



**MANAGEMENT REPORT FOR  
Q1 2026**

**SOPHARMA GROUP**

**29 May 2026**

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## I. General information about the Group

### 1. Main activities

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

The Group operates in the following areas:

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

### 2. Registration and activity of the Company

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

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

The Group conducts the production and marketing of medicinal substances and dosage forms; research, engineering and implementation activities in the field of phytochemistry, chemistry and pharmacy, production of medical devices and cosmetic products, incl. - plasters, dressings, sanitary - hygiene products, herbal cosmetics, concentrates for hemodialysis.

### 3. Controlled companies

Sopharma Group consists of Sopharma AD and the following subsidiaries, directly or indirectly controlled by the Company. Additionally, the Group has investments in four associated companies (Doverie - obedinen holding AD - 20.00% stake, Sopharma Imoti REIT - 45.65% stake, Sopharma Buildings REIT - 32.76% stake, 40.10% stake in ODO Alenpharm-plus through SOOO Brititrade, 47% stake in OOO Galenapharm through SOOO Brititrade and 40% stake in ODO Medzhel through SOOO Brititrade) and in two joint ventures (37.47% stake Momina Krepost AD and 50% stake in ZAO Kompaniya Interpharm through SOOO Brititrade).

<b>Company</b>	<b>Interest as at 31.03.2026 in %</b>
Sopharma Trading AD	87.22
Sopharmacy EOOD**	87.22
Sopharmacy 2 EOOD**	87.22
Sopharmacy 3 EOOD**	87.22
Sopharmacy 4 EOOD**	87.22
Sopharmacy 5 EOOD**	87.22
Sopharmacy 6 EOOD**	87.22
Sopharmacy 7 EOOD**	87.22
Sopharmacy 8 EOOD**	87.22
Sopharmacy 9 EOOD**	87.22
Sopharmacy 10 EOOD**	87.22
Sopharmacy 11 EOOD**	87.22
Sopharmacy 12 EOOD**	87.22
Sopharmacy 13 EOOD**	87.22
Sopharmacy 14 EOOD**	87.22
Sopharmacy 15 EOOD**	87.22
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Sopharmacy 19 EOOD**	87.22
Sopharmacy 20 EOOD**	87.22
Sopharmacy 21 EOOD**	87.22
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Sopharmacy 27 EOOD**	87.22
Sopharmacy 28 EOOD**	87.22
Sopharmacy 29 EOOD**	87.22
Sopharmacy 30 EOOD**	87.22
Sopharmacy 31 EOOD**	87.22
Sopharmacy 32 EOOD**	87.22
Sopharmacy 33 EOOD**	87.22
Sopharmacy 34 EOOD**	87.22
Sopharmacy 35 EOOD**	87.22
Sopharmacy 36 EOOD**	87.22
Sopharmacy 37 EOOD**	87.22
Sopharmacy 38 EOOD**	87.22
Sopharmacy 39 EOOD**	87.22
Sopharmacy 40 EOOD**	87.22
Sopharmacy 41 EOOD**	87.22
Sopharmacy 42 EOOD**	87.22
Sopharmacy 43 EOOD**	87.22
Sopharmacy 44 EOOD**	87.22

