

PRESENTATION OF FINANCIAL STATEMENTS

30 June 2023



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 necessary to understand the current situation and 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 particular point in time, including the company's assets, liabilities and equity.
- 2) Profit and loss account:** It will provide a picture of the company's financial performance 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 to 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.

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



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 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 Extension

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 "Întreprinderea 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

Biofarm estimates for this year a turnover of approximately lei 325 million, which represents a 17% increase, as compared to last year. Also, the estimated EBITDA for this year is of lei 105 million, 16% more than last year. In addition, Biofarm estimates for this year a 6% higher profit as compared to the previous year.

“In 2022, the pharmaceutical market faced significant challenges due to rising energy and raw material prices, as well as a lack of products for the treatment of cold and flu symptoms. Even under these conditions, we recorded very good results and managed to secure the necessary stocks and contribute to covering the shortage of cold and flu products through the efficient management of production and distribution. For 2023, we aimed at strengthening our position in the market and set objectives of constant growth of the turnover at an accelerated pace, as a result of the development of the portfolio through line extensions or new product launches, declared **Cătălin Vicol, the General Manager of Biofarm.**



Biofarm țintește o cifră de afaceri în creștere cu 17% în 2023

Biofarm aims for a turnover increasing by 17% in 2023

Biofarm 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.

With its long-term direction in mind, the company attaches great importance to its new product development centre, which will play a vital role in implementing plans for the coming years. The continuous development of new and revolutionary products is one of Biofarm's key growth pillars, which will strengthen the company's leading position in the pharmaceutical industry.

Biofarm has invested over 44 million euros to date in one of the most modern pharmaceutical factories in Romania, which covers an impressive area of over 10,000 square meters and has four production streams, specializing in tablets, film-coated tablets, sugar-coated tablets, soft capsules, solutions and syrups. This state-of-the-art factory is a key element in achieving the company's strategic goals, which include portfolio development through line extensions, new product launches and expansion into foreign markets.



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®, permanently work 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 Str. 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 re-certification for ISO 9001, as well as for ISO 14001 took place during 2022.



Brands

Biofarm brands 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.

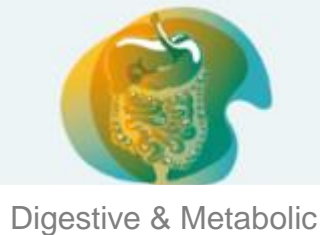


Brands

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).



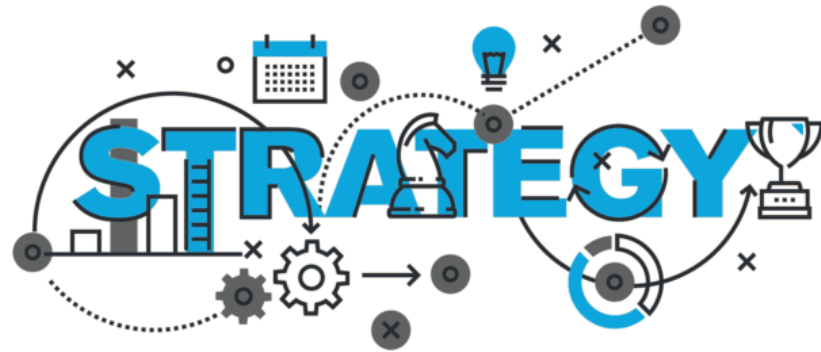
[DISCOVER ALL THE PRODUCTS](#)

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



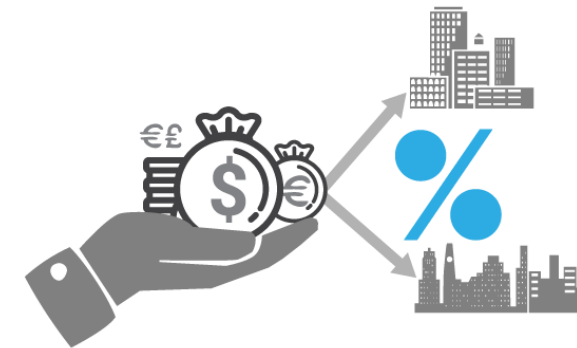
Biofarm's Performance

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



Strategic Development

Financial Evolution



Evolution on the Stock Market



Strategic Development

Worldwide Strategy

We regularly review and monitor the performance and effectiveness of our global strategies to ensure we stay on track and achieve our long-term goals. Thus, the global strategy remains unchanged and begins by prioritizing strategic initiatives for the greatest business impact.

During the first 6 months of 2023, Biofarm products were exported to 4 countries: Albania, Azerbaijan, Iraq, and the Republic of Moldova. With the escalation of the conflict in Ukraine, Biofarm gave up both exports and imports from Russia.

Increasing export activity and diversifying into international markets is the strategy for the expansion of our business. To successfully achieve these medium and long-term goals, we consider a number of factors such as: analysis of specific markets, strategic partnerships, adaptation to diversity, communication and customer support, as well as sustainable sources of raw materials.

