



MANAGEMENT REPORT FOR Q4 2025

SOPHARMA GROUP

27 February 2026

Contents

.....	0
<i>I. General information about the Group.....</i>	<i>2</i>
1. Main activities	2
2. Registration and activity of the Company	2
3. Controlled companies	2
4. Board of directors	5
5. Shareholder structure as at Q4 2025	5
6. Information about the shares and other securities issued by the Company	5
<i>II. Recent developments</i>	<i>6</i>
<i>III. Significant events in the Q4 of 2025 until the date of the consolidated management report</i>	<i>16</i>
<i>IV. Review of the main risks faced by the Company.....</i>	<i>18</i>
<i>V. Information on related party transactions</i>	<i>20</i>

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 - 20.80% stake, “Sopharma Imoti” REIT - 45.65% stake, “Sopharma Buildings” REIT - 32.72% 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).

Company	Interest as at 31.12.2025 in %
"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
Sopharmacy 16 EOOD**	87.22
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Sopharmacy 18 EOOD**	87.22
Sopharmacy 19 EOOD**	87.22
Sopharmacy 20 EOOD**	87.22
Sopharmacy 21 EOOD**	87.22
Sopharmacy 22 EOOD**	87.22
Sopharmacy 23 EOOD**	87.22
Sopharmacy 24 EOOD**	87.22
Sopharmacy 25 EOOD**	87.22
Sopharmacy 26 EOOD**	87.22
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

Sopharma Group

Sopharmacy 44 EOOD**	87.22
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
Sopharmacy 57 EOOD**	87.22
Sopharmacy 58 EOOD**	87.22
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

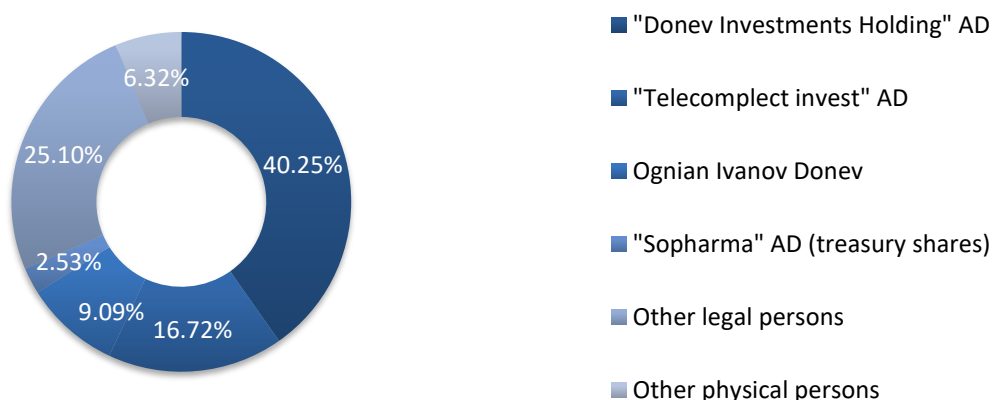
This document is a translation from Bulgarian. In case of discrepancies the Bulgarian text prevails.

**indirect interest

4. Board of directors

“Sopharma” AD has a one tier management system with a Board of Directors of five members as follows: Ognian Donev, PhD – Chairman, Vessela Stoeva – Deputy Chairman and members – Alexander Tchaoushev, Bissera Lazarova and Ivan Badinski. The company 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 Q4 2025



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

The total number of shares issued as at Q4 2025 by “Sopharma” AD is 539 157 603 with a nominal value of BGN 1 per share. All issued shares are registered, dematerialized, ordinary and indivisible, according to the Articles of Association of the Company. All issued shares are of one class. Each share gives equal rights to its holder in proportion to the nominal value of the share.

II. Recent developments

Key financial indicators

Indicators	1-12/2025 BGN '000	1-12/2024 BGN '000	change %
Revenues	2 609 782	2 129 097	22.6%
EBITDA	219 039	141 126	55.2%
Operating profit	140 009	81 759	71.2%
Net profit	141 582	80 431	76.0%
CAPEX*	97 063	236 424	-58.9%
	31.12.2025 BGN '000	31.12.2024 BGN '000	
Non-current assets	989 364	946 906	4.5%
Current assets	1 090 336	849 377	28.4%
Owners' equity	981 810	843 103	16.5%
Non-current liabilities	257 103	181 707	41.5%
Current liabilities	840 787	771 473	9.0%

