



## **ANNUAL UNCONSOLIDATED REPORT 2021**

**Board of Administrators of  
Farmaceutica REMEDIA S.A.**

**Farmaceutica REMEDIA S.A.**

Registered office: Deva 330040, No. 2 Nicolae Bălcescu Bld. (former No. 43 Dorobanților Street), Hunedoara County,  
Telephone: + 40 254 223 260, Fax: +40 254 226 197  
Operational office: Bucharest, 041836, sector 4, No. 78 Metalurgiei Bld., Telephone/  
fax: +40 213 211 640, [remedia@remedia.ro](mailto:remedia@remedia.ro), [www.remedia.ro](http://www.remedia.ro)  
Trade Register J20/700/1991, TIN: RO2115198; Share capital: RON 9.548.082  
IBAN: RO61 BTRL RONC RT00 G713 3302, Transilvania Bank, Bucharest  
IBAN: RO33 RZBR 0000 0600 0266 5747, Raiffeisen Unirii, Bucharest

## ANNUAL UNCONSOLIDAT REPORT 2021

### Board of Administrators

### Farmaceutica REMEDIA S.A.

A. Denomination of the commercial society: **Farmaceutica REMEDIA S.A.**

Subscribed share capital: **9.548.082 Lei**  
Paid up share capital: **9.6548.082 Lei**  
Registered office: **DEVA, Bd. Nicolae Balcescu nr. 2,**  
Tel / Fax: **0254 223 260 / 0254 226 197**  
Registration no and date **J20/700/25.07.1991**  
With the Trade Register of Commerce:  
Tax registration no: **R02115198**  
Securities: **RMAH shares (Registration certificate no. AC-1470-7/17.06.2021)**  
Type: **Common Nominative**  
Date of registration: **17.03.1997**  
Nominal Value /share: **0.10 Lei**  
Position in RNSC Register: **1636**  
Total no of shares: **95.480.820**  
RNSC code of shares: **16368**

	Data	Numar de actiuni	Valoarea emisiunii (Lei)	Explicatii
1	10.11.1999	3.370.107	337.010,70	Initial capital of the state, including land contributed in kind
2	06.09.2001	1.500.000	150.000,00	Cash contribution of V.TARUS RoAgencies
3	23.07.2003	42.402	4.240,20	Merger - capital of Ditafarm Trading – acquired company
4	05.01.2006	5.696.471	569.647,10	Merger - capital of V.TARUS RoAgencies – acquired company
5	21.12.2007	87.905.969	8.790.596,90	Capital increase – shareholders with pre-emption right
6	04.05.2009	7.574.851	757.485,10	Capital increase – AHG Simcor Industry S.R.L.
7	09.06.2021	- 10.608.980	- 1.060.898,00	Reduction of share capital - repurchase of shares followed by their cancellation
	<b>TOTAL</b>	<b>95.480.820</b>	<b>9.548.082,00</b>	

Organized market on which securities are traded:

**Bucharest Stock Exchange - Standard category**

The total market value on 15.03.2022 is of 60.152.916 Lei, at a value of a 0,63 Lei/RMAH share

## 1. Activity analysis

### 1.1. Overview

On **July 25<sup>th</sup> 1991**, Farmaceutica REMEDIA was established as a commercial company with fully state-owned capital by reorganization of Oficiul Farmaceutic Deva.

On **October 13<sup>th</sup> 2000**, V. TARUS RoAgencies S.R.L. purchased from FPS the majority shares package (55,802%).

On **January 1<sup>st</sup> 2006**, Farmaceutica REMEDIA S.A. merged by absorption with V. TARUS RoAgencies S.R.L.

According to Law 95/2006, republished in August 2015, companies were prohibited from carrying out, at the same time, wholesale and retail distribution of medicines. (Art. 800 paragraph 2). Therefore,

On **January 1<sup>st</sup> 2016** Farmaceutica REMEDIA S.A. completed the transfer to Farmaceutica REMEDIA Distribution & Logistics S.R.L., a new company, 100% owned, of the wholesale distribution activities of medicines together with related activities (logistic services, registration of pharmaceutical products, promotion and marketing of medicines, etc.), Farmaceutica REMEDIA S.A. kept the operation of the chain of pharmacies and local offices.