## Sopharma Group

Sopharmacy 45 EOOD**	87.22
Sopharmacy 46 EOOD**	87.22
Sopharmacy 47 EOOD**	87.22
Sopharmacy 48 EOOD**	87.22
Sopharmacy 49 EOOD**	87.22
Sopharmacy 50 EOOD**	87.22
Sopharmacy 51 EOOD**	87.22
Sopharmacy 52 EOOD**	87.22
Sopharmacy 53 EOOD**	87.22
Sopharmacy 54 EOOD**	87.22
Sopharmacy 55 EOOD**	87.22
Sopharmacy 56 EOOD**	87.22
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Sopharmacy 59 EOOD**	87.22
Sopharmacy 60 EOOD**	87.22
Sopharmacy 61 EOOD**	87.22
Sopharmacy 62 EOOD**	87.22
Sopharmacy 63 EAD**	87.22
Sopharmacy 64 AD**	87.22
Sopharmacy 65 AD**	87.22
Sopharmacy 66 AD**	87.22
Sopharmacy 67 AD**	87.22
Sopharmacy 68 AD**	87.22
Softech Services EOOD	100.00
Sopharmacy Plus EOOD	100.00
PAO Vitamini	100.00
Sopharma Warsaw Sp. z. o. o	100.00
Sopharma Poland Sp. z. o. o - in liquidation	60.00
OOO Sopharma Ukraine	100.00
TOO Sopharma Kazakhstan	100.00
Sopharma Trading D.o.o. **	87.22
Pharmachim EOOD	100.00
Sopharma Rus OOO	100.00
Pharmanova D.o.o	100.00
Sopharmacy D.o.o**	87.22
COOO Brititrade**	68.90
ODO SalusLine**	44.79
OOO Tabina**	68.15
OOO Bellerofon**	48.92
OOO Ne Ska**	68.90
OOO Phytobel**	68.90
OOO AlphaApteka**	68.90
OOO Dabradzeya Pharm**	68.90
AU Great Pharmacy**	87.22
BOOO SpecAFarmacia**	68.90

\*effective interest in percentage

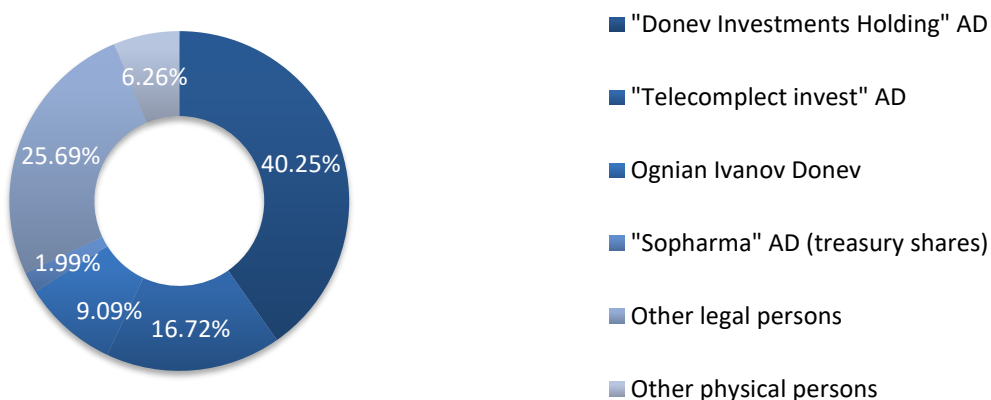
\*\*indirect interest

*This document is a translation from Bulgarian. In case of discrepancies the Bulgarian text prevails.*

## 4. Board of directors

Sopharma AD has a one tier management system with a Board of Directors of five members as follows: Ognian Donev, PhD – Chairman, Vessela Stoeva – Deputy Chairman and members – Alexander Tchaoushev, Bissera Lazarova and Ivan Badinski. The company is represented and managed by the Executive Director Ognian Donev, PhD. Based on a concluded management agreement dated June 9, 2020, the company's procurator is Simeon Donev.

## 5. Shareholder structure as at Q1 2026



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

The total number of shares issued as at Q1 2026 by Sopharma AD is 539 157 603 with a nominal value of EUR 0.51 per share. All issued shares are registered, dematerialized, ordinary and indivisible, according to the Articles of Association of the Company. All issued shares are of one class. Each share gives equal rights to its holder in proportion to the nominal value of the share.