* acquired tangible and intangible fixed asset

Indicators	1-12/2025	1-12/2024
EBITDA/ Sales revenues	8.4%	6.6%
Operating profit / Sales revenues	5.4%	3.8%
Net profit/Sales revenues	5.4%	3.8%
	31.12.2025	31.12.2024
Debt/ Equity	1,12	1,13
Net debt*/ EBITDA on annual basis	2,5x	3,2x

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

Operating revenues

Sales revenues of the Group increased by BGN 480,7 million or 22.6%, reaching BGN 2 609,8 million in the Q4 of 2025 compared to BGN 2 129,1 million in the Q4 of 2024. Sales of products increased by BGN 423,3 million or 23.3%, reaching BGN 2 241,58 million in the Q4 of 2025 compared to BGN 1 818,5 million in the Q4 of 2024. This growth was significantly influenced by sales of products related to the newly obtained Marketing Authorizations for pharmaceutical products by the Group at the end of last year was 28.5%. Sales of finished products increased by BGN 57,3 million or 18.5%, to BGN 368 million in the first Q4 of 2025 compared to BGN 310,6 million in the Q4 of 2024. A significant contribution to this growth was also made by the sales of finished products of the Serbian subsidiary Pharmanova, which was already fully consolidated in 2025 is 21.1%.

On a consolidated basis, the growth in sales of finished products in Bulgaria for the Q4 of 2025 is 0.2% compared to the previous period. According to IQVIA data, at the end of the Q4 of 2025, the company occupies 1.66% (seventeenth position) of the Bulgarian pharmaceutical market in value and 6.06% (second position) in volume. The positions of main competitors of the company on the territory of the country are as follows: Merck Sharp & Dohme – 6.13% (0.19% in volume), AstraZeneca – 5.36% (0.59% in volume), Swixx Biopharma – 4.71% (1.67% in volume) Roche – 4.70% (0.26% in volume), Novartis – 4.20% (1.15% in volume), Abbvie – 4.09% (0.10% in volume), Pfizer – 3.73% (0.70% in volume), Johnson & Johnson – 3.11% (0.69% in volume), Teva – 2.89% (8.55% in volume), Stada – 2.72% (4.42% in volume). The products with the largest share of sales in the country are Analgin, Vicetin, Famotidine, Vitamin C, Paracetamol, Methylprednisolone.

On a consolidated basis for the Q4 of 2025, growth in sales revenue from sales of finished products was recorded in the main foreign markets in Russia and Poland, and for the current period they increased by 71.4% and 24.9%, respectively. In the other traditional markets for the Company, growth was recorded in Uzbekistan, Belarus and Serbia, while sales in Ukraine remain at the same level without change from last year.

Other operating income increased by BGN 6.1 million to BGN 30,8 million in the Q4 of 2025 compared to BGN 24,7 million in the Q4 of 2024 as a result of a written-off liabilities and amounts awarded in lawsuits.

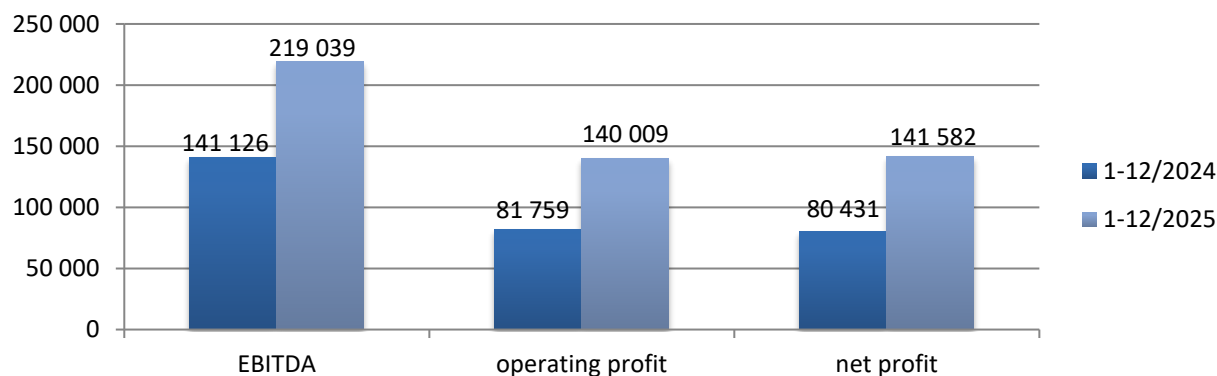
Operating expenses

For the current period, the costs of materials increased by BGN 1,7 million to BGN 105,3 million. Costs for external services increased by BGN 21,5 million to 134,7 million, as the most significant change there are expenses for manufacturing, consulting and forwarding services. Personnel expenses increased by BGN 55,2 million to BGN 261,8 million as a result of updating the current remuneration of the average number of employees in the Group's personnel in 2025 by 333 employees. Other expenses for the activity increased by BGN 12,2 million mainly as a result of accrued impairments.