Following the change of the main activity object imposed by the above-mentioned legislation, the company had to redeem from the market (in 2015) a number of 300.100 shares at a price established by an authorized evaluator.

**During the year 2021** Farmaceutica REMEDIA S.A. did not participate in mergers.

On **January 11<sup>th</sup> 2021**, Farmaceutica REMEDIA SA completed a share buyback operation followed by a reduction of share capital. The number of buyback shares on 11.01.2021, according to FSA Decision 1486/16.12.2020 is 10.608.980 shares, representing 10% of the share capital. Total number of shares subscribed in the operation: 10.608.981 shares, representing 100% of the Offer. The total amount paid by Farmaceutica REMEDIA was 6.397.216 Lei. Repurchase price: 0,6 Lei per share. The share capital, after the repurchase operation, followed by the annulation of the repurchased shares and the reduction of the share capital, is Lei 9.548.082.

On **June 7<sup>th</sup> 2021** the Trade Register Office has registered the reduction of the share capital of Farmaceutica REMEDIA SA.

On **June 17<sup>th</sup> 2021** the Financial Supervisory Authority issued the Certificate of Registration of Financial Instruments no. AC-1470-7, which completed the operation of reducing the share capital from 10.608.980 Lei to 9.548.082 Lei.

The reduction of the share capital was also registered with the Central Depository S.A., the Bucharest Stock Exchange and was communicated to the capital market.

**In 2021** Farmaceutica REMEDIA bought 2 pharmaceutical licenses and opened 2 pharmacies in Bucharest, on Aviatiei Blvd and at the operational headquarters, on Metalurgiei Blvd.

## 1.2. General evaluation of the activity

The financial results of Farmaceutica REMEDIA S.A. for the financial year 2021 indicate:

- **859.155** Lei - net profit
- **14.513.188** Lei - net turnover

Other operating income (428.550 Lei) was recorded, mainly from the sale of a commercial space located in Deva, as well as financial income of 1.655.974 Lei (mainly dividends).

- **15.748.558** Lei - Total costs (excluding income tax), of which:
  - o **15.735.460** Lei - Operating expenses, of which:
    - 9.673.476** Lei - Net cost of goods sold (including trade discounts received)
    - o **13.098** Lei - Financial expenses, of which:
      - 13.098** Lei - discounts received in advance

As of 31.12.2021, the company's liquid assets (available in bank accounts and cash in hand) amounted to Lei 12.930.332. On the same date the companies (FR and FRDL) had at their disposal a multi-currency credit line in the amount of 74,6 million Lei, used as at 31.12.2021 exclusively for bank letters of guarantee for tenders and for the good performance of contracts, as well as for guarantees for the payment of goods suppliers.

## 1.3. Evaluation of the company revenues

- **11.849.099** Lei represents the income from the sale of goods (81,64 % of the turnover) with the following allocation by activity:

- 7.583.717 Lei - REMEDIA Pharmacies
- 4.242.302 Lei - Sales of BD Rowa robots
- 23.080 Lei - E-commerce
  
- 2.664.089 Lei - operating income from value added activities (invoiced to third parties) and rents of which:
  - 2.634.703 Lei rents
  - 29.387 Lei marketing and other services

## 1.4. Sales and marketing activities

More than 90% of the sales of REMEDIA pharmacies to individual customers are reimbursed by the County Health Houses, Bucharest Health House, OPSNAJ.

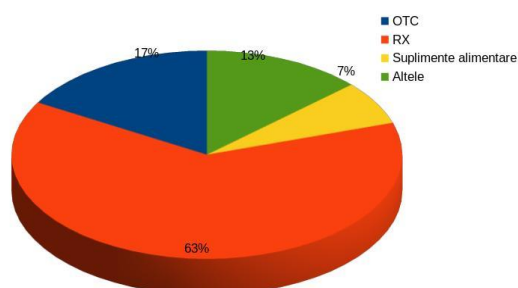
7.606.796 Lei (value without VAT) were the sales made in 2021 through the 25 REMEDIA pharmacies in 7 (seven) counties, especially in Hunedoara, Alba and Sibiu. These amounted to 15% of 2020 sales, following the transfer of 52 REMEDIA pharmacies to Help Net, part of the German PHOENIX group.