## II. Recent developments

### Key financial indicators

Indicators	1-3/2026 EUR '000	1-3/2025 EUR '000	change %
Revenues	352 868	327 479	7.8%
EBITDA	42 262	29 549	43.0%
Operating profit	31 760	20 820	52.5%
Net profit	32 882	22 457	46.4%
CAPEX*	9 896	11 875	-16.7%
	<b>31.03.2026 EUR '000</b>	<b>31.12.2025 EUR '000</b>	
Non-current assets	507 540	503 032	0.9%
Current assets	564 435	559 342	0.9%
Owners' equity	539 092	499 299	8.0%
Non-current liabilities	123 196	120 686	2.1%
Current liabilities	409 687	442 389	-7.4%

\* acquired tangible and intangible fixed asset

Indicators	1-3/2026	1-3/2025
EBITDA/ Sales revenues	12%	9.0%
Operating profit / Sales revenues	9.0%	6.4%
Net profit/Sales revenues	9.3%	6.9%
	<b>31.3.2026</b>	<b>31.12.2025</b>
Debt/ Equity	0,99	1,13
Net debt*/ EBITDA on annual basis	2,22x	2,47x

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

### Operating revenues

*Sales revenues* of the Group increased by EUR 25.4 million or 7.6%, reaching EUR 352.9 million in the Q1 of 2026 compared to EUR 327.5 million in the Q1 of 2025.

*Sales of products* decreased by EUR 29.1 million or 10.3%, reaching EUR 254.6 million in the Q1 of 2026 compared to EUR 283.7 million in the Q1 of 2025. The reason for this decline is the reclassification of part of the sales of the newly acquired products by the Group in 2024 from revenue from the sale of goods to revenue from the sale of finished products, which is a result of the finalization of the process of transferring the trademarks related to the above-mentioned products in the second half of 2025.

*Sales of finished products* increased by EUR 54.5 million or 124.6%, reaching EUR98.3 million in the first Q1 of 2026 compared to EUR 43.8 million in the Q1 of 2025.

On consolidated basis, a decline in sales of finished products in Bulgaria for the Q1 of 2026 compared to the previous period was recorded. According to IQVIA data, at the end of the first quarter of 2026, the company occupied 1.56% (seventeenth position) of the total volume of the Bulgarian pharmaceutical market in value and 5.64% (second position) of sales in physical terms. The positions of the main companies operating in the pharmaceutical market on the territory of the country are as follows: Merck Sharp & Dohme - 5.8% (0.10% in units), AstraZeneca - 5.52% (0.65% in units), Roche - 4.79% (0.34% in units), Swixx Biopharma - 4.34% (1.58% in units), Abbvie - 4.22% (0.10% in units), Novartis - 4.18% (1.18% in units), Pfizer - 3.42% (0.60% in units), Johnson & Johnson - 3.22% (0.77% in units), Stada - 3.10% (4.88% in units), Teva - 2.99% (8.12% in units). The Company's products with the largest share of sales in the country are Analgin, Famotidine, Vitamin C, Buscolysin, Allergozan, Carsil, Vicetin.

On a consolidated basis for the Q1 of 2026, growth in revenue from sales of finished products was recorded in the main foreign markets of Russia, Ukraine, Belarus, Poland and the Baltic States. In the other traditional markets for the Company, a decline was recorded in Uzbekistan, Vietnam, Serbia and the countries of the Caucasus region.

*Other operating income* increased by EUR 5.6 million to EUR 7.4 million in the Q1 of 2026 compared to EUR 1.8 million in the Q1 of 2025, due to a registered profit of EUR 4.3 million from the sale of a separate part of the commercial enterprise (Biopharm Sliven).