Financial income and expenses

Financial income and expenses in the Q4 of 2025 registered a net loss of BGN 20,8 million, which is an increase of BGN 5,4 million compared to the same period the previous year. Financial income increased by BGN 0,5 million. Financial expenses increased by a total of BGN 6 million, and interest expenses on received loans and leases for the current period increased by BGN 8,5 million.

Financial result



Earnings before interest, taxes and depreciation (EBITDA) increased by BGN 77,9 million or with 55,2%, while in the Q4 of 2025 it amounted to BGN 219 million compared to BGN 141.1 million in the Q3 of 2024. The main factor for the increase is the growth in sales revenue in both main segments, with the most significant impact being the impact of registered sales of goods as a result of the new product brands acquired at the end of last year.

Profit from operating activities increased by BGN 58,3 million or by 78,2%, to BGN 140 million in the Q4 of 2025 compared to BGN 81,8 million in the Q4 of 2024.

Net profit increased by BGN 61,2 million or 7%, to BGN 141,6 million in the Q4 of 2025 compared to BGN 80,4 million in the first half of 2024. In addition to the factors already listed, this growth is also due to the increase in profit from associated and joint ventures by BGN 38,3 million.

Assets

Non-current assets at the end of the Q4 of 2025, increased by BGN 42,5 million compared to the end of the last year as the increase was mainly due to the change in investments in associates and joint ventures, and the decrease was due to the change in other long-term capital investments. Long-term receivables from related companies decreased by BGN 3 million as a result of repaid loans provided by "Industrial Holding Doverie" AD.

Current assets at the end of the Q4 of 2025 increased by BGN 241 million compared to the end of the previous year. The most significant increase was recorded in trade receivables by BGN 150 million, mainly as a result of the consolidation of sales related to the acquisition of Marketing authorizations for pharmaceutical products and, accordingly, maintaining the terms of deferred payment with counterparties, and on the other hand, it was influenced by the growth in sales of goods in the distribution units of the Group.

Owners' equity and liabilities

The equity of Sopharma Group at the end of the Q4 of 2025 increased by BGN 138,7 million compared to December 31, 2024 as a result of an increase in the fixed capital, reserves and retained earnings.

Liabilities at the end of the Q4 of 2025 increased by BGN 144,7 million compared to the end of 2024 as a result of the increase in bank loan and lease obligations that increased by BGN 135 million. Trade payables decreased by BGN 53,3 million, mainly as a result of the payment of the second and final tranche in connection with the transaction for the Pharmaceutical Market Use Authorizations acquired at the end of last year. Liabilities to related companies increased by BGN 31.6 million as a result of accrued dividend liabilities.

Cash flows

	31.12.2025 BGN '000	31.12.2024 BGN '000
Net cash flows from operating activities, normalized*	18 550	76 728
Purchases of property, plant and equipment, intangible assets, net	(141 569)	(118 526)
Payments under lease contracts	(31 074)	(22 191)
Free cash flow (normalized)	(154 093)	(63 989)

The free cash flow (normalized with the revenues from payments under leasing contracts and dividends), generated in the Q4 of 2025 amounts to BGN 154,1 million outflow compared to BGN 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 medicinal products**

During the reporting period, **15** new medicinal products have been authorized (licensed):

- Sydnopharm 4 mg tb. (Bulgaria);
- Nebivolol Sopharma 5 mg tb. (Bulgaria);
- Urimax modified-release 0.4 mg capsules, hard (Bulgaria);
- Syafen oral powder 400 mg (Bulgaria);
- Sophtica 60 mg film-coated tablets (Bulgaria);
- Sophtica 90 mg film-coated tablets (Bulgaria);
- Revelio 25 mg film-coated tablets (Bulgaria);
- Val dipin HCT 5 mg/ 160 mg/ 12.5 mg film-coated tablets (Bulgaria);
- Val dipin HCT 10 mg/ 160 mg/ 12.5 mg film-coated tablets (Bulgaria);

- Valdivin HCT 10 mg/ 160 mg/ 25 mg film-coated tablets (Bulgaria);
- Telmitan Duo 80 mg/ 5 mg tablets (Bulgaria);
- Telmitan Duo 80 mg/ 10 mg tablets (Bulgaria);
- Tussiphen bebe (Butamirate citrate) 5 mg/ml oral drops (Georgia);
- Nexopral 40 mg powder for solution for injection/infusion (Ukraine);
- Pantoprazole 40 mg powder for solution for injection (Ukraine).