Long-term objectives regarding foreign markets are:

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



Strategic Development

Local Strategy

Understanding the specifics of businesses and the local market is essential to develop an effective strategy tailored to our clients' needs. Our efforts to contribute to the increase of competitiveness and quality in the sector in which we operate are essential for the sustainable development of our business and the entire sector.

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

We support local organizations that share the company's values, we build sustainable relationships with our partners as at Biofarm we believe it is essential, not only to bring well-being to the community, but also to strengthen our position as a responsible company in the pharmaceutical sector. At Biofarm, we work every day and do everything in our power to move forward **“The best way of getting BETTER”**.



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 are constantly innovating, researching and expanding our portfolio with new products and new markets.



Financial Evolution

Profit and loss account and other income

The net income from sales achieved in the first half of 2023 was of lei 162,172,118, increasing by 17%, as compared to the same period of 2022.

The net operating result in the first half of 2023 increased by lei 1,370,530, approximately 3%, as compared to the same period in 2022, while the company's net profit increased by lei 6,468,673, to lei 50,113,469, by approximately 15% over the same period in 2022. The profit tax in the first 6 months of 2023 was in the amount of lei 5,939,879, as compared to lei 8,756,902 recorded during the same period of 2022.

Statement of income and expenses

	For the 6-month period ended at	
	30-Jun-23	30-Jun-22
Income from sales	162,172,118	138,565,427
Other operating income	173,412	333,878
Stocks variation	(1,914,985)	2,493,606
<i>Total operating expenses</i>	<i>(107,554,817)</i>	<i>(89,887,713)</i>
Operating profit/(loss)	52,875,728	51,505,198
Net financial income/(costs)	3,177,620	896,500
Profit before tax	56,053,348	52,401,698
Expenses with taxes	(5,939,879)	(8,756,902)
Net profit	50,113,469	43,644,796

Statement of income and expenses for 6 months



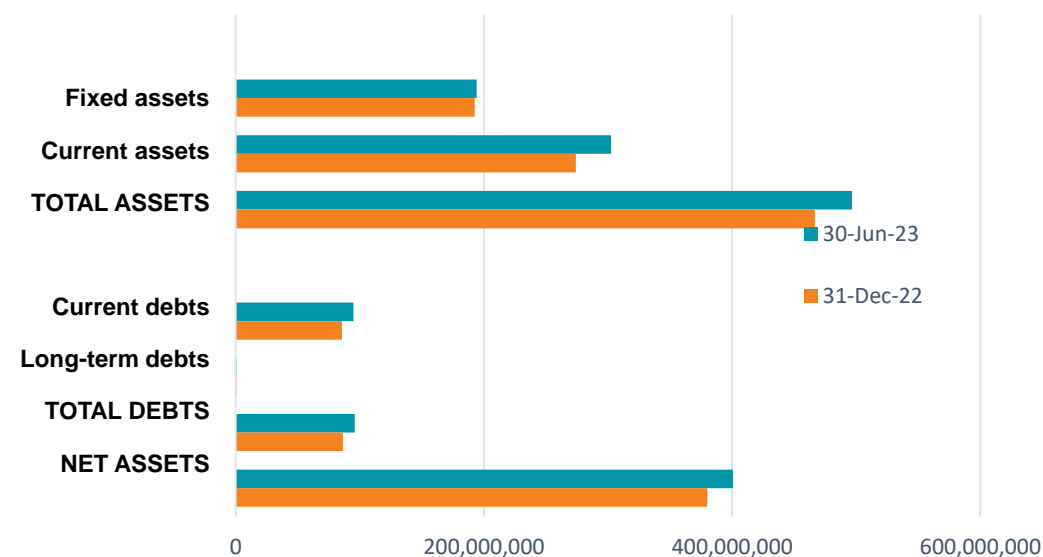
Financial Evolution

Statement of assets, debts and equities

In the first 6 months of 2023, the value of ongoing purchases of tangible assets was of lei 7,552,560. Tangible assets, respectively "Technical installations and machines" increased by lei 3,065,221 due to the commissioning of new production equipment necessary to increase production capacity in Bucharest, Sector 3, Str. Drumul Gura Badicului nr. 202-232. Also in the first months, Biofarm also purchased tangible assets, namely land, worth of lei 1,124,787.

Statement of assets, debts and equities

Description	30-Jun-23	31-Dec-22
Fixed assets	194,142,582	192,555,981
Current assets	302,320,567	273,980,106
TOTAL ASSETS	496,463,149	466,536,087
Current debts	95,020,248	85,645,395
Long-term debts	835,121	835,121
TOTAL DEBTS	95,855,369	86,480,516
NET ASSETS	400,607,780	380,055,571

