

PRESENTATION

FINANCIAL STATEMENTS

31 December 2022

About this Presentation

Presenting the financial statements to shareholders is essential to provide a clear and detailed picture of the company's financial position. These presentations should provide a comprehensive view of the company's financial performance and should provide shareholders with the information they need to understand the current situation and the future prospects of the business.

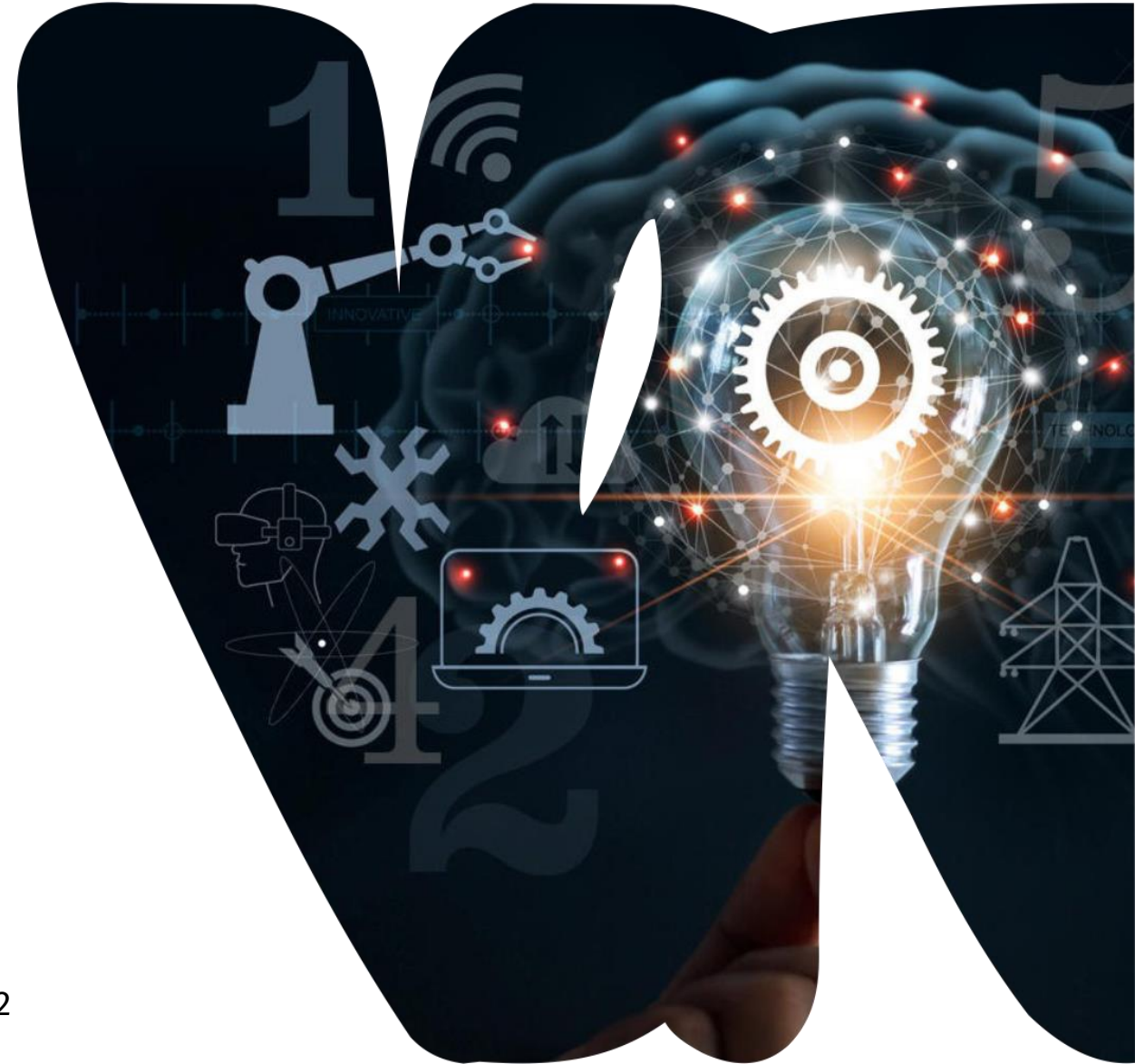
We will detail below some key elements that are included in this presentation of the financial statements to shareholders:

1) Balance sheet: The balance sheet presentation will highlight the company's activities at a specific point in time, including the company's assets, liabilities, and equity.

2) Profit and loss account: It will provide a picture of the financial performance of the company over a specific period of time, highlighting the recorded revenues, costs, profit and losses.

3) Cash flow report: This report will highlight how cash was generated and used within the business over a period, including operating activities, investments and financing.

The financial statements and investor presentations can be downloaded from www.biofarm.ro >> Corporate Governance/Investor Relations >> **Financial statements and presentations for investors.**



Company Details

Brand:	
Name of the commercial company:	Biofarm S.A.
Main object of activity:	Manufacture of pharmaceutical preparations
Registered office:	Str. Logofătul Tăutu nr. 99, Bucharest, sector 3
Production units:	Str. Logofătul Tăutu nr. 99, Bucharest, sector 3 Str. Drumul Gura Bădicului nr. 202-232, Bucharest, sector 3
Tel./fax No.:	021.301.06.00 / 021.301.06.05
Tax Identification Number with the Trade Register Office:	RO 341563
Order No. with the Trade Register:	J40/199/1991 din 05.02.1991
Regulated market on which issued securities are traded:	Bucharest Stock Exchange
Subscribed and paid-up share capital:	lei 98,537,535



About us

101 years of life have taught us many things: responsibility, performance, innovation, care and, above all, the fact that these values only make sense if they are put at the service of people. That's why we, Biofarm, work day-by-day, hour-by-hour, for people. For their health and well-being.

The most famous Biofarm® brands have written history, and the fact that after so many years since their appearance they are still highly appreciated shows their indisputable quality:

1928 - Carmol® (registered as a trademark in 1978)

1959 - Triferment®

1959 - Anghirol®

1964 - Cavit®

1965 - Colebil®

It is precisely this expertise and permanent consultation of our consumers that forces us to go further and expand our range of products with new, modern ones that meet the most current needs of consumers and specialists. Thus, the following were developed: Devaricid®, Sennalax®, Nervocalmin®, Extravalericianic®, Protecardin®, Carbocit®, Difebiom®, Bioflu®, Septosol® and Hepatoprotect®.