- **New registrations and re-registrations/change of medicinal products**
 - Documentation for the registration of **32** medicinal products has been submitted:
 - Sydnopharm 4 mg tb. (Bulgaria);
 - Hedratusan 7 mg/mL syrup (Poland);
 - Mucovent 30 mg/5 mL syrup (Poland);
 - Pethidine Macure 50 mg/mL solution for injection (Netherlands);
 - Diclofenac Redcare Schmerzgel 2% 23.2 mg/g gel (Austria) MRP;
 - Diclofenac Redcare Forte 20 mg/g 23.2 mg/g gel (Belgium) MRP;
 - Diclofenac Redcare Schmerzgel forte 23.2 mg/g gel (Germany) MRP;
 - Hederospan Med 7 mg/mL syrup (Poland);
 - Paraceptin 120 mg/5 mL oral suspension (Poland);
 - Paraceptin 500 mg tb. (Poland);
 - Butamirate citrate (Tuspan) 5 mg/mL oral drops (Ukraine);
 - Butamirate citrate (Antitussin) 5 mg/mL oral drops (Russia);
 - Glicerax Pico 7.5 mg/mL oral drops, solution (Georgia);
 - Revelio 25 mg film- coat. tb. (Ukraine);
 - Syafen Duo 200 mg/ 500 mg granules (Bulgaria);
 - Vit. C 200 mg/ml inj DCP - (Latvia; Bulgaria; Romania);
 - Tempalgin tb. (Albania);
 - Buscolysin injection (Bosnia and Hercegovina);
 - Syafen Duo 500/200 granules (Bulgaria);
 - Felodexan 25 mg film-coated tablets (Poland);
 - Digoxin Macure 0.25 mg/ml sol. for injection (DCP FI NO SE);
 - Dexketoprofen Sopharma 50 mg/2 ml sol. for injection/injection (EAEU in Armenia);
 - Revelio (Dexketoprofen) film-coated tablet 25 mg (Azerbaijan);
 - Antitussin (Butamirate citrate) oral drops, solution 5 mg/ml (Uzbekistan);
 - Picosulfate Sopharma (Sodium picosulfate) oral drops, solution 7.5 mg/ml (Uzbekistan).
 - Antitussin oral drops, solution (Russia);
 - Torasemide Sopharma 5 mg film-coated tb. (Bulgaria);
 - Torasemide Sopharma 10 mg film-coated tb. (Bulgaria);
 - Vitamin B1 Sopharma sol. for inj. – MRP (Georgia);
 - Vitamin B6 Sopharma sol for inj. – MRP (Georgia);
 - Vitamin B12 Sopharma sol. for inj.- MRP (Georgia);
 - Vitamin C Sopharma 100 mg/mL sol. for inj.-MRP (Georgia).

- **Medicinal products have been registered for 12 new directions:**
 - Paracetamol Siromed 500 mg tb. (Lithuania);
 - Vitamin C Zentiva 100 mg/mL solution for injection/ infusion (Poland);
 - Ambrolytin 30 mg/5 mL syrup (Moldova);
 - Ticarda 60 mg film-coated tb. (Ukraine);
 - Ticarda 90 mg film-coated tb. (Ukraine);
 - Tempalgin 500 mg/20 mg film-coated tb. (Armenia);
 - Bromhexine Sopharma 2 mg/ml solution for injection (Iran);
 - Tempaforte 500 mg tb. (Peru);
 - Tempalgin Trio t6. (Peru);
 - Pethidine Macure 50 mg/ml solution for injection (Netherlands);
 - Zondaron injection (Albania);
 - Dexamethasone injection (Albania).

- **Approved registrations in EAEU – 21:**
 - Belarus- Carsil 90 mg hard capsule;
 - Belarus- Tribestan 250 mg film-coated tb.;
 - Russia - Dusopharm 100 mg film-coated tb.;
 - Russia - Dusopharm 200 mg film-coated tb.;
 - Russia - Tuspan 7 mg/ml syrup;
 - Russia - Ketoprofen Vramed 25 mg/g gel;
 - Russia - Indometacin Sopharma 100 mg/g ointment;
 - Russia - Indometacin Sopharma 25 mg gastro-resistant tb.;
 - Russia - Ketotifen Sopharma 1 mg tb.;
 - Russia - Piroxicam 10 mg hard capsule;
 - Russia - Piroxicam 20 mg hard capsule;
 - Russia - Tabex 1.5 mg film- coated tb.;
 - Russia - Troxerutin Vramed 300 mg hard capsule;
 - Kyrgyzstan - Carsil Forte 90 mg capsule, hard;
 - Kyrgyzstan - Tribestan 250 mg film-coated tb.;
 - Russia - Indometacin Sopharma 50 mg; 100mg suppository;
 - Russia - Spasmalgon solution for injection;
 - Russia - Tempalgin Trio tb.;
 - Russia - Trixerutin Vramed 20 mg/g gel;
 - Russia - Nivalin 1mg/ml, 2,5 mg/ml; 5 mg/ml; 10 mg/ml sol. for inj.;
 - Russia - Ketotifen syrup 1mg/5ml.

