

“Sopharma” AD **Individual financial results** **for 2024**





What we do?

„Sopharma“ AD is a leading Bulgarian pharmaceutical producer and exporter with strong regional presence. The product portfolio of the company consists of more than 200 products. The company produces and markets medicinal substances and dosage forms; conducts research, engineering and implementation activities in the field of phytochemistry, chemistry and pharmaceuticals.

The Company operates in the following areas:

- Production of pharmaceutical products including medicines, CHC products, herbal-based substances and food supplements;
- production of medical products and cosmetics, incl. - plasters, bandages, sanitary-hygiene products, herbal cosmetics;
- production and trade of veterinary-medicinal products and performance of laboratory services related to the examination of animal blood samples;
- provides services related to production, as well as to ancillary and supporting activities;

Who are we?

Sopharma Group

Subsidiaries

Sopharma AD – production and trade of medicinal substances (active ingredients) and medicinal forms; scientific-research and engineering-implementation activity in the field of medicinal products;

Sopharma Trading AD – trade in health-related products in Bulgaria and Serbia

Sopharma Trading D.O.O. – wholesale trade in medicinal products

Sopharmacy group – franchising, know-how, property rental, trade and others

PAO Vitamini Ukraine – production and trade of pharmaceutical products

Sopharma Warsaw SP. Z.O.O – distribution of health-related products

OOO Sopharma Ukraine – distribution of health-related products

T00 Sopharma Kazakhstan – trade in pharmaceutical products

Farmahim EOOD – consulting activity

Sopharma Rus OOO – wholesale trade in pharmaceutical products and market and public opinion research

Pharmanova D.o.o – production of pharmaceuticals

Brititrade Group Belarus – wholesale and retail trade in pharmaceutical products, consulting activity

Who are we?

Sopharma Group

Associated companies

Doverie Obedinen Holding AD – acquisition, management, evaluation and sale of shares and/or shareholdings in Bulgarian and foreign companies (financial institutions, wineries, hospitals, medical centers and others)

Sopharma Imoti REIT – investment of funds raised through the issuance of securities in real estate

Sopharma Buildings REIT – investing money raised by issuing securities in real estate

ODO Alenfarm-plus – retail trade in medicinal products.

ODO Medzhel – retail trade in medicinal products.

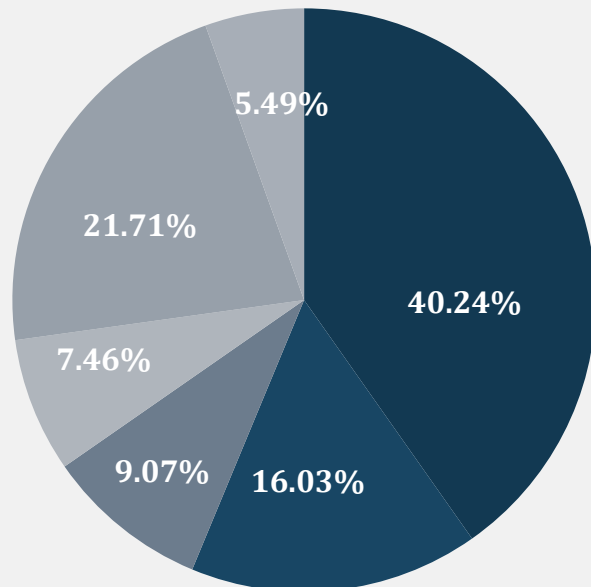
OOO Galenafarm – retail trade in medicinal products

Joint venture

Momina Krepost AD – development, implementation and production of medical devices for human and veterinary medicine

ZAO Kompaniya Interfarm – retail trade in medicinal products.