We are one of the top 10 drug manufacturers on the highly competitive Romanian market.



We are the most important Romanian manufacturer of softgel capsules, among the top 3 Romanian manufacturers of solutions and suspensions for oral administration and one of the largest manufacturers of tablets and sugar-coated tablets in Romania. In order to maintain this position and succeed in progressing, we periodically certify and re-certify to the highest international standard all systems, production lines and any other aspect related to our promise - the best product quality. We have over 100 products in our portfolio and cover over 60 therapeutic areas. With over 20 representative brands, Biofarm is the market leader in terms of volumes in the reference categories of nine of its brands: Colebil, Triferment, Carbocit, Sennalax, Bixtonim, Carmol, Biofen, Nervocalmin and Cavit.



History

1921

Year of Establishment

Several pharmaceutical companies are merging. Biofarm becomes one of the most important Romanian manufacturer in the country's economy. This is how our story begins.

1928

Carmol

At a time when the pharmaceutical industry was developing worldwide, Biofarm specialists proved their skills and manufactured, only 7 years after the establishment, the first solution against flu and cold symptoms - Carmol

1956

Year of Expansion

Biofarm opens the first factory in the country where plant extracts, tinctures, pure substances and veterinary products are manufactured: "Fabrica de Medicamente Galenica".

1959

Triferment & Anghirol

Two of the most famous Biofarm brands, Triferment and Anghirol, are launched during the same year, thus starting the success story of the portfolio of products dedicated to digestive problems.

1964

Cavit

The oldest stories about Cavit are already 5 decades old and stand under the same sign of emotion even today. Cavit is still today the only range of chewable tablets in Romania that contains vitamins, minerals and other important nutrients for the body, with products for both children, teenagers and adults.

1965

Colebil

Launches the expert in the treatment of biliary problems, Colebil. Colebil is a trans-generational brand, present in the homes of Romanians for over 50 years, being the market leader even today.

1969

Year of Biofarm Brand

The Galenica and Biofarm Pharmaceuticals factories unite in "Intreprinderea de Medicamente Biofarm".

1978

Insulin Production

During a pioneering period of anti-diabetic therapy, Biofarm had a strategic role for the development of this molecule, being the only local insulin manufacturer at the time.

1996

Year of Launch on the Stock Exchange

Biofarm begins trading on the TASDAQ market under the BIOF symbol. The last decade of the 20th sector holds a new destiny for Biofarm and, more precisely, the return to normality before the nationalization of 1948 through the privatization of 1996.

2004

Year of Certification of Production Lines

All production lines receive certificates according to the requirements of the "Good Manufacturing Practice Guide (GMP), the quality standard that establishes the norms for the manufacture of drugs at European level.

2005

Year of the Stock Exchange

In October, the shares issued by S.C. BIOFARM S.A. are listed on the Cota Bursei de Valori București S.A. – the sector of securities issued by Romanian legal entities – Category I. The investment process continued by making investments in production equipment, setting up storage spaces according to GMP requirements, modernizing production spaces and offices

2013

Year of ISO and OHSAS Certifications

Biofarm obtains two important certifications: "Certificate for the Environmental Management System" according to ISO14001 No. 73 104 2475 issued on 31.10.2013 by the TÜV-PROFICERT certification body of TÜV HESSEN; "Certificate for the occupational health and safety management system" according to OHSAS 18001 No. 73 116 2475 issued on 07.11.2013 by the TÜV-PROFICERT certification body of TÜV HESSEN for the development, manufacture, sale of medicines for human use, food supplements, cosmetic and personal hygiene products, biocidal products and medical devices.

2015

Premium Year

After listing the shares in 2005 at the Bucharest Stock Exchange – Category I, starting from January 2015, they are included in the Premium Category.

2019

A New Corporate Identity

As a leading manufacturer in the pharmaceutical industry, Biofarm has focused on always being up to date with the demands of an extremely competitive market, including at the brand image level. The revitalization of Biofarm's visual identity had the role of translating the brand's values into a modern approach: responsibility, performance, innovation, care for people, and passion for identifying the best solutions for their health.

2021

Centenary Year

100 years of innovation, research. The launch of the anniversary campaign "De 100 de ani investim în viitor" (*We have been investing in the future for 100 years*) and the inauguration of the new factory of over 10,000 m², obtaining the GMP certificate in July 2021.



General Manager's Declarations

"By understanding the lifestyle and social contexts of employees, the company is committed to meeting their needs. Thus, the increase in expenses related to salaries for 2022 represents one of the company's efforts to show its care towards them. Innovation is part of Biofarm's DNA, every team member working day-by-day, hour-by-hour, for people and their health. Biofarm periodically certifies and re-certifies to the highest international standard all systems, production lines and any other aspect related to the company's promise to offer safe and best quality products.

*Currently, Biofarm is the most important Romanian manufacturer of softgel capsules, among the top three Romanian manufacturers of solutions and suspensions for oral administration and one of the largest manufacturers of tablets and sugar-coated tablets in Romania. Biofarm products currently reach 12 countries around the world, and in the future, according to the long-term development plans of Biofarm's business, they will be found on the shelves of pharmacies in several countries in Southeast Europe, Central Asia and South East, Africa and the Arab region," said in March 2022 **Cătălin Vicol, the General Manager of Biofarm.***



Biofarm țintește o cifră de afaceri în creștere cu 16% în 2022

Biofarm aims for a turnover increasing by 16% in 2022

*"Biofarm company is one of the most important players in the local pharmaceutical industry, in the Consumer Healthcare (CHC) category, ranking 3rd in terms of volume in 2022. A market leader in several therapeutic areas, Biofarm has recently entered the consumer preference set in the pain management category. Biofen Extra, a drug launched in 2021, is a leader in the segment of paracetamol & ibuprofen combinations, and together with the new formulas in the form of soft capsules - Biofen 200 mg and Biofen Forte 400 mg, strengthens Biofarm's position among the top pharmaceutical companies in the Consumer Healthcare category. Biofarm owns one of the most modern pharmaceutical factories in Romania with an area of over 10,000 square meters and four production streams – tablets/film-coated tablets/sugar-coated tablets, soft capsules, solutions and syrups. The new production unit represents an extremely important pillar in achieving the company's strategic objectives: developing the portfolio through line extensions, launching new products and expanding to foreign markets. ", added **Cătălin Vicol, the General Manager of Biofarm.***



Mission, vision and values

Our Mission

The mission of Biofarm® is to do good to those around us through continuous improvement, with respect for the experience accumulated so far and with standards at the highest level.