- **Submitted for harmonization in the EAEU - 7:**
 - Armenia - Vitamin B Complex sol. for injection;
 - Armenia - Analgin 500 mg tb.;
 - Armenia - Dimex syrup;
 - Armenia - Paracetamol Sopharma 120/5ml syrup;
 - Armenia - Salbutamol Sopharma 2mg/5ml syrup.

- Kazakhstan – Valeriana 30 mg film-coated tb.
- Kazakhstan – Gorloin compressed lozenges.
- **Submitted for authorization in the EAEU - 21:**
- **Re-registrations/changes**
 - Renewed Authorizations for use for **78** medicinal products.
 - Submitted documentation for the renewal of Use Authorizations for **71** medicinal products to agencies.
 - Submitted **472** changes for medicinal products to agencies.
 - Agency approved **424** changes for medicinal products.
- **Food additives**

33 food supplements have been submitted for registration:

 - Magnisimo for Bulgaria;
 - Magnisimo Forte x 20 tablets for Bulgaria;
 - Magnisimo Forte x 60 tablets for Bulgaria;
 - Vigor for healthy bones for Bulgaria;
 - Vigor for a sharp mind and balance of the nervous system for Bulgaria;
 - Vigor for memory and a strong immune system for Bulgaria;
 - Vigor synbiotic for balanced intestinal flora for Bulgaria;
 - Vigor synbiotic for balanced intestinal flora and good digestion for Bulgaria;
 - Vigor for healthy hair, skin and nails for Bulgaria;
 - Vigor Omega 3 for normal brain and heart function for Bulgaria;
 - Vigor for stress-free days for Bulgaria;
 - Vigor for emotional balance and stress-free days for Bulgaria;
 - Vigor for good mood for Bulgaria;
 - Vigor For a calm menopause for Bulgaria;
 - Vigor iron for a healthy immune system and energy for Bulgaria;
 - Vigor For normal liver function for Bulgaria;
 - Vigor for healthy joints for Bulgaria;
 - Icelandica syrup for Ukraine;
 - Icelandica spray for Ukraine;
 - Sleepfix Plus + B6 for Georgia;
 - Broncholithin Phyto for Kazakhstan;
 - Gastro Comfort mint for Kazakhstan;
 - Valeriana + Melatonin 25 mg + 1 mg, spray for Moldova;
 - Magnisimo Forte for Moldova;
 - Gastro Comfort mint for Moldova;
 - Gastro Comfort cherry for Moldova;
 - Gastro Comfort orange for Moldova.

- Vigor intensive formula for energy and protection from oxidative stress, drinking solution for Bulgaria;
- Vigor intensive formula for a healthy nervous system and concentration, drinking solution for Bulgaria;
- Vigor intensive formula for strong immunity, drinking solution for Bulgaria;
- Melatonin Max 3 mg tab. for Moldova.
- Enzibalance, gastro-resistant tablets x10;
- Enzibalance, gastro-resistant tablets x60.

- **Approved food additives: 34**
 - Valerian 50mg + Melatonin 1mg for Moldova;
 - Valerian 150mg + Melatonin 3mg for Moldova;
 - Magnisimo for Bulgaria;
 - Magnisimo Forte x 20 tablets for Bulgaria;
 - Magnisimo Forte x 60 tablets for Bulgaria;
 - Vigor for healthy bones for Bulgaria;
 - Vigor for a sharp mind and balance of the nervous system for Bulgaria;
 - Vigor for memory and a strong immune system for Bulgaria;
 - Vigor synbiotic for balanced intestinal flora for Bulgaria;
 - v synbiotic for balanced intestinal flora and good digestion for Bulgaria;
 - Vigor for healthy hair, skin and nails for Bulgaria;
 - Vigor Omega 3 for normal brain and heart function for Bulgaria;
 - Vigor for stress-free days for Bulgaria;
 - Vigor for emotional balance and stress-free days for Bulgaria;
 - Vigor for a good mood for Bulgaria;
 - Vigor For a calm menopause for Bulgaria;
 - Vigor Iron for a healthy immune system and energy for Bulgaria;
 - Vigor For normal liver function for Bulgaria;
 - Vigor for healthy joints for Bulgaria;
 - Icelandica syrup for Ukraine;
 - Icelandica spray for Ukraine;
 - Sleepfix Plus + B6 for Georgia;
 - Vigor intensive formula for energy and protection from oxidative stress, drinkable solution for Bulgaria;
 - Vigor intensive formula for strong nervous system and concentration, drinkable solution for Bulgaria;
 - Vigor intensive formula for strong immunity, drinkable solution for Bulgaria;
 - Gastro Comfort mint tb. for Moldova;
 - Gastro Comfort cherry tb. for Moldova;
 - Gastro Comfort orange tb. for Moldova;
 - Magnisimo Forte tb. for Moldova;
 - Valerian + Melatonin 25 mg + 1 mg, spray for Moldova.
 - Melatonin Max 3 mg for Moldova;

