

Financial Statements Presentation for 12 months ending at December 31, 2021



This Financial Results Presentation cover the year 2021, from January 1st to December 31st, and it is made by BIOFARM S.A ("BIOFARM") with the scope to present the financial results of BIOFARM to stakeholders (investors, creditors, analysts, financial press), being purely informative.

Detailed and Audited Financial Statements for period January 1st to December 31st, 2021, made in accordance with International Financial Reporting Standards endorsed by European Union ("IFRS"), were approved by the Ordinary Meeting of Shareholders on April 28, 2022 and are available, to the public, electronically, on company's website, www.Biofarm.ro, section "Corporate Governance/Investor Relations", subsection "Financial statements and presentations for investors".



COMPANY PROFILE

Biofarm is a Romanian company built on expertise, innovation and performance

Our Mission

The mission of Biofarm® is to do good to those around us through continuous development, with consideration to the knowledge acquired so far, while keeping quality standards at the highest level. This is accomplished by understanding the health demands of those who value us.

Our Vision

We envisage that our products are to be the first choice for those who value their health and are concerned about their wellness. At Biofarm® we strive to do good for our customers, while we hold performance and innovation at the highest level.

About us

- Top 5 Pharmaceutical Manufacturer on Romanian competitive market.
- The most important manufacturer of soft gel capsules in Romania.
- Top 3 Romanian manufacturer on solutions and suspensions for oral administration.
- One of the biggest producers of tablets and dragées in Romania



History and Milestones

Biofarm is one of the most important manufacturers in Romania with a Historical Expertise and Performance of more than 100 years.

Expansion year

Biofarm opens the 1st factory in the country that manufactures plant extract, tincture, pure substance and products with veterinary purpose under the name Drug Plant Galenica - "Fabrica de Medicamente Galenica"

1956



IPO year

Biofarm sets the initial public offering and starts being traded on RASDAQ market under the symbol BIOF.

1996



Certification year

All production lines are certified under GMP (Good Manufacturing Practices), the standard that establishes drugs manufacturing quality norms at the European level.

2004



ISO and OHSAS Certification year

Two important certifications were obtained: ISO 14001 "Environmental Management System" and OHSAS 18001 "Health and Safety Management"

2013



Biofarm 100 years and inauguration of the new production facility

2021



1921

Year of incorporation

A couple of pharmaceutical manufacturers merge. Biofarm becomes one of the most important Romanian manufacturers in country's economy. This is how our story begins.

1969

Biofarm Brand year

Drug Plant Galenica and Biofarm merge under the Name "The Drugs Enterprise Biofarm" - "Intreprinderea de Medicamente Biofarm".

1997

Privatization year

Company becomes 100% private

2005

Stock Exchange year

In October, Biofarm SA shares are registered under Category I Securities issued by Romanian Legal Persons