Our Vision

Our vision is for Biofarm® products to be the first choice for those who want well-being and are concerned about their health, because we, at Biofarm, work permanently for the good of people and will keep performance and innovation at the highest level.



Responsibility towards our consumers guides us in every action we undertake and in every business decision.

We think responsibly and feel responsible for each person who uses a Biofarm product. The way we perform helps us keep up with the demands of a sophisticated pharmaceutical market - our performance is the expression.

We constantly innovate with our consumer in mind, for whom every detail matters when using a Biofarm product.

We treat each consumer and the health problem they face with care and respect, we accompany all those who have been appreciating our products for decades to a state of well-being.

The passion for identifying the optimal treatment solution, by combining natural and synthetic elements, supports our mission to do good. We exceed our limits every day, proud to be part of the Biofarm team.

Our
Values



Certificates

Biofarm SA is an authorized manufacturer of pharmaceutical preparations with 2 operational units. In June 2021, the new production unit in Strada Drumul Gura Bădicului nr. 202-232, Bucharest, sector 3 was inspected by ANMDMR (National Agency for Medicines and Medical Devices of Romania) and obtained the Good Manufacturing Practice Certificate, according to the Good Manufacturing Practice Guide (GMP) for this unit. Since 2008, the company has been certified/re-certified for its ISO 9001 quality management systems. At the same time, since 2013, we have been certified/re-certified for the environmental management system, according to ISO 14001. The last recertification for ISO 9001, as well as for ISO 14001 took place during 2022.



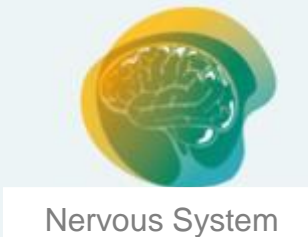
Brands

The brands of Biofarm were created to respond to the needs and expectations of our customers, differentiating our own products from those of competing companies. They create recognition, give value to the product and the company, and are a promise of quality, professionalism, efficiency and accessibility of products to consumers. Through its well-designed and managed brands, Biofarm has built a favourable reputation and notoriety, thereby increasing trust among its buyers, customers and consumers. Currently, Biofarm has numerous own brands (verbal, combined, figurative) and slogans registered at OSIM, OHIM and WIPO, many of them being present on the Romanian pharmaceutical market for over 50 years. Knowing very well the importance of its brands, Biofarm constantly invests in creating, protecting and promoting its own brands. Biofarm brands facilitate changing consumer behaviour by creating trust, knowledge, an emotional connection or by reducing the risk of confusion.



Brands

Biofarm S.A. is one of the first ten manufacturers of drugs and food supplements in Romania. In more than 100 years of uninterrupted activity, Biofarm has always focused on aligning with market requirements and patient's needs, being a company always oriented towards innovation and facilitating access to modern treatment solutions. Currently, Biofarm S.A. has two drug factories in Bucharest and a product testing and development unit, and its portfolio of over 100 products covers the most important therapeutic areas in the Consumer Healthcare division (digestive & metabolic, respiratory & ENT, cardiovascular & circulatory, nervous system).



[DISCOVER ALL THE PRODUCTS](#)

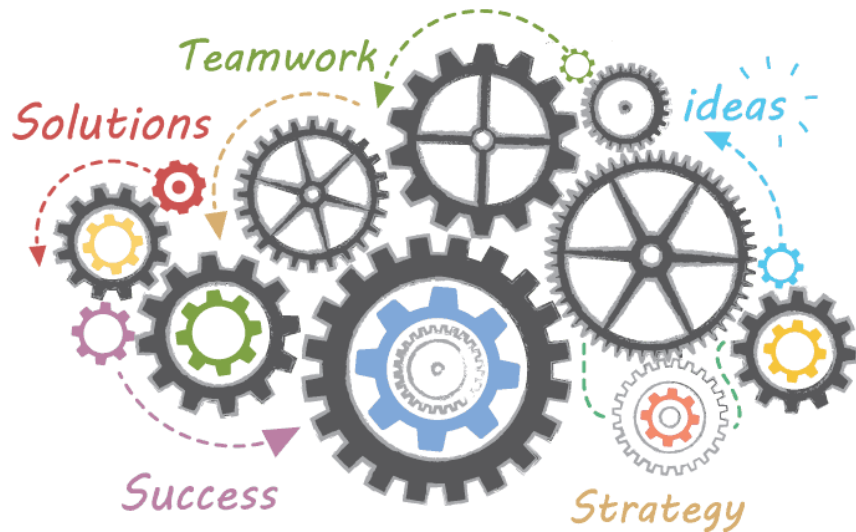
<https://www.biofarm.ro/produse/#>



Biofarm Performance

The performance of our company is mainly determined by the following:

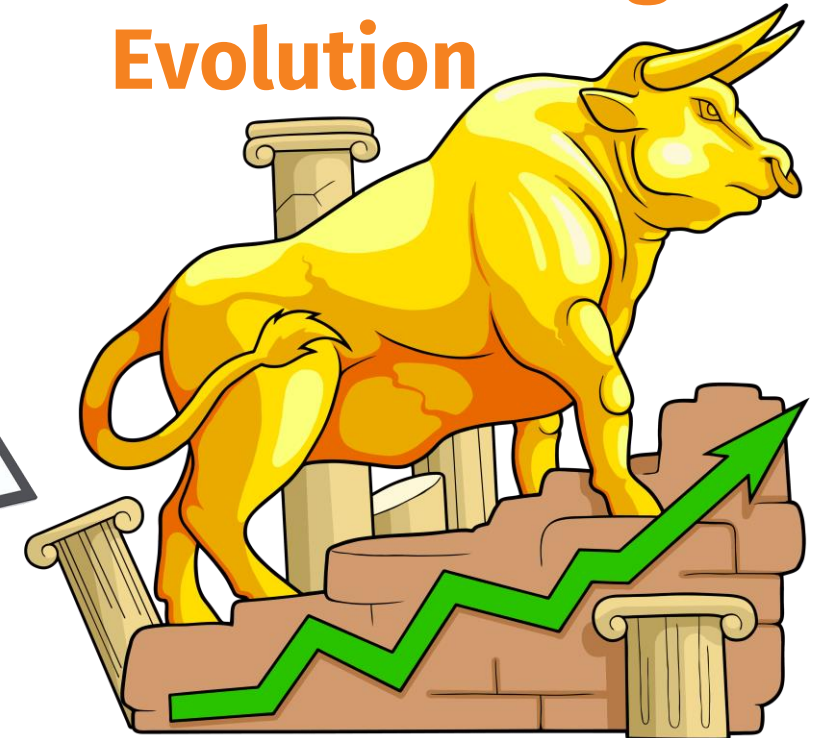
Strategic Development



Financial Evolution



Stock Exchange Evolution



Strategic Development

Worldwide Strategy

Maintaining and strengthening the worldwide strategy is proving effective and relevant to our business. Thus, the global strategy remains unchanged and begins by prioritizing strategic initiatives for the greatest business impact. Establishing global brands, monitoring performance and customer needs, as well as the correct positioning of our products are the keys to success for Biofarm.

In 2022, Biofarm products were exported to 8 countries: Albania, Azerbaijan, Georgia, Kyrgyzstan, Lithuania, Moldova, Ukraine and Hungary. With the escalation of the conflict in Ukraine, Biofarm gave up both exports and imports from Russia.

In the medium and long term, we intend to increase the export activity. We want to permanently diversify into export markets, especially looking to develop relationships with strategic partners in Europe, South East Asia, the Middle East and Africa.

The long-term objectives regarding foreign markets are:

- Registration of new product files
- Opening of new representative offices
- Penetration into new outlet markets



Strategic Development

Local Strategy

Our attitude is ecological and helps us bring innovation and know-how to our customers, but also to set new standards on the local market in terms of high quality and sustainability. We work every day and do everything in our power to help transform this sector into a more competitive, better quality, greener one.

In Romania, we have specialized sales teams in the most important pharmaceutical chains. We collaborate with the most important distribution companies in the country. We are leaders in certain fields and strive for the best of our consumers. We innovate, research and expand: new products and new markets.

Finally, we make sure that we support local organizations that share our values and have undertaken to support the development of a sustainable society in Romania.

We are also leaders in several therapeutic classes and strive to do our best to ensure consumer well-being and access to drugs. In the following, we will present this situation to you.



Strategic Development

It is important for Biofarm to consider the threats and risks associated with global warming in their business strategies, adopt sustainable practices and develop adaptation plans to deal with climate change. Global warming is an ongoing threat to commerce, with the potential to disrupt infrastructure and damage normally fertile areas of the planet. Governments, non-governmental organizations and global communities are working internationally to address this urgent issue and minimize the impact of global warming on trade and infrastructure. At Biofarm, we work to ensure a fertile and sustainable environment for nature and people. This way, we hope to ensure a long-term profitable and sustainable environment for our business.

Long-term sustainability is our business concept which has gained considerable attention following revelations about global warming and the depletion of natural resources.

The most effective strategy we follow is agile, which helps us quickly adapt to changes in a fast-growing environment, take advantage of new opportunities and stay relevant in a dynamic market where customer interests change with trends.

Biofarm's sustainability is a long-term goal for us, which follows a human-centred approach that ensures that strategy development does not stop at the plan — We must recognize intelligent performance. People at Biofarm are happier because they are doing important work and, again, happier because their efforts are recognized by their colleagues.



Strategic Development

Biofarm's strategy is dynamic, adaptable and accessible to everyone in our field of activity. Strategy development is an iterative, continuous, collaborative process that constantly considers how to optimize each step from the planning phase to its successful execution. 2022 was a year of consolidation in which Biofarm S.A. strengthened its position in the market and adapted to the new conditions in order to be closer to consumers. Biofarm S.A. occupied in 2022 the 3rd place in the Consumer Healthcare (CHC) segment in terms of the number of units sold. With over 20 representative brands, Biofarm is the market leader in terms of volumes in the reference categories of nine of its brands: Colebil, Triferment, Carbocit, Sennalax, Bixtonim, Carmol, Biofen, Nervocalmin and Cavit.

In terms of value, Biofarm consolidated its sales to the final consumer, registering a 16% increase as compared to 2021, as compared to the purchase price in pharmacies. In 2022, Biofarm's portfolio development strategy focused on the launch of new products in the CHC segment dedicated to immune support products, but also on the launch of line extensions to generate incremental sales of the top brands in the current portfolio.

Thus, during 2022, 17 new products were released:

- **Bioland Imuno effervescent (March)**
- **Bioland Imuno Booster effervescent (June)**
- **Bioland Energy effervescent (June)**
- **Bioland Vitamin C 1000 effervescent (March)**
- **Bioland Vitamin C 1000 + D3 + Zn effervescent (March)**
- **Bioland Vitamin D3 2000 IU tablets (June)**
- **Bioland Ivy Syrup (June)**
- **Bioland Inhalant released (June)**
- **Bioland Nasal Wash released (June)**
- **Bioland Nasal Wash Protect (June)**
- **Bioland A+D2 (June)**
- **Bioland A (August)**
- **Carbocit DUO bi-layer tablets (June)**
- **Biofen Forte (August)**
- **Biofen (August)**
- **Bioland Venolex (October)**
- **Bioland Venolex Plus (October).**

The company's strategy is to continue sustained growth both on the Romanian market and on foreign markets by consolidating existing brands and developing new brands.

At the end of 2022, we had 5 **projects awaiting approval** for the **Local Market** and 13 **projects awaiting approval** for the **Global Market**, out of which: 11 projects in Africa and 2 projects in Asia.