- Broncholitín Phyto, lozenges for Kazakhstan;
- Broncholitín Phyto, lozenges for Armenia;
- Broncholitín Phyto, lozenges for Belarus;

- **Medical devices**
Submitted for new registrations - 13
Approved new registrations - 11

- **Developments**
Pharmaceutical development of **44** new medicinal products/projects is being carried out:
 - Cytisine 3.0 mg tab. – Project with company Achieve;
 - Dexketoprofen 25 mg tab.;
 - Xylmetazoline/Dexpanthenol 0.05% nasal spray;
 - Xylmetazoline/Dexpanthenol 0.1% nasal spray;
 - Molsidomine 4 mg tab.;
 - Ketorolac 10 mg tab.;
 - Vitamin C 200 mg/mL inj. development;
 - Vitamin C 100 mg/mL inj. development;
 - Butamirate Citrate oral drops;
 - Butamirate Citrate syrup;
 - Ibuprofen 200; 400 and 600 mg film-coated tab.;
 - Ibuprofen 100 and 200 mg/5 ml oral suspension;
 - Ibuprofen/Paracetamol 200/500 mg tab.;
 - Ibuprofen/Pseudoephedrine 200/30 mg film-coated tablets;
 - Artichoke/Silymarin/Vitamin E/Lecithin caps. (3 FS);
 - Milgamma tablets – Project with KRKA;
 - Metamizole sodium/Pitofenin/Fenpiverin bromide 500/5/0.1 mg tablets;
 - Metamizole sodium 500 and 1000 mg oblong tablets;
 - Tempalgin tb.;
 - Tabex 1.5 mg tab.;
 - Carsil 22.5 mg film-coated tablets;
 - Carsil 35 mg tablets;
 - Valerian 250 mg tablets;
 - Buscolysin 20 mg tablets;
 - Tuspan syrup;
 - Paracetamol 500 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.;

- Aceclofenac 100 mg film-coated tablets;
- Trazodone 75 and 150 mg SR tablets;
- Ademethionine 400 and 500 mg GR tablets;
- Sulfasalazine 500 mg GR tablets;
- Mesalazine 800 mg GR tablets;
- Citicoline 125 and 250 mg/mL inj. development; 4 mL;
- Midazolam 1 and 5 mg/mL inj./inf. development;
- Dexmedetomidine 0.1 mg/mL concentrate for development for inj.;
- Etamsylate 125 mg/mL inj. development;
- Clindamycin 150 mg/mL inj. development 2 and 4 mL;
- Thiocolchicoside 2 mg/mL inj. development 2 mL.
- Vitamin B complex injection 2 mL.

API-3

- Dry extract of Granny's teeth.
- Dry extract of Milk thistle fruits.
- Glaucine Hydrobromide.
- **Transfer and validation of technological processes**
 - 13 new medicinal products were transferred –
 - Apiflorax throat spray;
 - Apiflorax syrup;
 - SleepFix spray;
 - SleepFix Plus spray;
 - Torasemide 5 mg tablets;
 - Torasemide 10 mg tablets;
 - Ketoprofen 50 mg/mL inj. development;
 - Dry Milk Thistle Extract+Artichoke Extract 150+150 mg caps.;
 - Erdosteine 300 mg caps;
 - Vitamin B complex inj. development.
 - Etamsylate 125 mg/mL inj. solution;
 - Dexmedetomidine 1 µg/mL concentrate for inj. solution;
 - Carsil 22.5 mg film-coated tablets.
- 7 production processes/technologies have been validated/optimized.
- **Prepared documentation for quality/production**
 - Documentation for quality of raw materials for production – **223**;
 - Production regulations – **242**;
 - Cleaning control instructions – **84**;
 - Documentation for qualification of finished forms – **356**.