Shareholder structure as at December 31th, 2024



- "Donev Investments Holding" AD
- "Telecomplex Invest" AD
- Ognian Donev
- "Sopharma" AD (treasury shares)
- Other legal persons
- Other physical persons

Shares held by the members of the Board of Directors as of 31.12.2024 :

- Ognian Donev- 16 224 600 shares, 9.07% of capital
- Alexander Tchaoushev – 458 042 shares, 0.26 % of capital
- Vessela Stoeva – 150 shares, 0% of the capital
- Ivan Badinski – 2 030 shares, 0% of the capital
- Bissera Lazarova – 34 200 shares, 0.02% of the capital

As of December 31th, 2024 "Sopharma" AD has 13 356 996 shares

Board of Directors



Ognian Donev, PhD
Chairman of the BoD and Executive Director

He studied in Hamburg, Vienna, and graduated in "International Economic Relations" in Sofia University of Economics. Mr. Donev obtained a Doctor's degree in Economics in 1986 in Berlin. Ognian Donev is a Executive director of "Sopharma" AD since 2000.



Vessela Stoeva
Deputy-chairman of the BoD

Completes her higher education in the Economic University in Sofia with "Finance and credit". She has been an economic advisor to the CEO and Deputy-chairman of the Board of directors in "Sopharma" AD since 2000.



Ivan Badinski
Member of the BoD

Mr. Badinski owns an "Organization and Economics of Distribution and Pharmacy Practice" and professional qualification as a "Health manager". In 2000 Mr. Badinski worked in the company as a director of co-operation and licenses.



Bissera Lazarova
Member of the BoD

Mrs. Lazarova has completed her higher economic education, specialty "International Economic Relations" at HIE "Karl Marx" Sofia. Mrs. Lazarova's professional experience includes several management positions in the field of international trade, accounting and control, organization.



Alexandar Tchaoushev
Independent Member of the BoD

He graduated from the English Language School in Sofia and later completed his higher education at the Moscow State Institute of International Relations. Mr. Chaushev is a member of the Board of Directors of "Sopharma" AD since 2011.