Strategic Development

In 2022, in terms of value, Biofarm is still on the 5th place in the top sales of pharmaceutical companies in Romania for the category of products that are released without a medical prescription (OTC). For the OTC category, Biofarm is No. 1 in the therapeutic class for: BIXTONIM, TRIFERMENT 275 mg and 325 mg, COLEBIL, CARMOL Solution, BIOFEN and No. 2 in therapeutic class for: ANGHIROL. The OTC products in the Top 10 Biofarm portfolio, based on the value of registered sales, include the following:

Crt. No.	Brand	Common international name (CIN)	Therapeutic class/Form of presentation	Main competitors
1	BIXTONIM			
	BIXTONIM solution	Ephedrine hydrochloride, hydrocortisone, naphazoline hydrochloride	Nasal preparations and other nasal decongestant preparations for topical use, combinations Nasal drops, solution	BIORINIL spray 10ml (TheaLab.) DYMISTA spray 137µg/50µg 120do (Viatris) VIBROCIL solution 15ml (HALEON)
	BIXTONIM XYLO solution 0.05% and 0.1%	Xylometazoline hydrochloride	Nasal decongestants for topical use Nasal drops, solution	RHINXYL HA solution (Sun Pharma)
	BIXTONIM XYLO spray 0.05% and 0.1%	Xylometazoline hydrochloride	Nasal decongestants for topical use Nasal spray, solution	OLYNTH HA spray (Johnson & Johnson)
2	TRIFERMENT 275 mg and 325 mg	Pancreatin	Digestive disorders Gastro-resistant film-coated tablets	KREON (Viatris) MEZYM (Menarini)
3	COLEBIL	Bovine bile, methenamine, sodium salicylate	Dyspeptic disorders associated with bile deficiency Sugar-coated tablets	FIOBILIN (Sun Pharma)
4	CARMOL solution	Denatured alcohol, levomenthol, terpineol	Flu and cold Body lotion	LAROG RIP RUBBING FOR ADULTS (Laropharm)
	CARMOL gel	Alcohol, menthol, camphor	Muscle and joint pains Gel	VOLTAREN FORTE (HALEON)
5	BIOFEN	Ibuprofen and paracetamol	Systemic pain Film-coated tablets	SYNOCAM (DR. REDDY'S LAB.)
6	ANGHIROL	Artichoke	Dyspeptic disorders associated with bile deficiency Tablets	FIOBILIN (Sun Pharma)
7	BIOFLU capsules	Paracetamol, Pseudoephedrine Hydrochloride, Dextromethorphan Hydrobromide	Flu and cold Soft capsules	PARASINUS (HALEON) NUROFEN COLD AND FLU (Reckitt Benckiser) NUROFEN JUNIOR internal suspension (Reckitt Benckiser)
	BIOFLU Junior syrup	Paracetamol	Pain and fever Syrup	PANADOL BABY internal suspension (HALEON) NUROFEN CHILDREN internal suspension (Reckitt Benckiser)
	BIOFLU Baby syrup	Paracetamol, Pseudoephedrine Hydrochloride, Dextromethorphan Hydrobromide	Flu and cold Syrup	
8	DEVARICID tablets	Diosmin and hesperidin	Chronic venous insufficiency Film-coated tablets	DETRALEX (Servier) (RX)
9	PROTECARDIN 75 mg and 100 mg	Acetylsalicylic acid	Antiplatelet agent Gastro-resistant film-coated tablets	ASPENTER (Sun Pharma)
10	ANTISPASMIN 40 mg and 80 mg	Drotaverine	Antispasmodic Tablets	NO-SPA (Sanofi)



Strategic Development

In terms of value, Biofarm is the fourth largest pharmaceutical company in Romania for the food supplement product category (FS). For the FS category, from the point of view of value, Biofarm is on first place in the therapeutic class for: EXTRAVALERIAN, LACTIC CALCIUM and on the second place in the therapeutic class for SENNALAX, NERVOCALMIN, CARBOCIT. FS products from the Top 10 Biofarm portfolio, based on the value of registered sales, include the following:

Crt. No.	Brand	Common international name (CIN)	Therapeutic class / Form of presentation	Main competitors
1	EXTRAVALERIANIC	Menthyl isovalerate in menthol	Anxiolytic Soft capsules	EXTRAVERAL (Zentiva) (RX)
2	SENNALAX	Senna extract	Regulation of intestinal transit Tablets	DULCOLAX (Sanofi) CIOCOLAX FORTE (Zentiva)
3	HEPATOPROTECT HEPATOPROTECT 70 mg si 150 mg HEPATOPROTECT REGENERATOR 712.5 mg si 850 mg	Milk Thistle Essential phospholipids	Hepatoprotective drugs Tablets Hepatoprotective drugs Soft capsules	LAGOSA (Worwag Pharma) LIV 52 ((Himalaya) ESSENTIALE (Sanofi) FORTIFIKAT (Sun Pharma)
4	SEPTOSOL Methylene blue Lemon and honey	 Methylene blue, essential oils Honey and Lemon	 Sore throat Lozenges	 STREPSILS (Reckitt Benckiser) TANTUM (Angelini) DECASEPT (Amniocen)
5	NERVOCALMIN NERVOCALMIN sleep tight NERVOCALMIN relaxation	 Melatonin, Valerian, Vitamin B6 Plant extracts, Vitamin B6	 Hypnotics, plant-based sedatives Soft capsules	 OPTISOMN (Zdrovit) PERSEDON (Zentiva) STRESCLIN COMPLEX (Sun Wave Pharma) SEDATIF PC (Boiron Lab.)
6	CARBOCIT	Activated charcoal	Antiflatulence and anti-bloating Tablets	KEBENE (Sun Pharma) ESPUMISAN (Menarini)
7	CAVIT	Multivitamin complex	Vitamins Chewable tablets	VITAMAX (Perrigo) SUPRADYN (Bayer) MINIMARTIENI (Stada)
8	MAGNEFORT B6	Magnesium, Vitamin B6	Fatigue and stress Sugar-coated tablets	MAGNEROT (Worwag Pharma) MAGNE B6 (Sanofi) MAGNEVIE (Sanofi)
9	BIOLAND Imunity Bone system	Complex of vitamins and minerals	Immunity Bone system Tablets, solutions	VITAMINA C (Beres) ASCOVIT (Perrigo) CALCIDIN (Zdrovit)
10	CALCIUM LACTATE	Calcium lactate	Calcium deficiency Tablets	CALCIU LACTIC (Hyllan) CALCIU LACTIC (Dr. Max)