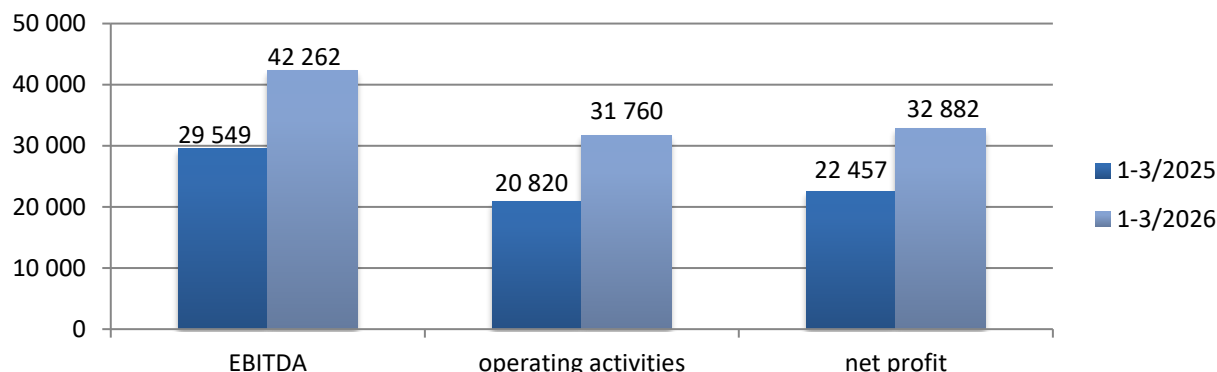
### *Operating expenses*

For the current period, material costs decreased by EUR 1.7 million to EUR 12.5 million. External service costs increased by EUR 4.4 million to EUR 18.5 million, with the largest change in advertising and marketing costs increasing by EUR 2.3 million. Personnel expenses increased by EUR 3.5 million to EUR 35.9 million due to the update of current salaries and an increase in the average number of personnel in the Group. Other operating expenses decreased by EUR 0.3 million.

### *Financial income and expenses*

*Financial income and expenses* in the Q1 of 2026 registered a net loss of EUR 1.7 million, which is an increase of EUR 0.3 million compared to the same period the previous year. Financial income increased by EUR 0.1 million. Financial expenses increase by a total of EUR 0.4 million.

## Financial result



*Earnings before interest, taxes, depreciation and amortization (EBITDA)* increased by EUR 12.7 million or 43%, reaching EUR 42.3 million in the Q1 of 2026 compared to EUR 29.5 million in the first quarter of 2025. The main factor for the increase is the growth in sales revenue, with the most significant impact being the impact of registered sales of finished products as a result of the product brands acquired at the end of 2024.

*Operating profit* increases by EUR 11 million, or 52.5%, to EUR 31.8 million in 2025 compared to EUR 20.8 million in Q1 of 2025.

*Net profit* increases by EUR 10.4 million, or 46.4%, to EUR 32.9 million in Q1 of 2026 compared to EUR 22.5 million in Q1 of 2025.

## Assets

*Non-current assets* at the end of the Q1 of 2026 increased by EUR 4.5 million compared to the end of last year, with the most significant impact on the increase being the change in investments in associated and joint ventures, which increased by EUR 4.2 million.

*Current assets* at the end of the Q1 of 2026 increased by EUR 5.1 million compared to the end of last year. The most significant contribution to this increase was the growth in trade receivables and inventories, while cash and cash equivalents decreased by EUR 14.5 million.

## Owners' equity and liabilities

*The equity* of Sopharma Group at the end of the Q1 of 2026 increased by EUR 39.8 million compared to 31.12.2025 as a result of an increase in retained earnings.

*Liabilities* at the end of the Q1 of 2026 decreased by EUR 30.2 million compared to the end of 2025 as a result of a decrease in short-term bank loan liabilities by EUR 17.2 million. Liabilities to related companies also decreased by EUR 15.4 million as a result of dividends paid.

## Cash flows

	31.03.2026 EUR '000	31.03.2025 EUR '000
Net cash flows from operating activities, normalized	17 483	15 393
Purchases of property, plant and equipment, intangible assets, net	(8 883)	(5 696)
Payments under lease contracts	(4 253)	(3 740)
Free cash flow (normalized)	<b>(4 347)</b>	<b>(24 829)</b>

The free cash flow (normalized with the revenues from payments under leasing contracts and dividends), generated in the Q1 of 2026 amounts to EUR 4.3 million outflow compared to EUR 64 million outflow in the Q4 of 2024.