Shares of “Sopharma” AD



Data on the trading of “Sopharma” AD on the Bulgarian Stock Exchange

Volume of traded shares for 2024

Volume of traded shares
BGN 3 873 458

Turnover of traded shares
BGN 23 892 191

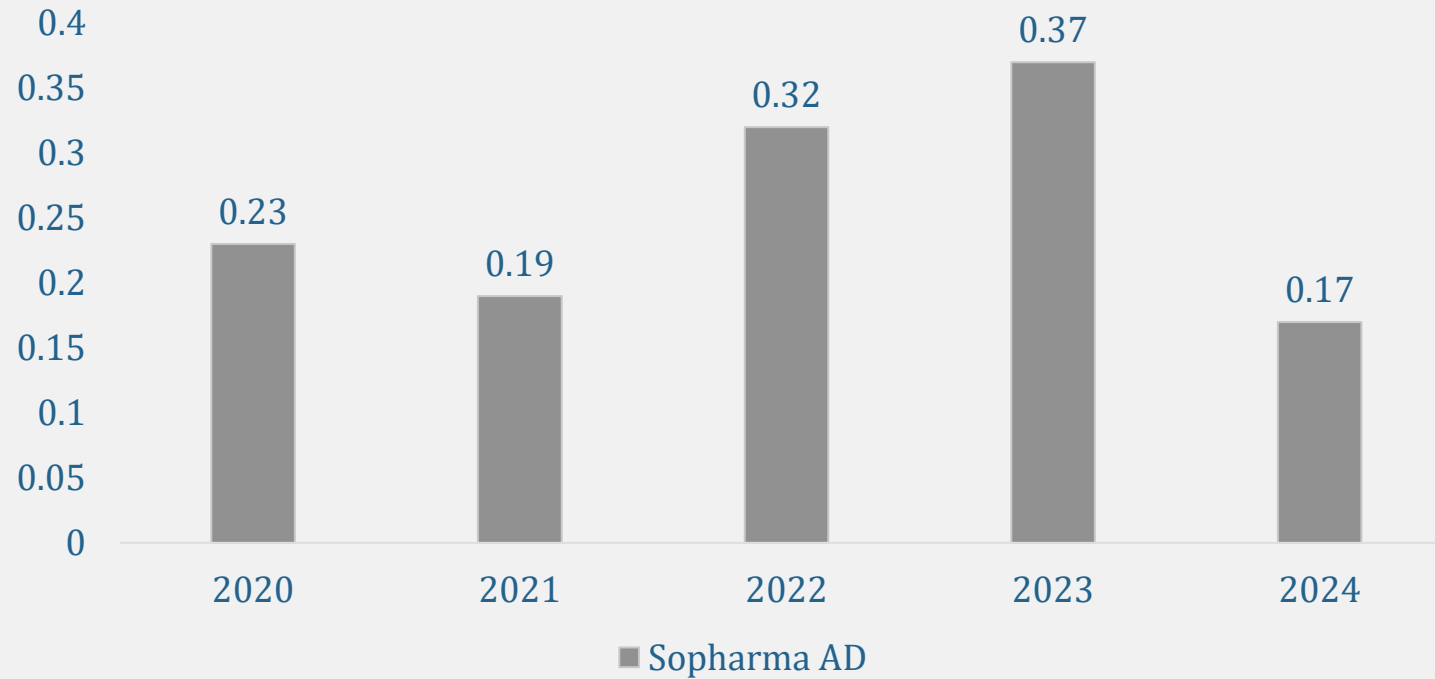
Maximum price of traded shares
BGN 6.68

Minimum price of traded shares
BGN 5.56

The shares are traded on the Bulgarian Stock Exchange, on PREMIUM Share Segment and the official market of the Warsaw Stock Exchange.

Trading data of “Sopharma” AD on the Bulgarian Stock Exchange

Income per share



Dividends

History on dividends paid by the public companies in the Sopharma Group

Dividend for 1 share in BGN

Year	“Sopharma” AD	“Sopharma Trading” AD	“Sopharma Imoti” REIT
2024- H1	0.075	none	none
2023	0.09	none	0.160
2023-H1	0.90	none	none
2022	0.60	none	0.165
2021	none	none	0.166
2020	0.04	none	0.164
2019	0.12	0.30	0.284

Individual financial results for 2024



Key financial indicators

Revenues from contracts with customers are from sales of manufactured medicinal products and in 2024 these decreased by BGN 16,3 million, to BGN 234,7 million, compared to BGN 251 million in 2023.

Indicators	2024 BGN '000	2023 BGN '000	Change %
Sales revenue	237 596	253 276	-6,2%
EBITDA	47 797	70 729	-32,4%
Operating profit	28 304	49 266	-42,5%
Net profit	28 935	47 570	-39,2%
CAPEX	187 864	16 036	1071,5%
	31.12.2024	31.12.2023	
	BGN '000	BGN '000	%
Non-current assets	678 401	535 759	26,6%
Current assets	263 827	339 508	-22,3%
Owners' equity	609 265	576 097	5,8%
Non-current liabilities	50 497	66 477	-24,0%
Current liabilities	282 466	232 693	21,4%

*acquired tangible and intangible long-term assets

Revenues from sales of products by market



Sales of “Sopharma” AD on the domestic market increased by BGN 2,4 million or 2.6% in 2024, to BGN 95,9 million, compared to BGN 93,5 million in 2023. According to IQVIA data, by the end of 2024 the company occupies 1.92% (sixteenth position) of the total volume of the Bulgarian pharmaceutical market in terms of value and 6.7% (second position) of sales in volume. The products with the largest share of sales in the country are Analgin, Dimex, Carsil, Tribestan, Famotidine and Urimax.



Sales revenues for 2024 for European countries decreased by BGN 14 million or 11.1 % compared to 2023 due to the decrease in sales in Russia, Latvia and Poland as for the current period they decreased by 19.3%, 33.7% and by 50.1%, respectively. On other regular markets, growth was registered in Belarus by 76.3%, in Lithuania by 24.8%, in Serbia by 9.9% and in Ukraine by 10.7%.



Revenues from other markets decreased by BGN 4,7 million or 15.1% compared to 2023 as a result of the decrease of the sold production in Azerbaijan, Uzbekistan, Vietnam and Mongolia. Growth in sales was registered in Armenia, Tunis and Turkmenistan.