Strategic Development

For the Prescription Products (RX) category, Biofarm is No. 1 in therapeutic class for: VITAMIN A and is No. 2 in therapeutic class for COLCHICINE. RX products from the Top 10 Biofarm portfolio, based on the value of registered sales, include the following:

Crt. No.	Brand	Common international name (CIN)	Therapeutic class / Form of presentation	Main competitors
1	COLCHICINE	Colchicine	Antigout Tablets	MILURIT (Servier) ADENURIC (Menarini)
2	VITAMIN A VITAMIN A solution VITAMIN A capsules	Retinolium Retinolium	Vitamin A deficiency Oral drops, solution Vitamin A deficiency Soft capsules	- DR. MAX VITAMIN A+E FORTE (SN) VITAMIN A (GNC) - SN VITAMIN A NATURAL (Fares) – SN
3	METOCLOPRAMID	Metoclopramidum	Antiemetic Syrup	IBUTIN (Zentiva) DEBRIDAT (Pfizer)
4	ROFEDEX	Dextromethorphanum	Antitussive Syrup	ROBITUSSIN (HALEON) TUSSIN (Glaxosmithkline)
5	VERMIGAL VERMIGAL solution VERMIGAL tablets	Albendazolum Albendazolum	Antiparasitic Oral suspension Antiparasitic Film-coated tablets	ZENTEL (Glaxosmithkline) VORMEX (Sun Wave Pharma) (SN) ESKAZOLE (Glaxosmithkline) DUADOR (Gedeon Richter)
6	VINCAMINE	Vincamine	Cerebral circulation Sugar-coated tablets	SERMION (Viatris) PENTOXI RETARD (Sun Pharma)
7	MILK THISTLE 35 mg and 150 mg	Silybum marianum	Liver diseases Tablets	LAGOSA (Worwag Pharma) LIV 52 ((Himalaya)
8	VITAMIN D3	Cholecalciferol	Prophylaxis of rickets, deficiency of Vitamin D3 Oral drops, solution	ALPHA D3 (Teva) ALFACALCIDOL (Heaton) VIGANTOL (Merck KGaA)
9	ASORIAN	Fluocinolone acetonide, allantoin, dimethyl sulfoxide	Antipsoriatics for local use Cutaneous solution	Unique product
10	CHLORAMPHENICOL FLUOCINOLONE SOLUTION	Chloramphenicol, Fluocinolone	Bacterial infections of the external ear	OTIPAX (Dr. Reddy's LAB.)



Financial Evolution

Profit and loss account and other income

The net income from sales in 2022 was of lei 276,982,692, increasing by 16%, as compared to 2021.

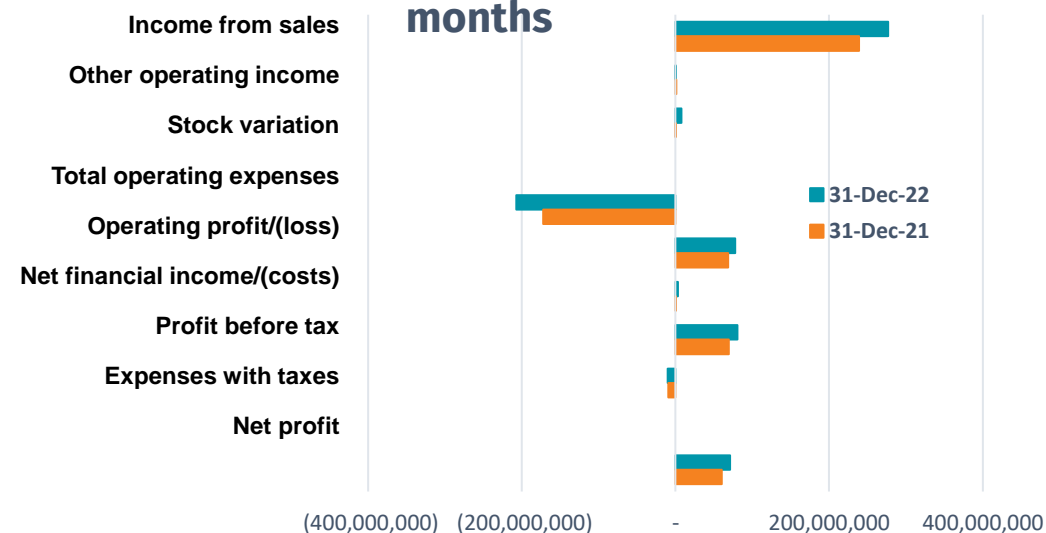
The net operating result for 2022 increased by approximately 13%, as compared to 2021, while the company's net profit saw the same increase of approximately 17%.

Corporate tax in 2022 amounted to lei 9,963,048, as compared to lei 9,198,337 recorded in 2021.

Statement of Income and Expenses

	For the period of 12 months concluded as at	
	31-Dec-22	31-Dec-21
Sales income	276,982,692	239,044,656
Other operating income	327,462	1,298,675
Stock variation	7,690,697	218,465
<i>Total operating expenses</i>	<i>(207,258,813)</i>	<i>(171,885,190)</i>
Operating Profit/(Loss)	77,742,038	68,676,606
Net financial income/(costs)	3,138,272	877,500
Profit before tax	80,880,310	69,554,106
Tax expenses	(9,963,048)	(9,198,337)
Net Profit	70,917,262	60,355,769