## New developments and products

During the reporting period January - December 2025 in the Division Development and Regulatory Compliance the following activities were performed:

### • New registrations of medicinal products

During the reporting period, Marketing Authorizations were obtained for 14 new medicinal products:

- Valdivin (valsartan) 160 mg film-coated tablet (Bulgaria)
- Valdivin (valsartan) 320 mg film-coated tablet (Bulgaria)
- Sophedox (edoxaban) 30 mg film-coated tablet (Bulgaria)
- Sophedox (edoxaban) 60 mg film-coated tablet (Bulgaria)
- Pixanel (apixaban) 2.5 mg film-coated tablet (Bulgaria)
- Pixanel (apixaban) 5 mg film-coated tablet (Bulgaria)
- Buscolysin Forte (butylscopolamine) 10 mg film-coated tablet (Bulgaria)
- Buscolysin Forte (butylscopolamine) 20 mg film-coated tablet (Bulgaria)
- Antitussin (butamirate) 5 mg/ml oral drops, solution (Bulgaria)
- Paracetamol Sopharma 500 mg tablet (Albania)
- Atropine Sopharma 1 mg/ml solution for injection (Albania)
- Analgin (Metamizole sodium) 500 mg/ml solution for injection (Albania)
- Nexopral 20 mg gastro-resistant tablet (Ukraine)
- Nexopral 40 mg gastro-resistant tablet (Ukraine)

### • Documentation for registration of 6 medicinal products has been submitted

- Fenalid Duo (phenazone/lidocaine) 40/10 mg ear drops, (MAH Biofarm, Poland)
- Zondaron (ondansetron) 2 mg/ml solution for injection/infusion (Hungary)
- Suxamethonium 10 mg/ml solution for injection (Serbia)
- Suxamethonium 20 mg/ml solution for injection (Serbia)
- Sydnopharm 4 mg tablet (Moldova)
- Revelio 25 mg film-coated tablet (Moldova)

- Approved registrations in EAEU - 3:

- Indometacin 50 mg and 100 mg suppositories (Belarus)
- Indometacin 25 mg gastro-resistant tablet (Belarus)
- Troxerutin 2% gel (Belarus)

- **Re-registrations/changes**

Renewed Marketing Authorizations for 8 medicinal products.

- Ambrolytin (ambroxol) 30 mg/5 ml syrup, (Bulgaria)
- Xabanel (rivaroxaban) 10 mg film-coated tablet (Bulgaria)
- Xabanel (rivaroxaban) 15 mg film-coated tablet (Bulgaria)
- Xabanel (rivaroxaban) 20 mg film-coated tablet (Bulgaria)
- Carsil 22.5 mg coated tablet (Tajikistan)
- Carsil 90 mg capsule (Tajikistan)
- Sydnopharm 2 mg tablet (Azerbaijan)
- Tempalgin (metamizole, triacetanamine 4-toluenesulfonate) 500/ 20 mg (Albania)

- Submitted documentation for renewal of Marketing Authorizations for 12 medicinal products

- Submitted 50 variations for medicinal products to agencies

- Approved by agencies 51 variations for medicinal products

- Rejected by agencies 6 variations for medicinal products (5 IB; 1 II)

- **Food Supplements**

Submitted for registration of food supplements: 1 pc

- Vitamin C Naturkompleks, tablets (Bulgaria)

Approved registrations of food supplements: 1 pc

- Enzibalance, gastro-resistant tablets x10 x60 (Bulgaria)

- **Developments**

Pharmaceutical development of 35 new medicinal products/projects is underway

- Cytisine 3.0 mg tablets – Project with Achieve
- Dexketoprofen 25 mg tablets;
- Xylmetazoline/Dexpanthenol 0.05% nasal spray;
- Xylmetazoline/Dexpanthenol 0.1% nasal spray;
- Molsidomine 4 mg tablets;
- Ketorolac 10 mg tablets;
- Vitamin C 200 mg/mL inj. solution;
- Butamirate Citrate oral drops;
- Butamirate Citrate syrup;
- Ibuprofen 200; 400 and 600 mg film-coated tablets;
- Ibuprofen 100/5 mL and 200 mg/5 mL oral suspension;
- Ibuprofen/Pseudoephedrine 200/30 mg film-coated tablets;
- Metamizole sodium 500 and 1000 mg oblong tablets;