Key financial indicators

Indicators	1-12/2024	1-12/2023
EBITDA/Sales revenues	20.1%	27.9%
Operating profit/Sales revenues	11.9%	19.5%
Net profit/Sales revenue	11.9%	18.8%
	31.12.2024	31.12.2023
Borrowed capital/Owners' equity	0,55	0,52
Net debt/EBITDA on an annual basis	3,9x	-0,1x

* 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 expenses

For the current period, the expenses for materials decreased by BGN 1 million compared to 2023 partly due to the decrease in the costs of heating and electricity. Personnel costs increased by BGN 7,5 million as a result of an increase in current remunerations, and in external service costs, which increased by BGN 10,1 million, the largest change was registered in the costs of advertising and marketing services, which increased by BGN 6 million and in the costs of consulting services, which increased by BGN 3,7 million. Other operating expenses decreased by BGN 0,5 million compared to the previous period.

Indicators	2024 BGN'000	2023 BGN'000
Raw materials and consumables used	(85 796)	(86 806)
Hired services expense	(56 770)	(46 711))
Employee benefits expense	(75 906)	(68 406)
Depreciation expense	(19 493)	(21 463)
Other operating expenses	(8 361)	(8 871)

Financial income

Financial income decreased by BGN 2,4 million to BGN 5,2 million in 2024, mainly due to the decrease in interest income on loans granted and in term deposits.

Financial income	2024 BGN '000	2023 BGN '000	Change %
Income from shareholding	1 642	1 514	8.5%
Interest income on loans granted	1 137	2 642	-57.0%
Interest income on recoverable shares	718	60	1096.7%
Income from guarantor contract fees	662	799	-17.1%
Reversed provision on financial guarantees	480	1 284	-62.6%
Impairment of credit losses on provisions on financial guarantees	(36)	-	-
Reversed provision on financial guarantees, net	444	1 284	-65.4%
Net foreign exchange gain on sale of subsidiary	225	-	-
Interest income on cession agreements	127	127	0.0%
Net gain on transactions in debt securities held for trading	123	-	-
Income on term deposits	100	954	89.5%
Net foreign exchange gain on receivable of recoverable shares in subsidiaries	54	212	-74.5%
Net foreign exchange gain on leases	-	6	-
Total	5 232	7 598	-31.1%

Financial expenses

Financial expenses increased by BGN 2,3 million to BGN 6 million in 2024 as a result of the increase in interest expenses on loans received and in costs for discounting of long-term receivables.

Financial expenses	2024 BGN '000	2023 BGN '000	Change %
Interest charges on loans obtained	2 852	1 966	45.1%
Expenses for discounting long-term receivables	1 291	-	-
Impairment of credit losses on receivables under business loans granted	812	848	-4.2%
Reversed impairment of credit losses on receivables under business loans granted	(138)	(40)	245%
Net change in the impairment of loans granted	674	808	-16.6%
Bank charges on loans and guarantees	560	427	31.1%
Interest charges on leases	300	300	0.0%
Loss on remeasurement of financial assets to fair value	245	-	-
Costs related to dividend payment	36	6	500.0%
Net foreign exchange loss on leases	12	-	-
Costs related to foreign securities	10	-	-
Impairment of credit losses on receivables under guarantor agreements	1	4	-75.0%
Reversed impairment of credit losses on receivables under guarantor agreements	-	(2)	-
Net change in the impairment of guarantorships	-	2	-50.0%
Net foreign exchange loss on receivable upon subsidiary sale	1	128	-
Total	5 981	3 637	64.4%

Assets

Non-current assets compared to the end of 2023, increased by BGN 142,6 million to BGN 678,4 million, with the most significant effect coming from the purchase of contractual rights over sales permits and trademarks with carrying amount of BGN 165 million, the change in investments in subsidiaries due to the newly acquired shares in the Serbian company Pharmanova D.o.o in the amount of BGN 8,6 million, as well as the increase 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 from related parties decreased by BGN 45,9 million as a result of repaid loans granted by "Doverie Invest" EAD and "Industrialen Holding Doverie" AD.