2015

Premium Category

Starting by January Biofarm Shares were traded under Premium Category

100



BIOFARM GLOBALY

Biofarm operations are based in ROMANIA and is exporting in other 7 states

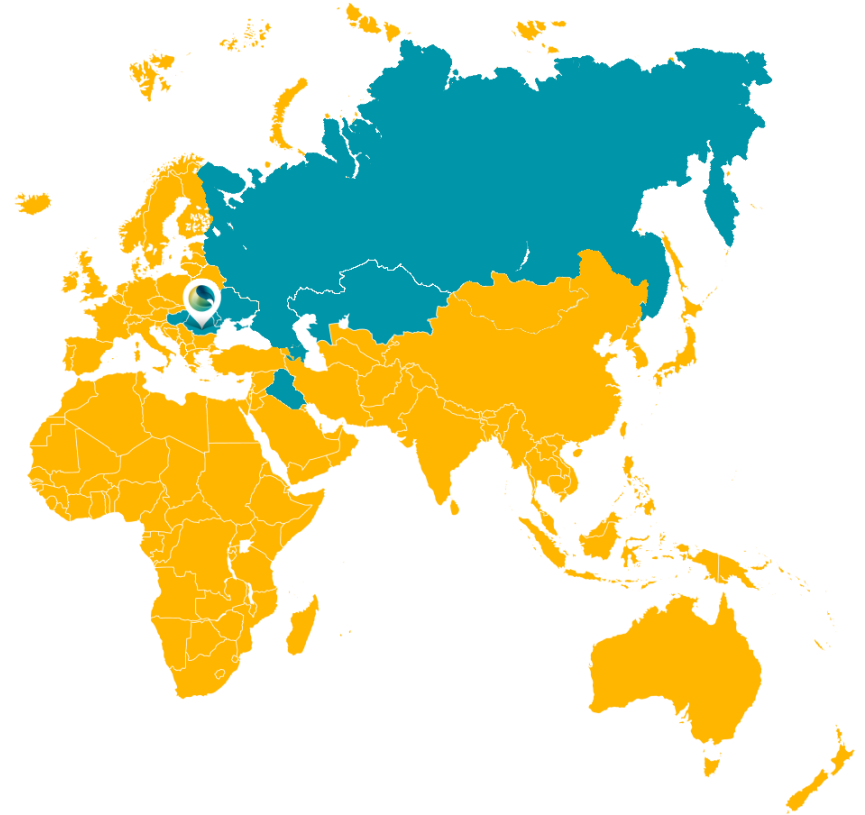
LOCAL MARKET - ROMANIA

EXPORT MARKET:

Azerbaijan, Iraq, Kyrgyzstan, Moldova, Russia, Hungary and Ukraine.

Our long term objectives in regards to External markets are:

- Exports to reach at least 10% of the units sold by the company
- Registration of new products abroad
- Opening new offices abroad
- Entering new markets



BIOFARM BRANDS

Biofarm portfolio is represented by more than 100 products which cover more than 65 therapeutical areas

3 CORE CATEGORIES



Digestive & Metabolic



Respiratory & ENT

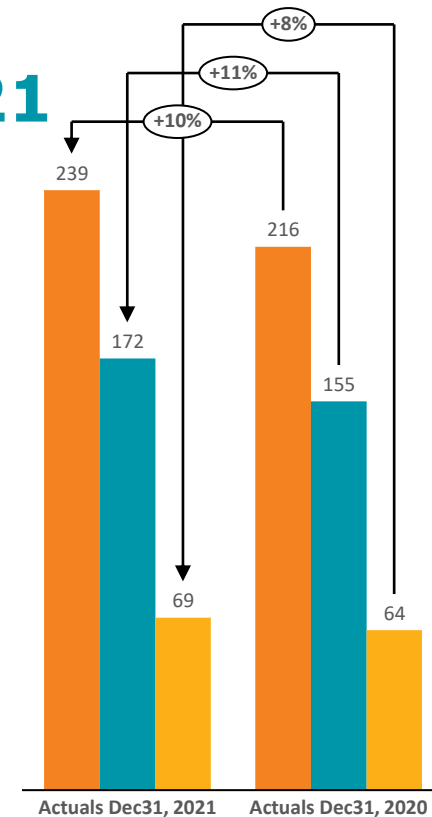


Cardiovascular & Circulatory



Executive Summary Dec 31, 2021

- **Turnover for 2021** is increased by 10% compared to year 2020.
- **TOTAL EXPENSES** (except profit tax) are 11% higher compared to year 2020.
- **OPERATIONAL PROFIT** is about RON 68.7 Million with 8% higher compared to year 2020.
- **NET PROFIT** is RON 60.4 Million about 11% above to year 2020.
- **NUMBER OF EMPLOYEES** increased by around 5%, from 365 employees at 2020 year end to 382 employees at 2021 year end.



- TURNOVER (RON million)
- TOTAL EXPENSES (RON million)
- OPERATIONAL PROFIT (RON million)



Summary

- INCOME STATEMENT
 - STATEMENT OF FINANCIAL POSITION
 - FINANCIAL RATIOS
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INCOME STATEMENT for period end on Dec 31,2021

- RON-

INCOME STATEMENT	Actual 2021	Actual 2020	Actual 2021/2020	Actual 2021/2020
NET SALES	239,044,656	216,419,696	10%	22,624,960
Other operating income	1,298,675	302,635	329%	996,040
Revenues associated to WIP	218,465	1,822,811	-88%	(1,604,345)
Raw Materials & Consumables	(39,342,856)	(39,754,250)	-1%	411,394
Personnel expenses	(41,753,061)	(39,830,034)	5%	(1,923,028)
Other Operational Expenses	(77,472,434)	(64,169,658)	21%	(13,302,776)
Depreciation	(13,316,839)	(11,122,896)	20%	(2,193,942)
Net Operational Income/(Loss)	68,676,606	63,668,304	8%	5,008,303
Net Financial Income	877,500	1,177,052	-25%	(299,553)
Profit Before Tax	69,554,106	64,845,356	7%	4,708,751
Corporate Tax Expenses	(9,198,337)	(10,580,776)	-13%	1,382,438
Net Profit	60,355,769	54,264,580	11%	6,091,188

