share in the capital before the increase. A shareholder cannot participate in person or by proxy in voting related to:

- ✓ Claims against them.
- ✓ Taking action or refusal to act, related to the fulfillment of obligations to the Company.
- ✓ Taking of decision under art. 114, par. 1 of LPOS, in case they are an interested party within the meaning of LPOS.

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. The shares participate in the formation of the SOFIX, BGBX40 and BGTR30 indices of “BSE – Sofia” AD. The Company's shares are included in the Dow Jones STOXX EU Enlarged Total Market Index with a weight of 0.11%, with a weight of 5% in Erste Bank Bulgaria Basket, in the Raiffeisen Bank's Raiffeisen Osteuropa Fonds certificate as well as in the new Dow blue-chip index Jones STOXX Balkan 50 Equal Weighted Index.

“Sopharma” AD is one of the three Bulgarian companies included in the Central and Eastern Europe (CEE) Index, which the Warsaw Stock Exchange began to calculate as of May 30, 2012. The index is called WIG-CEE and is the third after WIG-Poland and WIG-Ukraine, which is based on the country's country of origin. WIG-CEE is calculated on a common yield basis and includes dividend yield and share subscription rights.

Key indicators of the shares of “Sopharma” AD

	31.12.2020	31.12.2019
Total number of issued shares	134 797 899	134 797 899
Average-weighted number of outstanding shares for the last four quarters	125 754 274	125 896 515
Number of shares outstanding at the end of the period	125 786 432	125 684 432
Net earnings per share in BGN ¹	0,237	0,691
Price per share at the end of the period in BGN	3,194	3,406
Price/Earnings ratio (P/E)	13,48	4,93
Book value per share in BGN ²	4,398	4,427
Price/Book value ratio (P/B)	0,73	0,67
Market capitalization at the end of the period in BGN	430 544 489	459 741 536

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

² Equity, not including minority interest / number of outstanding shares at the end of the period.

Sopharma Group

Trade with shares of “Sopharma” AD on „Bulgarian Stock Exchange – Sofia“ AD for the period 1 January 2020 – 31 December 2020.



28 April 2021
Sofia

Ognian Donev, PhD
Executive director