Current assets decreased by BGN 75,7 million to BGN 263,8 million, the most significant being the impact of the decrease in cash and cash equivalents amounting to BGN 93,8 million as a result of dividend paid. An increase is recorded in inventories by BGN 7,8 million, and in trade receivables in the amount of BGN 3,2 million, while receivables from related parties decreased by BGN 1.3 million.

ASSETS	31.12.2024 BGN '000	31.12.2023 BGN '000	Change %
Non-current assets			
Property, plant and equipment	211 216	212 079	-0.4%
Intangible assets	176 533	7 908	2132.3%
Goodwill	50 512	49 886	1.3%
Investments property	96 668	83 901	15.2%
Investments in associates and joint ventures	107 672	112 094	-3.9%
Other long-term equity investments	11 976	3 870	209.5%
Long-term receivables from related parties	16 771	62 664	-73.2%
Other long-term receivables	7 053	3 357	110.1%
	678 401	535 759	26.6%
Current assets	115 011	107 227	7.3%
Inventories	83 633	84 909	-1.5%
Trade receivables	25 991	22 767	14.2%
Receivables from related parties	11 552	11 203	3.1%
Other receivables and prepayments	14 786	6 715	120.2%
Cash and cash equivalents	1	-	-
	12 853	106 687	-88.0%
	263 827	339 508	-22.3%
TOTAL ASSETS	942 228	875 627	7.6%

Owner's equity

The equity increased by BGN 32,5 million, to BGN 608,5 million, as a result of the increase of retained earnings and reserves.

	EQUITY	31.12.2024	31.12.2023
		BGN'000	BGN'000
Share capital		179 100	172 591
Treasury shares		(53 559)	(57 452)
Reserves		465 322	445 274
Other equity components (reserve under issued warrants)		260	1 857
Retained earnings		17 434	13 827
Total		608 557	576 097

LIABILITIES

Non-current liabilities decreased by BGN 15,3 million, to BGN 51,2 million, as a result of a decrease in long-term bank loans by BGN 15,8 million.

Current liabilities increased by BGN 49,8 million, to BGN 282,5 million, being the effect of a decrease due to the paid-off liabilities for dividend payment, and an increase in trade payables due to a liability related to the purchase of contractual rights over sales permits and trademarks in the amount of BGN 84,1 million, which is also the main reason for the growth of the current portion of long-term bank loans, which increased by BGN 107,7 million.