2.787.003 Lei (excluding VAT), 36.63% of total sales, is the amount invoiced to health houses. There is no significant dependence of the company on a single customer. In the top of the clients the share of the 1st position is 18,56% (Hunedoara County Health House - 1.414.504 Lei without VAT), the 2nd position is 8,29% (Alba County Health House - 630.861 Lei without VAT) and the 3rd position is 5,06% (Sibiu County Health House - 385.210 Lei without VAT).

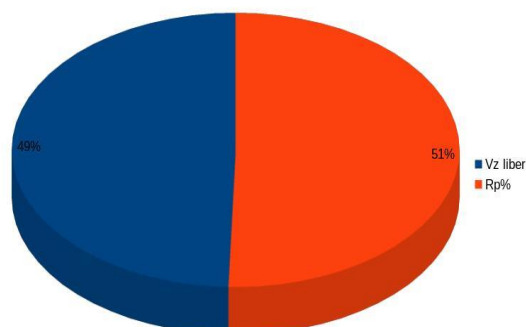
Throughout 2021 the following were followed:

- Stock optimization;
- Information and adequate training of staff;
- Promotional campaigns to liquidate stocks with critical expiry date.
- Promotional campaigns for the customers of REMEDIA pharmacies.

The share of sales by product category is shown in the graph below:



The structure of non-prescription versus prescription sales is shown in the graph below:



In 2021, 2 pharmacy licenses were acquired in Bucharest, bringing the total number of REMEDIA pharmacies to 25.

In 2021 Farmaceutica REMEDIA opened the first robotic pharmacy in Romania in Bucharest, in partnership with BD Rowa.

REMEDIA Pharmacy Metalurgiei 78, Bucharest, is the first automated pharmacy in Romania. The implementation of BD Rowa Prolog system revolutionizes the storage of medicines in the pharmacy, ensures stable and silent workflows, simple prescription and order picking, improved delivery capacity, efficient stock control, based on continuous evaluation of the goods, guarantees data and process security, optimizing the space in the warehouse but also the time of the pharmacy staff.

The activity of the 25 REMEDIA pharmacies is based on sales and margin indicators, as well as on increasing the quality of services offered to patients.

REMEDIA Pharmacy continued the modernization process in its pharmacies during 2021, consisting of continuous improvement and development of the software systems used:

- Implementation and updating of the serialization process according to the legal provisions (National System for the Verification of Medicines);
- Continuation of the automation of the customer invoicing from the management program to the accounting program;
- Continuation of automatic data exchange with FRDL partner (stocks/order/invoices);
- Automated reports for management.

At the same time, continue the process of optimizing the activity of pharmacies through professional promotions, reduction of operating costs and rents, going as far as suspending/selling some locations that do not achieve positive results.

Special attention is paid to increasing the quality of processes, monitoring GDPR procedures and securing information exchange for compliance with EU Regulation 2016/679 on the protection of individuals with regard to the processing of personal data.

Providing safe medicines to patients is the standard conduct of REMEDIA. REMEDIA's strict adherence to the quality assurance mechanism resulted in reporting zero incidents of counterfeit products during 2021, in compliance with the European Directive No. 2011/62/EU on counterfeit medicines, i.e. the serialization process of medicines and maintained in 2021 GS1 license certificate.

In 2021 REMEDIA continued partnerships in the marketing segment with manufacturers such as Labormed, GSK OTC, Terapia, Stada, Allergika, s.a, in order to access commercial conditions and additional budgets aimed at boosting sales and helping patients with new products and competitive prices.

Sales monitoring prioritizes pharmacy staff to increase efficiency and patient retention by providing associated recommendations and health advice, in partnership with patient health information and guidance centres.