- Tempalgin tablets;
- Tabex 1.5 mg tablets;
- Carsil 22.5 mg film-coated tablets;
- Carsil 35 mg tablets;
- Valerian 250 mg tablets;
- Buscolysin 20 mg tablets;
- Paracetamol suspension;
- Torazemide 5 and 10 mg tablets;
- Erdosteine 300 mg caps.;
- Ursodeoxycholic acid 250 and 500 mg tablets;
- Nicergoline 10 and 30 mg film-coated tablets;
- Oseltamivir 30; 45 and 75 mg caps.;
- Trazodone 75 and 150 mg SR tablets;
- Ademethionine 400 and 500 mg GR tablets;
- Mesalazine 800 mg GR tablets;
- Citicoline 125 and 250 mg/mL inj. solution; 4 mL;
- Midazolam 1 and 5 mg/mL inj./inf. solution;
- Dexmedetomidine 0.1 mg/mL concentrate for solution for inj.;
- Etamsylate 125 mg/mL inj. solution;
- Clindamycin 150 mg/mL inj. solution 2 and 4 mL;
- Thiocolchicoside 2 mg/mL inj. solution 2 mL;
- Vitamin B complex inj. solution 2 mL.

- **API - 3**

- Dry extract of Elderberry;
- Dry extract of Milk Thistle fruit;
- Glaucin Hydrobromide.

- **Prepared documentation for qualification/production**

- Documentation for qualification of raw materials for production – **44**;
- Production regulations – **49**;
- Instructions for cleaning control – **14**;
- Documentation for qualification of finished forms – **78**.
- 

### **III. Significant events in Q1 of 2026 until the date of the consolidated management report**

- On 09.01.2026, in accordance with the requirements of Art. 100t of the LPOS and on the basis of Art. 89t of the LPOS, the company notified all shareholders and all interested parties about the launch of an initial public offering of a warrant issue, as follows:

- Prospectus of the issue approved by decision No. 766 – E of 16.12.2025 of the Financial Supervision Commission.

The number of securities offered is 8,985,960 warrants.

The minimum number of warrants that must be subscribed for the issue to be successful is 1,797,192 warrants. For 1 (one) share held by the Issuer's shareholders, 1 (one) right is issued. For every 60 (sixty) rights, the shareholders or third parties who have acquired rights within the period for the transfer of rights or during the organized public auction, have the right to subscribe for 1 (one) warrant from the current issue, at an issue value of BGN 0.27 (€0.14). Sixty rights give the right to acquire one warrant.

All warrants entitle their holders to subscribe for shares from a future capital increase of Sopharma AD at a currently determined exercise price of BGN 3.60 (€1.84). The right to subscribe for shares may be exercised within a period of up to 3 years in accordance with the procedure described in the issue prospectus;

- Prospectus of the issue approved by decision No. 768 – E of 16.12.2025 of the Financial Supervision Commission.

The number of securities offered is 8,985,960 warrants.

The minimum number of warrants that must be subscribed for the issue to be successful is 1,797,192 warrants. For 1 (one) share held by the Issuer's shareholders, 1 (one) right is issued. For every 60 (sixty) rights, the shareholders or third parties who have acquired rights within the period for the transfer of rights or during the organized public auction, have the right to subscribe for 1 (one) warrant from the current issue, at an issue value of 0.27 BGN (€0.14). Sixty rights give the right to acquire one warrant.

All warrants entitle their holders to subscribe for shares from a future capital increase of Sopharma AD at a currently determined exercise price of BGN 4.56 (€2.33). The right to subscribe for shares may be exercised within a period of up to 5 years in accordance with the procedure described in the issue prospectus;

- Prospectus of the issue approved by decision No. 768 – E of 16.12.2025 of the Financial Supervision Commission.