III. Significant events in the Q4 of 2025 until the date of the consolidated management report

- In November 2024, the last procedure for capital increase was launched by issuing up to 623,779 ordinary, registered, dematerialized, freely transferable shares, provided that the shares from the increase are subscribed by the holders of warrants, ISIN 9200001212 issue, in accordance with the terms and conditions described in the Prospectus for public offering of warrants. The term for exercising the warrants ended on January 13, 2025, and the proceeds in the savings account amounted to BGN 2,557 thousand. On 27.01.2025, the increase in the company's capital by issuing 623,779 ordinary, registered, dematerialized, voting shares, with a nominal value of BGN 1 each and an issue value of BGN 4.13 per share, was entered in the Commercial Register. The unexercised 4,641 warrants in the amount of BGN 19 thousand have been deregistered with the Central Depository.
- "Sopharma" AD established a subsidiary "SofTech Services" EOOD. On February 28, 2025, the newly established company was entered in the Commercial Register with a share capital of BGN 100 thousand.
- On June 27, 2025, at the regular General Meeting of Shareholders of the Company, a decision was made to distribute a cash dividend for 2024 in the total amount of 13,338,095.28 BGN. Amount of the dividend per share gross - 0.08 BGN. Amount of the dividend per share net (for individual shareholders only) - 0.076 BGN.
- On July 16, 2025, the company "SOPHARMACY PLUS" EOOD was entered in the Commercial Register, the sole owner of the capital of which is the subsidiary "Sopharma Trading" AD. After receiving the necessary administrative permits, the company will carry out wholesale trade in OTC products.
- On July 18, 2025, the increase in the Company's capital was entered in the Commercial Register through the issuance of 359,438,402 ordinary, registered, dematerialized, voting shares, with a nominal value of BGN 1 each. The capital increase was carried out on the basis of Art. 197, para. 1 and Art. 246, para. 4 of the Commercial Act with the Company's own funds as follows:
 - from the Premium Reserve in the amount of BGN 132,908 thousand;
 - from Additional reserves in the amount of BGN 226,530 thousand.
- On July 18, 2025, the Company acquired an additional 25% of the capital of Pharmanova OOD, Serbia.
- On 07.08.2025, the Company received a license for wholesale trade of medicinal products No. BG/WDAIMP - 0583, issued by the Executive Agency for Medicines (EAM).
- On 24.10.2025, prospectuses for the issuance of three-year, five-year, and seven-year warrants were submitted to the Financial Supervision Commission for review.
- On 27.10.2025, the Company concluded a preliminary agreement for the sale of a separate part of its commercial enterprise, related to the production and trade of veterinary medicinal products and laboratory testing of food and biological products.

The transfer of ownership can only take place after obtaining prior approval for the transaction from the General Meeting of Shareholders.

- On 05.12.2025, at the Extraordinary General Meeting of the Company's shareholders, a decision was made to distribute a cash dividend for 2025 in the total amount of BGN 45,752,578. Amount of the dividend per share gross - BGN 0.08801. Amount of the dividend per share net (for individual shareholders only) - BGN 0.08361. The General Meeting also decided to approve a transaction to sell the separate part of the company's commercial enterprise, related to the production and trade of veterinary medicinal products and laboratory testing of food and biological products.
- 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 0.27 BGN (0.14 EUR). 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 (EUR 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 EUR). Sixty rights entitle the holder 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 (EUR 2.33). The right to subscribe for shares may be exercised within 5 years in accordance with the procedure described in the issue prospectus;

➤ Issue prospectus 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. 1 (one) right is issued for 1 (one) share held by the Issuer's shareholders. For every 60 (sixty) rights, shareholders or third parties who have acquired rights during the transfer period of the 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 EUR). Sixty rights entitle the holder 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 5.70 BGN (2.91 EUR). 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 45.465 million BGN (23.246 million EUR) for the payment of the advance dividend from the profit for 2025.
- On 30.01.2026, Sopharma AD sold a separate part of its company in the field of production and trade in veterinary medicinal products and laboratory testing of food and biological products.

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 Bulgarian lev in the future business operations, the recognized assets and liabilities in foreign currency and the net investments in foreign companies. The rest of the companies abroad sell mainly on local markets, leading to currency risk and against their currencies - the Serbian dinar and the Polish zloty.