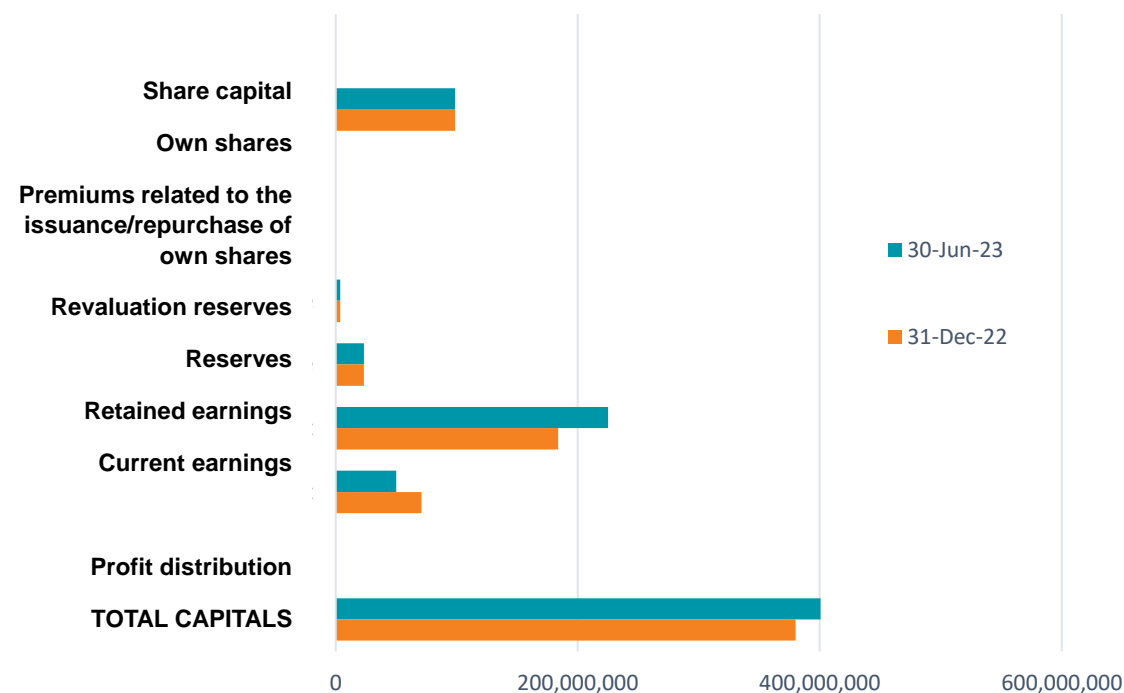


Financial Evolution

Statement of the financial position – Capital

The subscribed share capital of the company as at 30 June 2023 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	30-Jun-23	31-Dec-22
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	225,061,798	183,705,796
Current earnings	50,113,469	70,917,262
Profit distribution	-	-
TOTAL CAPITALS	400,607,780	380,055,571



Financial Evolution

Statement of cash flows

Most of the 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".

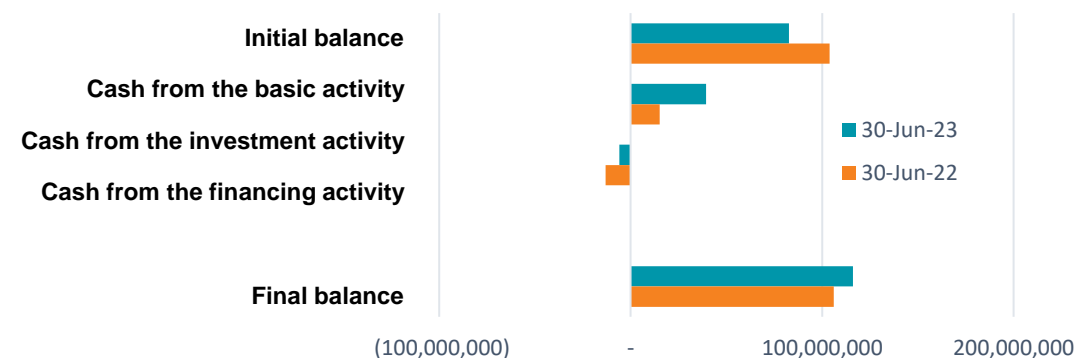
During the first 6 months of 2023, Biofarm SA generated a cash inflow from operating activities of lei 39,407,796, following a paid profit tax of lei 10,333,146.

Investment activities generated in the first 6 months of 2023 a decrease in cash flows of lei 5,864,974 as a result of the acquisition of new tangible assets.

Also, during the same period, the cash flow from financing activities was entirely covered by the payment of dividends granted in the amount of lei 58,625.

Statement of cash flows (for 6 months)

Description	30-Jun-23	30-Jun-22
Initial balance	82,713,880	103,865,018
Cash from the basic activity	39,407,796	15,245,255
Cash from the investment activity	(5,864,974)	(13,003,795)
Cash from the financing activity	(58,625)	(37,199)
Final balance	<u>116,198,077</u>	<u>106,069,279</u>



Information about the Stock Exchange

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 30.06.2023 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 on 30 June 2023 was of lei 98,537,535, the nominal value of a share being lei 0.1/share. Following the share capital increase 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 30.06.2023, Biofarm S.A. held 8,126 own shares.



Information about the Stock Exchange

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

As of the 5th of 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 compliance with the 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 during the first 6 months of 2023.



Evolution on the Stock Exchange

During the first 6 months of 2023, the stock market share increased from the year's opening price of approximately lei 0.60/share to lei 0.66/share. An increase of 6 bani that translates into 10 percentage points within the period.