- An increase of 10% in revenues compared to same period of 2020 is mainly due to sales increase of finished goods (14%). Value weight (in RON) for the three categories of finished goods and sold by Biofarm (food supplements - SN, other the counter - OTC and prescription drugs - RX) is as follows: other the counter (OTC) with a share of 62%, food supplements (SN) with a share of 35% and prescription drugs (RX) with a share of 3%.
- Raw Materials Expenses decreased by 5% compared to same period of 2020, mainly due to the reanalysis of the main suppliers of raw materials and packagings to ensure the best added value for the company as well as the change of the product mix.
- Total salary expenses pool increased by approx. 2 million RON (5% more than in 2020) due to salary increases achieved during 2021.
- The current profit tax is at the same level as in 2020, because the company benefited from a 9% exemption generated by the increase in equity (OG 153/2020).



Income Statement at 31.12.2021 – detailed

SALES REVENUE	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Finished goods Revenue	301,350,547	265,444,703	14%	35,905,844
Merchandise Revenue	1,244,422	752,061	65%	492,361
Income from waste sale	7,287	9,245	-21%	(1,958)
Commercial discounts	(63,557,600)	(49,786,313)	28%	(13,771,287)
TOTAL	239,044,656	216,419,696	10%	22,624,960
Other Operating Income	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Rent Income	42,010	32,000	31%	10,010
Exchange rate difference	517,202	95,064	444%	422,138
Other operating income	549,179	175,570	213%	373,609
TOTAL	1,298,675	302,634	329%	996,041
Raw Materials & Consumables	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Raw Materials	24,604,837	25,764,741	-5%	(1,159,904)
Auxiliary Materials	13,356,548	12,407,520	8%	949,028
Merchandise	262,551	534,958	-51%	(272,407)
Small inventory Items	291,814	630,240	-54%	(338,426)
Other Consumables	827,106	416,791	98%	410,315
TOTAL	39,342,856	39,754,250	-1%	(411,394)
Personnel Expenses	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Salary	39,734,794	37,768,018	5%	1,966,776
Salary Tax and Social Contributions	1,558,671	1,538,186	1%	20,485
Other Benefits	459,596	523,830	-12%	(64,234)
TOTAL	41,753,061	39,830,034	5%	1,923,027
Other Operating Expenses	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Utilities	4,886,699	4,219,713	16%	666,986
Maintenance	1,320,016	1,704,920	-23%	(384,904)
Insurance	1,050,716	847,229	24%	203,487
Bank Charges	32,067	36,716	-13%	(4,649)
Advertising and product promotions	48,379,416	42,184,833	15%	6,194,583
Transportation and Travel	2,251,748	501,533	349%	1,750,215
Post and telecommunication	494,383	511,045	-3%	(16,662)
Other services rendered by third parties	10,239,061	7,950,536	29%	2,288,525
Other Taxes and fees	2,774,525	2,486,626	12%	287,899
Expenses from assets disposal	188,466	-	0%	188,466
Receivables impairment losses	24,369	551,947	-96%	(527,578)
Inventory adjustments	2,088,073	(1,177,387)	-277%	3,265,460
Donations and subsidies	1,707,250	1,527,463	12%	179,788
Other Operating expenses	2,035,645	2,824,485	-28%	(788,840)
TOTAL	77,472,434	64,169,658	21%	13,302,775
Tax Expenses	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Current income tax	11,240,152	11,326,682	-1%	(86,530)
Deferred tax expense/(income)	(2,041,815)	(745,906)	174%	(1,295,909)
TOTAL	9,198,337	10,580,776	-13%	(1,382,439)

- The results obtained by Biofarm S.A. during 2021 are driven by the sustained efforts of the company to maintain advertising and promotions investments at a competitive level throughout this period, but also to constantly improve of the brands in the portfolio in terms of image and effective communication level.
- Biofarm owns over more than 100 products in its portfolio and covers over 60 therapeutic areas. For 9 of the 60 therapeutic areas Biofarm is the market leader, a record that honors the company and forces it to do more. During 2021, Biofarm S.A. continued to consolidate its market share in the Consumer Healthcare segment (CHC), thus, Biofarm S.A. ended the year 2021 on the 2nd place in the top of the companies in the local pharmaceutical industry, in terms of the number of units sold. Also, no less than 7 brands in the digestive & metabolism, cold & flu and food supplements category maintained their position as market leaders, in terms of units sold, and 5 of these ensured the consolidation of their leadership position at the level value in the CHC segment.