Also, during the second 2021 year of the pandemic, REMEDIA has taken on role of being at the forefront and providing support to both customers and patients, ensuring direct and continuous access to the necessary medication by preparing and issuing prescriptions submitted online by family doctors, providing accurate information, health advice, in partnership with medical information and guidance centres for patients' health.

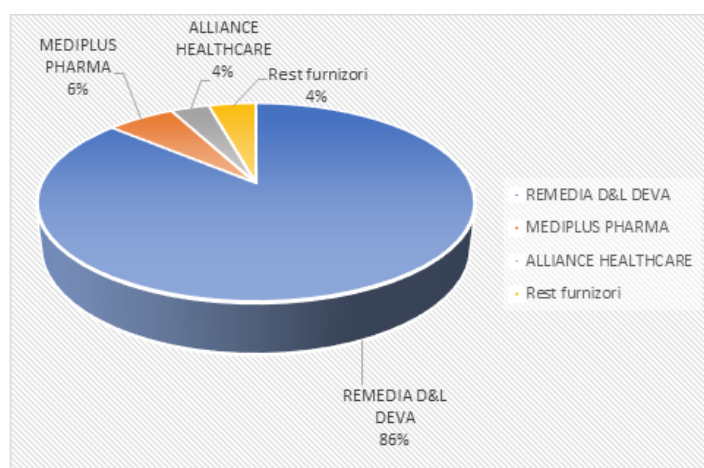


## 1.5. Evaluation of the goods acquisition

**REMEDIA pharmacies** were mainly sourced through the distributor Farmaceutica REMEDIA Distribution & Logistic, with purchases through this distributor accounting for 90% of total purchases in 2021. This approach has resulted in a faster supply to pharmacies, by reducing delivery times and a better presence of scarce products in pharmacies.

Purchases were registered through 41 suppliers, distributors of pharmaceutical products and suppliers of parapharmaceuticals, childcare, technical-medical and dermatocosmetic products.

The share of purchases by supplier is shown in the graph below:



During 2021, efficiency indicators and stock turnover times were monitored in particular within the pharmacy network to reduce the volume of expired products and improve working capital.

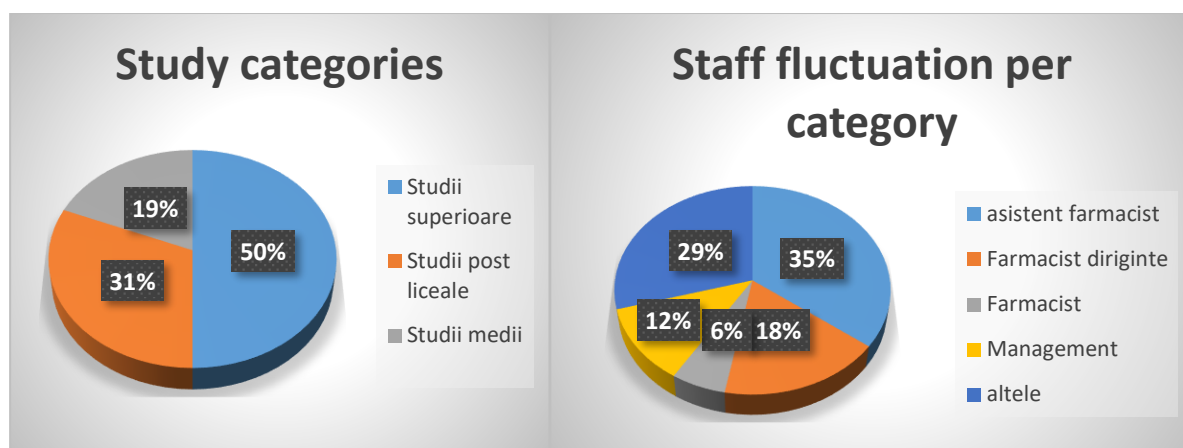
Procurement planning was carried out by product category and manufacturer to ensure continuity in stock of products and to focus the volume of purchases on strategic manufacturers.