The number of securities offered is 8,985,960 warrants.

The minimum number of warrants that must be subscribed for the issue to be successful is 1,797,192 warrants. For 1 (one) share held by the Issuer's shareholders, 1 (one) right is issued. For every 60 (sixty) rights, the shareholders or third parties who have acquired rights within the period for the transfer of rights or during the organized public auction, have the right to

subscribe for 1 (one) warrant from the current issue, at an issue value of BGN 0.27 (€0.14). Sixty rights give the right to acquire one warrant.

All warrants entitle their holders to subscribe for shares from a future capital increase of Sopharma AD at a currently set exercise price of BGN 5.70 (€2.91). The right to subscribe for shares may be exercised within a period of up to 7 years in accordance with the procedure described in the issue prospectus.

- On 26.01.2026, the Company transferred to the Central Depository an amount of EUR 23.246 million for the payment of the advance dividend from the profit for 2025.

#### IV. Review of the main risks faced by the Company

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

- The Company faces significant competition;
- Part of the revenues of Sopharma Trading AD in Bulgaria are generated from sales of state hospitals, which predetermines a high degree of business;
- The Company is dependent on regulatory approvals;
- Government regulations affecting the Company's business may change, thus possibly increasing compliance costs or otherwise affecting its operations;
- Part of the Company's revenues, in particular in Bulgaria, depends on the inclusion of the Company's medicines in reimbursement lists.
- The Company's production facilities and processes are subject to strict requirements and regulatory approvals that may delay or disrupt the Company's operations.
- The Company's ability to pay dividends depends on a number of factors and there can be no guarantee that the Company will be able to pay dividends in accordance with its dividend policy;
- The Company is subject to operational risk, which is inherent to its business activities;
- The Company is subject to multiple laws and regulations on environmental protection and health and safety work conditions and is exposed to potential environmental liabilities;
- Litigations or other out-of-court proceedings or actions may adversely affect the Company's business, financial position and results of operations.

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

- The macroeconomic environment, particularly in Bulgaria, Russia and Ukraine, has a significant effect on the Group's operations;
- The political environment in Bulgaria and in the export markets, especially Russia and the Ukraine, has a significant effect on the Group's operations and financial position;
- Risks related to the Bulgarian legal system;

- Developing legal frameworks in some countries in which the Group sells its products, in particular Russia and Ukraine, may negatively impact the Group's operations in these countries;
- Risks relating to exchange rates and the Currency Board in Bulgaria;
- The interpretations of tax regulations may be unclear and tax laws and regulations applicable to the Group may change.

### *Currency risk*

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

Through the companies in Russia, Belarus, Ukraine and Kazakhstan, the Group carries out business operations in these countries and, accordingly, has exposures in Russian ruble, Belarusian rubla, Ukrainian hryvnia and Kazakhstani tenge. The currency risk is related to the negative movement of the exchange rates of these currencies against the euro 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 euro. Imports of goods are fully realized in euro. Borrowings denominated in foreign currency are mainly denominated in euro.

## V. Information on related party transaction

<i>Related party</i>	<i>Relation type</i>	<i>Relation period</i>	
Telecomlect investAD	Company shareholder with significant influence	2026	2025.
Donev Investments Holding AD	Company shareholder with significant influence	2026	2025
Momina krepost AD	Joint venture	2026	2025
Sopharma Imoti REIT	Associate	2026	2025
Doverie Obedinen holding AD	Associate	2026	2025
Sopharma Buildings REIT	Associate	2026	2025
ODO Alenpharm - plus	Associate	2026	2025
OOO Galenapharm	Associate	2026	2025
ODO Medzhel	Associate	2026	2025
ZAO Kompaniya Interpharm	Joint venture	2026	2025
Subsidiaries form DOH Group	Companies controlled by an associate	2026	2025
Sofprint GroupAD	Company related through key management personnel	2026	2025
Sofconsult Group AD	Company related through key management personnel	2026	2025
VES electroinvest systems EOOD	Company related through key management personnel	2026	2025
Eco Solar Invest OOD	Company related through key management personnel	2026	2025
Alpha in EOOD	Company related through key management personnel	2026	2025
Consumpharm OOD	Company related through key management personnel	2026	2025