Summary



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Statement Of Financial Position as at 31.12.2021

Statement Of Financial Position	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Assets				
Tangible Assets	159,258,391	142,750,794	16,507,597	12%
Real estate Assets	11,697,338	11,507,054	190,284	2%
Intangible Assets	220,808	532,340	(311,532)	-59%
Other Fixed Assets	9,095	9,095	-	0%
Deferred Tax	7,445,627	5,737,311	1,708,316	30%
Fixed assets	178,631,259	160,536,594	18,094,665	11%
Inventories	29,328,344	33,883,106	(4,554,762)	-13%
Trade receivables and similar	106,954,277	102,412,830	4,541,447	4%
Other financial assets	-	21,000,000	(21,000,000)	-100%
Cash and cash equivalents	103,865,018	54,543,584	49,321,434	90%
Current Assets	240,147,639	211,839,520	28,308,119	13%
TOTAL ASSETS	418,778,898	372,376,114	46,402,784	12%
Liabilities				
Commercial debts and similar	62,134,424	50,866,041	11,268,382	22%
Debts on corporate tax	-	1,288,658	(1,288,658)	-100%
Diferred Income IFRS 15	21,408,834	27,013,997	(5,605,163)	-21%
Other provisions	1,800,000	1,034,999	765,001	74%
Current Liabilities	85,343,258	80,203,695	5,139,562	6%
Long term Liabilities	648,323	620,888	27,435	4%
Long Term Liabilities	648,323	620,888	27,435	4%
Total Liabilities	85,991,581	80,824,583	5,166,997	6%
NET ASSETS	332,787,317	291,551,531	41,235,787	14%
Share Capital and Reserves				
Share Capital	98,537,535	98,537,535	-	0%
Own Shares	(813)	(813)	-	0%
Premiums related to the issuance/redemption of own shares	(173,154)	(173,154)	-	0%
Revaluation reserves	3,718,507	1,967,642	1,750,865	89%
Reserves	23,350,438	23,350,438	-	0%
Retained earnings	146,999,035	113,605,303	33,393,732	29%
Profit for the year	60,355,769	54,264,580	6,091,189	11%
TOTAL CAPITAL	332,787,317	291,551,531	41,235,786	14%

- Tangible assets increased in respect of additional investments in production equipment.
- Inventories decreased compared to 2020 mainly due to acquisition of raw material at a lower price than the actual consumption.
- Trade receivables increased due to increase in sales. Adjustments of trade receivables are at the same level, no additional allowances for receivables were registered.
- Other financial assets represent bank deposits with 6 months maturity
- Cash and Cash equivalents increased compared to 2020 because of cashing current assets in the due period and considering external acquisitions for reducing the exchange rate fluctuation, the management decided to convert parts of the national currency RON to other currencies.
- Commercial debts and similar increased due to media services and promotional services invoiced in Q4 2021 are higher than in Q4 2020.
- Contractual liabilities as per IFRS 15 decreased due to the reduction of commercial campaigns with rebates, while the settlement of the rebate debt was done at the same rate compared to 2020.



Statement Of Financial Position as at 31.12.2021 - detailed

Statement Of Financial Position	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Tangible Assets				
Land and Buildings	71,206,835	68,963,750	2,243,085	3%
Technical installations and machines	62,028,331	54,550,476	7,477,855	14%
Other installations, machinery and furniture	1,999,333	1,118,143	881,190	79%
Tangible assets under construction	24,023,892	18,118,425	5,905,467	33%
TOTAL	159,258,391	142,750,794	16,507,596	12%
Inventories				
Raw Materials and Consumables	20,935,446	24,666,336	(3,730,890)	-15%
Allowance to Raw Materials and Consumables	(1,401,342)	(1,103,770)	(297,572)	27%
Work in Progress and Semi-Finished Goods	2,468,718	1,367,749	1,100,969	80%
Finished Goods	8,192,332	9,073,630	(881,298)	-10%
Merchandise	333,353	255,151	78,201	31%
Allowance to Finished Goods and Merchandise	(1,200,163)	(375,990)	(824,173)	219%
TOTAL	29,328,344	33,883,106	(4,554,763)	-13%
Trade Receivables and similar				
Trade Receivables	110,112,590	109,067,257	1,045,333	1%
Allowance for trade receivables	(14,475,735)	(14,475,735)	-	0%
Salary Prepayments	(11,192)	(30,555)	19,363	-63%
Other receivables from State Budget	7,996,606	6,019,911	1,976,696	33%
Sundry debtors and other receivables	759,239	609,301	149,938	25%
Allowance for other receivables	(211,757)	(211,757)	-	0%
Interest receivable	38,100	111,977	(73,877)	-66%
Prepayments	613,242	453,465	159,777	35%
Accrued Expenses	917,181	868,966	48,215	6%
TOTAL	106,954,277	102,412,829	4,541,447	4%
Other Financial Assets	-	21,000,000	(21,000,000)	-100%
TOTAL	-	21,000,000	(21,000,000)	-100%
Cash and Cash Equivalents				
Cash in banks	56,764,566	26,610,786	30,153,780	113%
Cash and cash Equivalents	11,154	11,726	(572)	-5%
Short term Deposits	47,089,298	27,921,073	19,168,226	69%
TOTAL	103,865,018	54,543,584	49,321,434	90%