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

V. Information on related party transactions

Related party	Relation type	Relation period	
"Telecomplect invest" AD	Company shareholder with significant influence	2025	2024.
"Donev Investments Holding" AD	Company shareholder with significant influence	2025	2024
"Momina krepst" AD	Joint venture	2025	2024
"Sopharma Imoti" REIT	Associate	2025	2024
"Doverie Obedinen holding" AD	Associate	2025	2024
"Sopharma Buildings" REIT	Associate	2025	2024
Pharmanova D.O.O.	Associate	-	Till 12.08.2024
ODO Alenpharm - plus	Associate	2025	From 10.07.2024
OOO Galenapharm	Associate	2025	From 10.07.2024
ODO Medzhel	Associate	2025	From 10.07.2024
ZAO Kompaniya Interpharm	Joint venture	2025	From 10.07.2024
B000 SpecApharmacia	Joint venture	-	From 10.07.2024 till 31.12.2024
Subsidiaries form DOH Group	Companies controlled by an associate	2025	2024
"Sofprint Group" AD	Company related through key management personnel	2025	2024
"Sofconsult Group" AD	Company related through key management personnel	2025	2024
"VES electroinvest systems" EOOD	Company related through key management personnel	2025	2024
"Eco Solar Invest" OOD	Company related through key management personnel	2025	2024
"Alpha in" EOOD	Company related through key management personnel	2025	2024
"Consumpharm" OOD	Company related through key management personnel	2025	2024
DZZD "Veterinary Diagnostic"	Civil societies for the implementation of joint activity (direct participation)	2025	2024
DZZD "Sopharma Trading Global Medical 2024"	Civil societies for the implementation of joint activity (direct participation)	2025	from 04.09.2024
Pharmalogistika AD	Company related through key management personnel	2025	From 19.12.2024
DZZD "Sopharma Trading Global Medical 2025"	Civil societies for the implementation of joint activity (direct participation)	from 27.06.2025	-
DZZD "Sopharma Trading Global Medical 2025-2	Civil societies for the implementation of joint activity (direct participation)	from 18.09.2025	
Supplies from related parties:		2025	2024
Supply of inventories from:		BGN '000	BGN '000
Companies related through key management personnel		10,858	10,713
Associates		194	334
Joint ventures		109	3,085
Companies controlled by an associate company		49	83
		11,210	14,215

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

Supply of services from:

Companies controlled by an associate	697	620
Shareholding companies with significant influence	531	645
Associates	404	1,494
Companies related through key management personnel	115	156
Joint ventures	17	71
	1,764	2,986

Deliveries of tangible fixed assets from:

Companies controlled by an associate company	3,519	3,017
Company linked through key management personnel	-	11
	3,519	3,028

Supplies for the acquisition of investment properties from:

Company linked through key management personnel	-	16
	-	16

Other deliveries:

Companies controlled by an associate	108	348
	108	348

Dividends accrued:

Shareholding companies with significant influence	35,104	16,580
Key management personnel	5,629	2,789
	40,733	19,369

Total deliveries

57,334	39,962
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Sales to related parties

Inventory sales for:

Associated companies	34,423	16,579
Joint ventures	6,368	4,834
Companies related through key management personnel	901	1,149
Companies controlled by an associate company	178	356
	41,870	22,918

Sales of services for:

Associated companies	244	86
Joint ventures	82	38
Companies controlled by an associate company	23	11
Companies related through key management personnel	8	215
	357	350

Investment sales to:

Companies related through key management personnel	-	4,392
	-	4,392

Interest on granted loans:

Joint ventures	106	90
Companies related through key management personnel	20	719

Interest on assignment contracts:

Joint ventures

	126	809
	127	127
	127	127
	42,480	28,596

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 September 30, in connection with lease agreements with related parties are as follows:

	31.12.2025 BGN '000	31.12.2024 BGN '000
Recognized lease obligations on January 1	22,360	19,626
Increases	415	5,789
Payments of lease obligations for the period	(3,376)	(3,055)
Leasing liabilities as of September 30 / December 31	19,399	22,360

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

	31.12.2025 BGN '000	31.12.2024 BGN '000
Asset "right of use" as of January 1	21,686	19,323
Increases	418	6,330
Depreciation accrued	(3,651)	(3,321)
Write-off book value of right-of-use assets	(104)	(646)
Assets "right of use" as of September 30 / December 31	18,349	21,686

The remuneration and other income of the key management personnel and the executive directors, the members of the Board of Directors and the managers of the subsidiaries of the Group amount to BGN 4,233 thousand (2024: BGN 2,916 thousand).

- Current remunerations – 3,434thousand (2024: BGN 2,085 thousand);
- bonuses – BGN 799 thousand (2024: BGN 831 thousand).