Statement of income and expenses for 12 months



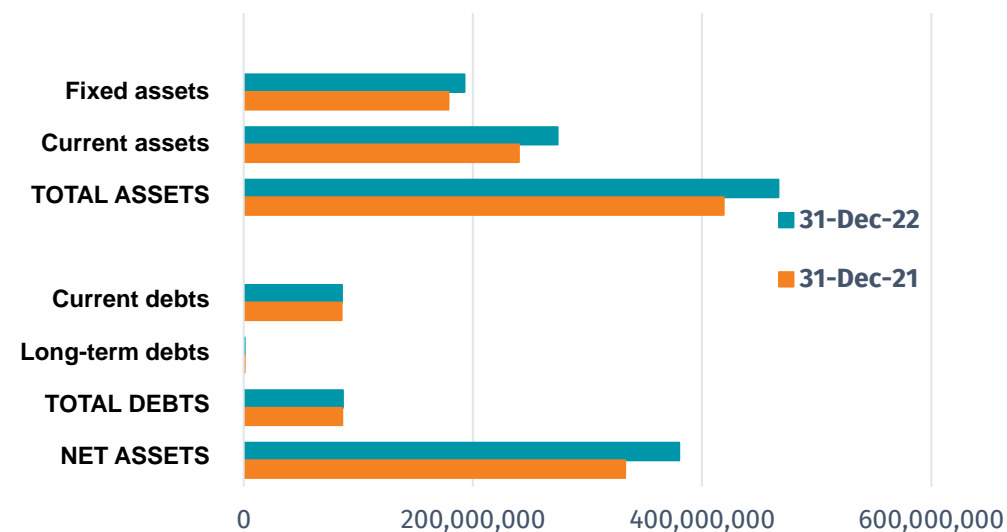
Financial Evolution

Statement of assets, debts and equities

In 2022, the value of ongoing purchases of tangible assets was of lei 25,174,761. Tangible assets, respectively "Technical installations and machines" increased by lei 14,302,488 due to the commissioning of new production equipment necessary to increase production capacity in Bucharest, Sector 3, Str. Drumul Gura Badicului nr. 202-232. On 31 December 2022, Biofarm reassessed the buildings in the heritage. The differences being insignificant, they were not recorded in the accounting. Also, during 2022, the land in Bd. Iancu de Hunedoara nr. 40-42 was reassessed, its value being appreciated by the value of lei 83,525, to lei 11,780,863.

Statement of assets, debts and equities

Description	31-Dec-22	31-Dec-21
Fixed assets	192,555,981	178,631,259
Current assets	273,980,106	240,147,639
TOTAL ASSETS	466,536,087	418,778,898
Current debts	85,645,395	85,343,258
Long-term debts	835,121	648,323
TOTAL DEBTS	86,480,516	85,991,581
NET ASSETS	380,055,571	332,787,317

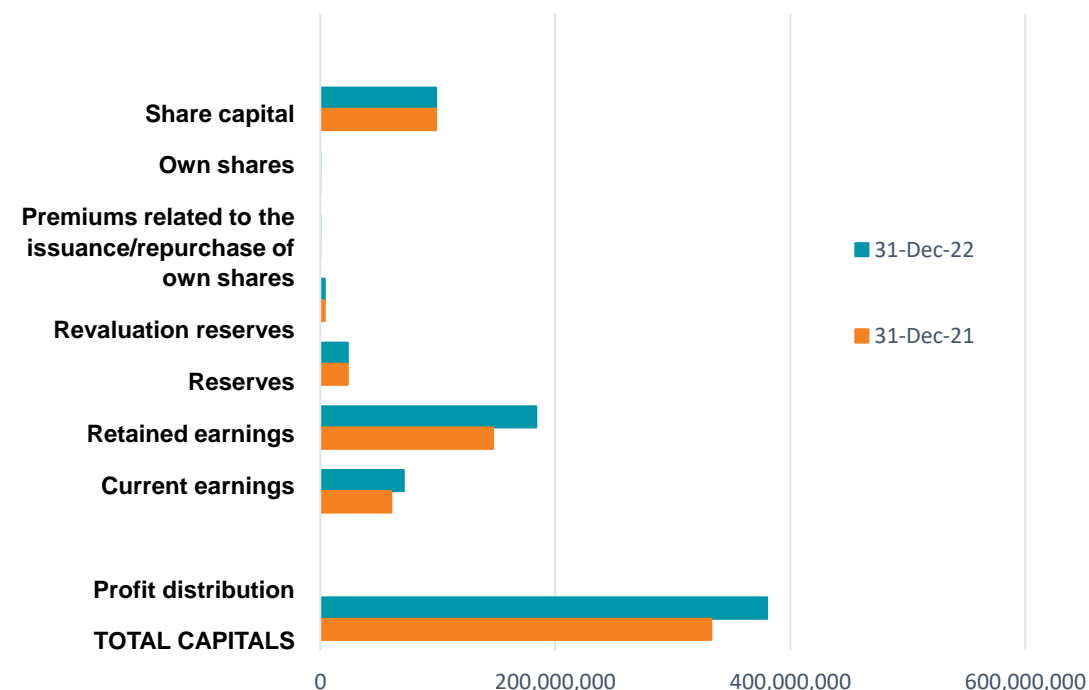


Financial Evolution

Statement of Financial Position – Capital

The subscribed share capital of the company as at 31 December 2022 was of lei 98,537,535, the nominal value of a share was of lei 0.1/share. The company has a number of 985,375,350 shares that give equal rights to the company's shareholders. Biofarm S.A. has not issued shares that give preferential rights to shareholders.

Share capital and reserves	31-Dec-22	31-Dec-21
Share capital	98,537,535	98,537,535
Own shares	(813)	(813)
Premiums related to the issuance/repurchase of own shares	(173,154)	(173,154)
Revaluation reserves	3,718,507	3,718,507
Reserves	23,350,438	23,350,438
Retained earnings	183,705,796	146,999,035
Current earnings	70,917,262	60,355,769
Profit distribution	-	-
TOTAL CAPITALS	380,055,571	332,787,317



Financial Evolution

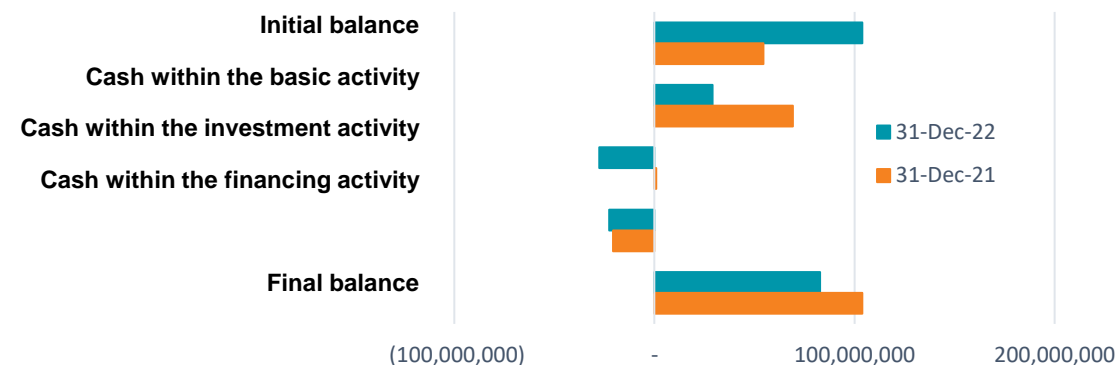
Statement of cash flows

Most of cash flows are generated from the company's core activity, the production and marketing of medicines for human use, NACE code 2120 "Manufacture of pharmaceutical preparations".