Statement of Financial Position as at 31.12.2021 - detailed

Statement Of Financial Position	Actual 31.12.2021	Actual 31.12.2020	Actual 2021/2020	Actual 2021/2020
Commercial debts and similar				
Suppliers	40,765,119	35,445,035	5,320,085	15%
Suppliers of non-current assets	7,762,820	1,406,035	6,356,786	452%
Employees – salaries payable	899,143	1,260,085	(360,942)	-29%
Salary Rights Impairments	5,909,208	5,477,047	432,161	8%
Taxes and Social Contributions	1,818,079	2,210,433	(392,354)	-18%
Other Fiscal Liabilities	200,138	198,189	1,949	1%
Other Liabilities	847,524	1,112,280	(264,756)	-24%
Dividend Payables	3,946,955	3,764,087	182,868	5%
Advance payments	(14,563)	(7,150)	(7,412)	104%
TOTAL	62,134,424	50,866,041	11,268,382	22%
Deferred Income IFRS 15	21,408,834	27,013,997	(5,605,163)	-21%
Reserves				
Revaluation reserves	3,718,506	1,967,642	1,750,864	89%
Legal reserves	19,707,506	19,707,506	(0)	0%
Other reserves	3,642,931	3,642,931	0	0%
TOTAL	27,068,943	25,318,079	1,750,864	7%
Provisions				
Other Receivables	1,800,000	1,034,999	765,001	74%
Salary Rights Long Term Allowance	648,323	620,888	27,435	4%
TOTAL	2,448,323	1,655,887	792,436	48%