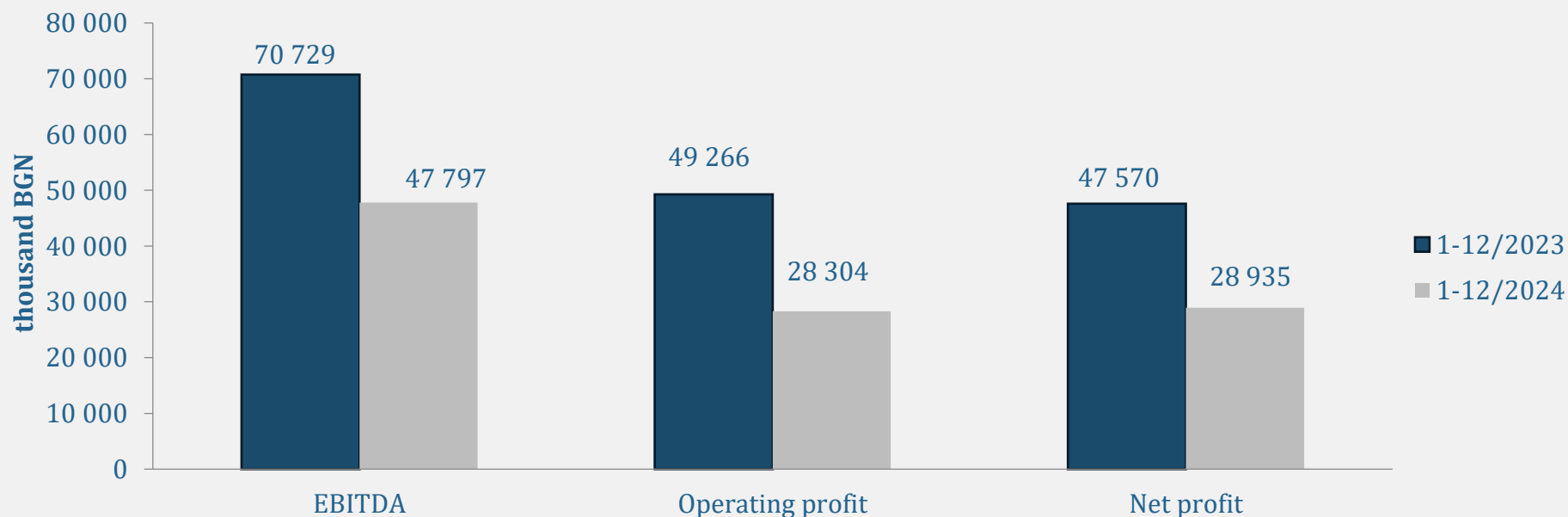
LIABILITIES	31.12.2024 BGN'000	31.12.2023 BGN'000	Change %
Non-current liabilities			
Long-term bank loans	19 904	35 698	-44.2%
Deferred tax liabilities	3 262	3 469	-6.0%
Government grants	4 358	4 935	-11.7%
Lease liabilities to related parties	15 006	14 774	1.6%
Lease liabilities to third parties	1 873	2 250	-16.8%
Retirement benefit obligations	6 094	5 351	13.9%
Tax payables	708	-	-
	51 205	66 477	-23.0%
Current liabilities			
Short-term bank loans	48 390	44 838	7.9%
Current portion of long-term bank loans	108 597	854	12616.3%
Trade payables	103 739	21 991	371.7%
Payables to related parties	2 607	100 109	-97.4%
Tax payables	914	2 426	-62.3%
Payables to personnel and for social security	10 438	10 672	-2.2%
Other current liabilities	7 781	51 803	-85.0%
	282 466	232 693	21.4%
TOTAL LIABILITIES	333 671	299 170	11.5%
TOTAL EQUITY AND LIABILITIES	942 228	875 267	7.7%

Financial results for 2024

Earnings before interest, taxes and depreciation (EBITDA) in 2024 decreased by BGN 22,9 million or 32.4%, to BGN 47,8 million, compared to BGN 70,7 million in 2023. The main factors for the decrease are the decrease in sales revenue in Russia, as well as the increase in operating expenses, especially those for personnel, advertising and consulting services.

Profit from operating activities in 2024 decreased by BGN 21 million, or 42.5%, to BGN 28,3 million, compared to BGN 49,3 million in 2023.

Net profit in 2024 decreased by BGN 19,3 million, or 40,7%, to BGN 28,2 million compared to BGN 47,6 million in 2023.



Main Risks review





Business Risk

The Company faces significant competition. Part of the Company's revenues, in particular in Bulgaria, depends on the inclusion of the Company's medicines in reimbursement lists. The Company are subject to multiple laws and regulations on environmental protection and health and safety work conditions and are exposed to potential environmental liabilities.



Currency risk

The Company perform their activities in active exchange with foreign suppliers and customers and are therefore exposed to currency risk. 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.



Risks related to other markets

The macroeconomic environment, particularly in Bulgaria, Russia and Ukraine, has a significant effect on the Company's operations and position. The political environment in Bulgaria and in the export markets, especially Russia and Ukraine, has a significant effect on the Company operations and financial position. Risks relating to exchange rates and the Currency Board in Bulgaria.



Legal risk

Developing legislation in some of the countries in which the Company sells its products may negatively affect its operations in those countries. Interpretation of tax provisions may be unclear and tax laws and regulations applicable to the Company may change. Litigation or other out-of-court procedures or actions can have an adverse effect on the Company's business, financial position and results of operations.

**Thank you
for your
attention!**

**Investor Relations
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