During 2022, Biofarm SA generated a cash inflow from operating activities of lei 29,017,296, following a paid corporate tax of lei 14,633,228. Investment activities generated during 2022 a decrease in cash flows of lei 27,620,872 as a result of the acquisition of new tangible assets. Also, during 2022, the cash flow from financing activities was fully covered by the payment of dividends granted in the amount of lei 22,547,562.

Statement of cash flows (for 12 months)

Description	31-Dec-22	31-Dec-21
Initial balance	103,865,018	54,543,584
Cash from the basic activity	29,017,296	69,181,921
Cash from the investment activity	(27,620,872)	827,496
Cash from the financing activity	(22,547,562)	(20,687,983)
Final balance	<u>82,713,880</u>	<u>103,865,018</u>



Information about the Stock Exchange

Biofarm has been present on the Romanian market for 101 years and maintains its motivation to increase the quality of people's lives, being a company always oriented towards innovation and facilitating access to modern treatment solutions.

The securities issued by Biofarm S.A. are traded on the main market at the Bucharest Stock Exchange, Premium category, BIO symbol.

The shareholding structure on 31.12.2022 was the following:

Shareholder	Shares	Percent
S.I.F. MUNTENIA BUCHAREST	508,231,323	51.5774%
S.I.F. BANAT-CRISANA S.A. ARAD	362,096,587	36.7471%
Natural persons	100,424,467	10.1915%
Legal persons	14,622,973	1.4840%
Total	985,375,350	100%



The subscribed share capital of the company as at 31 December 2022 was of lei 98,537,535, the nominal value of a share being of lei 0.1/share.

Following the increase of the share capital by incorporating the profit from 2006, a number of 8,126 shares remained, which could not be distributed according to the allocation rate. These shares were allocated to the company by the Central Depository. On 31.12.2022, Biofarm S.A. held 8,126 own shares.



Information about the Stock Market

The shares of BIOFARM S.A. were traded on the RASDAQ Market, in the basic category, starting from 19.11.1996. In accordance with the Decision of the Extraordinary General Meeting of Shareholders No. 40 of 24.03.2005, the start of the necessary operations for the company's listing in Category I of the Bucharest Stock Exchange was approved.

By Decision no. 69 of 25.10.2005 of the Council of the Bucharest Stock Exchange, the registration at the Bucharest Stock Exchange SA was approved - the securities sector issued by Romanian legal entities - Category I of the shares issued by BIOFARM S.A..

As of 5 January 2015, the company's shares are classified in the Premium Category.

Characteristics of the shares of BIOFARM S.A.:

- dematerialised registered shares;
- nominal value of lei 0.1

BIOFARM S.A. symbol at the Bucharest Stock Exchange is BIO.

Code in LEI: 254900G63HUEZ1Z9UW08

In accordance with CNVM (*National Securities Commission*) Decision No. 3584/15.12.2006, the Register of Shareholders is kept by the Depozitarul Central S.A., with headquarters in Bucharest, sector 2, Bulevardul Carol I nr. 34-36, etajele 3, 8 și 9, postal code 020922, phone: (021) 408.58.00, 408.58.46.

Biofarm S.A. did not issue bonds or other debt securities in 2022.



Evolution on the Stock Exchange

After the highest historical quotation reached at the end of 2021, in the second half of 2022, the stock exchange quotation stabilized around the value of 0.6 lei/share (+/-10%). On 31 December 2022, the closing price of the year was of lei 0.6120, 26% below the opening price of the year of lei 0.83/share.



Information about dividends

Policy of Dividends

The company's policy on the distribution of net profit was updated during 2022 and aims, depending on the options, to distribute it to shareholders, to reinvest it in supporting its projects or to distribute it to both destinations. Annually, the company, depending on the existing situation at that time, decides the effective method of distributing the profit, taking into account whether there is a need for investments, other specific legal requirements (reserves to be established). The investment projects are provided by the Annual Investment Plan, approved by the General Meeting of the Company's Shareholders. The Board of Directors of Biofarm S.A., in the absence of exceptional circumstances, may recommend to the shareholders the distribution of dividends for each financial year in the proportion of 20% - 70% of the Company's profit, depending on the business plan and taking into account the Company's development strategy. The net profit of the company is established on the basis of the audited annual financial statements approved by OGMS and is distributed, according to the law, based on the OGMS plan. To determine the percentage of net profit to be allocated to dividends, depending on the dividends policy, the Board of Directors will consider the following:

- company's investment needs and opportunities;
- financial availability for the payment of dividends and the degree of indebtedness of the Company.

Paid dividends

The profit share that is paid according to the law to each shareholder is a dividend. Dividends distributed to shareholders, proposed or declared after the reporting period, as well as other similar distributions made from the profit established on the basis of IFRS and contained in the annual financial statements, are not recognized as a liability at the end of the reporting period. In the accounting of dividends, the provisions of IAS 10 are considered.

According to the Policy mentioned above, in 2022, the Company granted a dividend of lei 0.03/share. The total value of the dividend was of lei 29,561,261, namely 42% of the net profit from the previous year in the amount of lei 70,917,262. You can find more information on the website www.biofarm.ro >> Corporate Governance/Investor Relations>> Policies >> Biofarm Policy regarding the annual distribution of dividends and on www.biofarm.ro >> Corporate Governance/Investor Relations> > GMS