Summary

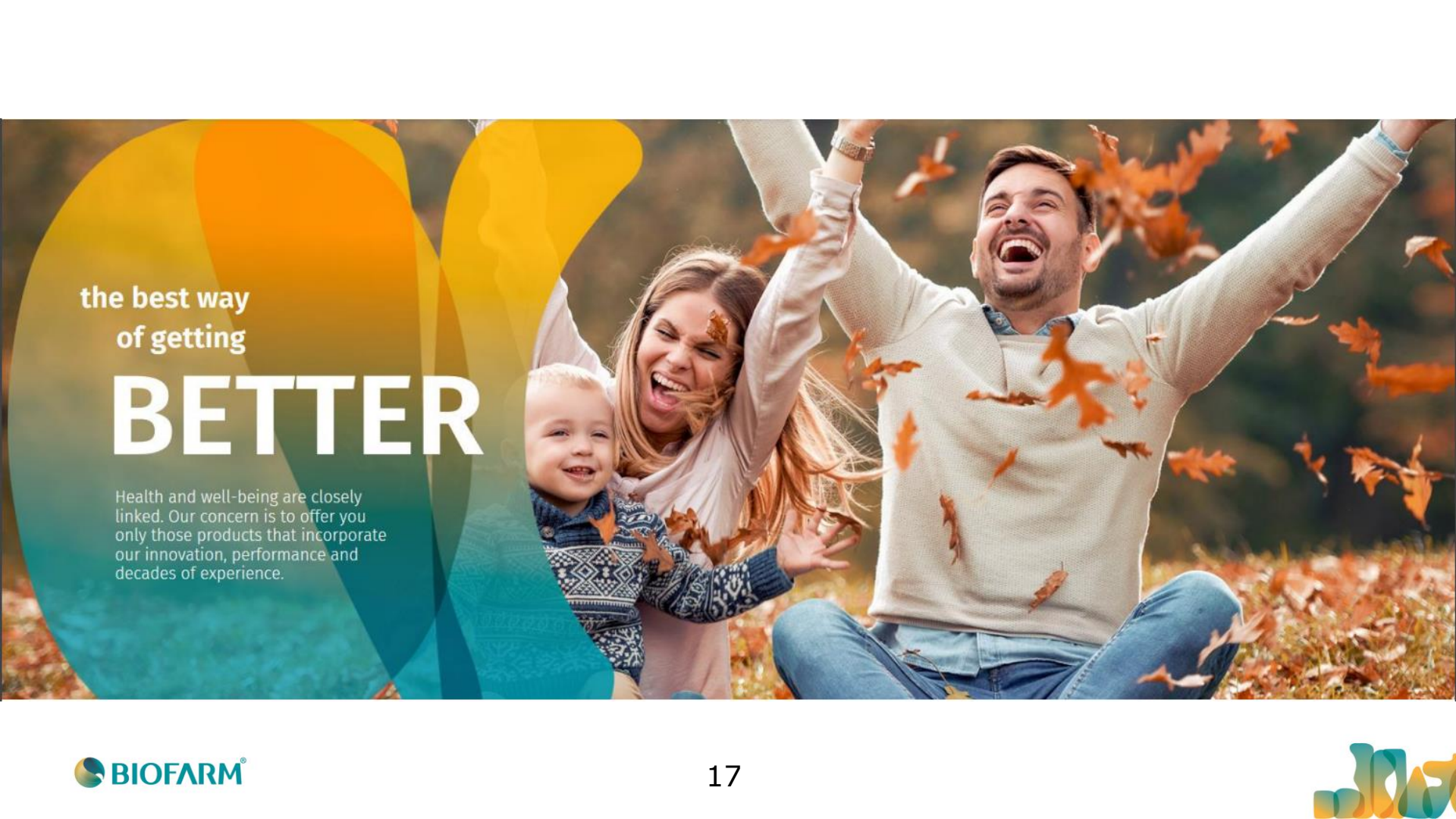


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Financial Ratios

PROFITABILITY AND RETURN ON CAPITAL		31 December 2021	31 December 2020	LIQUIDITY AND WORKING CAPITAL		31 December 2021	31 December 2020
Efficiency of available capital				General liquidity rate			
Profit before interest and tax (A)		68,676,606	64,845,356	Current assets		240,147,639	211,839,520
Available capital (B)		333,435,640	292,172,419	Current obligations		85,343,258	80,203,695
A/B		20.60%	22.19%	(A/B)		2.81	2.64
Equity efficiency				Rapid liquidity rate			
Net profit (A)		60,355,769	54,264,580	Current assets		240,147,639	211,839,520
Equity (B)		332,787,317	291,551,531	Inventories		29,328,344	33,883,106
A/B		18.14%	18.61%	Current obligations		85,343,258	80,203,695
Operational profit rate				(A-B)/C		2.47	2.22
Profit before interest and tax (A)		68,676,606	64,845,356	Client collection period			
Operating income (B)		240,561,796	218,545,142	Trade receivables (A)		95,636,855	94,591,522
A/B		28.55%	29.67%	Net turnover (B)		239,044,656	216,419,696
Net profit rate				(A/B)*360 days		144	157
Net profit (A)		60,355,769	54,264,580	Period of inventory immobilization			
Total income (B)		241,439,296	219,722,194	Inventories of end products and merchandise (A)		48,676,199	56,850,455
A/B		25.00%	24.70%	Net turnover (B)		239,044,656	216,419,696
Total assets rate				(A/B)*360 days		73	95
Profit before interest and tax (A)		68,676,606	64,845,356	Period for suppliers' payment			
Total assets (B)		418,778,898	372,376,114	Suppliers (A)		40,765,119	35,445,035
A/B		16.40%	17.41%	Material and external expenses (B)		139,010,194	123,669,450
SOLVENCY				(A/B)*360 days		106	103
Debt rate							
Total obligations (A)		85,991,581	80,824,583				
Total assets (B)		418,778,898	372,376,114				
A/B		20.53%	21.71%				
Rate of financial autonomy							
Equity (A)		332,787,317	291,551,531				
Total assets less net current debts (B)		333,435,640	292,172,419				
A/B		99.81%	99.79%				





the best way
of getting

BETTER

Health and well-being are closely linked. Our concern is to offer you only those products that incorporate our innovation, performance and decades of experience.

Thank You!