*This document is a translation from Bulgarian. In case of discrepancies the Bulgarian text prevails.*

DZZD Veterinary Diagnostic	Civil societies for the implementation of joint activity (direct participation)	2026	2025
DZZD Sopharma Trading Global Medical 2024	Civil societies for the implementation of joint activity (direct participation)	2026	2025
Pharmalogistika AD	Company related through key management personnel	2026	2025
DZZD Sopharma Trading Global Medical 2025	Civil societies for the implementation of joint activity (direct participation)	2026	From 27.06.2025

DZZD Sopharma Trading Global Medical 2025-2	Civil societies for the implementation of joint activity (direct participation)	2026	From 18.09.2025
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	2026	2025
	EUR '000	EUR '000
<b>Supplies from related parties:</b>		
<b>Supply of inventories from:</b>		
Companies related through key management personnel	1 348	1 377
Associates	24	16
Joint ventures	8	31
Companies controlled by an associate company	-	5
	<b>1 380</b>	<b>1 429</b>
<b>Supply of services from:</b>		
Associates	94	87
Shareholding companies with significant influence	80	83
Companies related through key management personnel	16	15
Companies controlled by an associate	15	115
Joint ventures	2	4
	<b>207</b>	<b>304</b>
<b>Deliveries of tangible fixed assets from:</b>		
Companies controlled by an associate company	335	392
	<b>335</b>	<b>392</b>
<b>Other deliveries from:</b>		
Companies controlled by an associate company	4	31
	<b>4</b>	<b>31</b>
<b>Total deliveries:</b>	<b>1 926</b>	<b>2 156</b>
<b>Sales to related parties</b>		
<b>Inventory sales for:</b>		
Associated companies	4 639	4 599
Joint ventures	936	1 287
Companies related through key management personnel	88	138
Companies controlled by an associate company	5	29
	<b>5 668</b>	<b>6 052</b>

**Sales of services for:**

Associated companies	29	56
Joint ventures	10	29
Companies controlled by an associate company	1	2
Companies related through key management personnel	1	1
	<b>41</b>	<b>88</b>

**Interest on granted loans:**

Joint ventures	15	13
Companies related through key management personnel	-	10
	<b>15</b>	<b>23</b>

**Interest on assignment contracts:**

Joint ventures	16	16
	<b>16</b>	<b>16</b>
	<b>5 740</b>	<b>6 179</b>

**Leasing contracts**

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

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

	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>EUR '000</b>	<b>EUR '000</b>
Recognized lease obligations on January 1	<b>9 919</b>	<b>11 432</b>
Increases	184	212
Payments of lease obligations for the period	(437)	(1 726)
<b>Leasing liabilities as of March 31 / December 31</b>	<b>9 666</b>	<b>9 919</b>

**The assets right of use** as of March 31, in connection with lease agreements with related parties are as follows:

	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>EUR '000</b>	<b>EUR '000</b>
Asset right of use as of January 1	<b>9 382</b>	<b>11 088</b>
Increases	159	214
Depreciation accrued	(452)	(1 867)
Write-off book value of right-of-use assets	-	(53)
<b>Assets right of use as of March 31 / December 31</b>	<b>9 089</b>	<b>9 382</b>

The remuneration and other income of the key management personnel and the executive directors, the members of the Board of Directors and the managers of the subsidiaries of the Group amount to EUR 522 thousand (2025: EUR 484 thousand).

- Current remunerations – EUR 522 thousand (2025: EUR 461 thousand);
- bonuses – none (2025: EUR 23 thousand).