As of 31.12.2021, the company's stocks, of which 93.4% are goods and 6.6% are parts and components dedicated to BD Rowa robots, amounted to 162.020 Lei.

## 1.6. Activities related to the human resources of the society

By the end of 2021, Farmaceutica REMEDIA S.A., had a total of 64 employees, of which 35 were pharmacy staff (54%) and the remaining 30 were employed in support and management services.

Of the 64 employees, 32 have higher education (50% of the total employees), 20 have post-secondary education (31%) and the remaining 12 have secondary education (19%).



Out of the 32 employees with higher education, 17 (53%) are educated in pharmaceuticals, 10 (31%) in economics, 3 (10%) in technical fields, and 2 (6%) in other fields.

In 2021, the staff fluctuation indicator in Farmaceutica REMEDIA SA was 27.2%. The highest fluctuation was on the position of pharmacist assistant - 6 persons (35%), followed by the position of pharmacist manager - 3 persons (18%), pharmacist - 1 person (6%), management - 2 persons (12%), other - 5 persons (29%)

In Farmaceutica REMEDIA SA there is no employees' union. They have an employee representative, who participates in the negotiation of the collective labour contract and represents the employees in their relations with the company.

### 1.7. The impact of society's core business on the environment.

Farmaceutica REMEDIA S.A. respects the legislation in the field of environmental protection. There are no litigations regarding the violation of the legislation on environmental protection.

The company contributes to the protection of the environment through the selective collection of the waste resulting from its activity. In 2021, about 2,8 tons of cardboard and paper packaging waste and about 0,2 tons of plastic packaging waste were handed over to the authorized companies for recovery in accordance with the legal regulations in force.

The national waste tracking and management services are outsourced to a specialized provider, who prepares the necessary documents and reports them on time to the regional county Environmental Protection Agency.

Farmaceutica REMEDIA collected about 1,2 tons of expired medicines, including those taken from the population, handed over centrally to the authorized companies for their destruction according to the legal norms. REMEDIA pharmacies also collect waste selectively.



In accordance with the EU Directives adopted since April 2019, REMEDIA Pharmaceuticals no longer purchased plastic carrier bags and biodegradable or recyclable bags were introduced, thus implementing measures to reduce waste and comply with the relevant legislation.

### **1.8. Quality activity**

In **REMEDIA Pharmacies** a quality management system is implemented in order to document the best practices to meet the requirements and expectations of patients in compliance with the Pharmacy Law no. 266/2008, with subsequent amendments and additions, as well as all legal provisions in force issued by regulatory authorities in the pharmaceutical field, being certified ISO 9001: 2015.

The Quality Manual is a basic document of quality management, which through its procedures defines responsibilities and working methods based on the rules of good pharmaceutical practice whose application guarantees that the services provided by pharmaceutical staff are appropriate, efficient and patient-oriented.

In 2021 the procedures were revised:

- a) which were the basis for the reauthorization of pharmacies by the College of Pharmacists
- b) operational

The policy in the field of pharmaceutical service quality in REMEDIA Pharmacies consists in the dispensing of medicines and other health products of guaranteed quality, accompanied by adequate information and counselling for the patient, constantly improving the services to ensure the highest level of patient satisfaction.

### **1.9. Evaluation of the risk management activity**

The main risk categories identified in 2021 were:

- Risk of non-recovery of receivables
- Cash flow risk

More than 90% of REMEDIA pharmacies' sales to individual customers are reimbursed by the County Health Houses, Bucharest Health House, OPSNAJ. Thus, thanks to the respect of the payment deadline by the Health Houses, in 2021, we can say that the risk of non-payment is extremely low.

In order to counteract the risk of non-collection of receivables and cash flow management of Farmaceutica REMEDIA S.A. has taken a series of measures such as:

- Initiating and pursuing legal action against debtors as well as debt recovery.
- Strict control of costs, within the budgeted amounts, with a positive impact on cash flow.

## **1.10. Development and perspective activities of the society**

Regarding the retail activity, the company aims to optimize the pharmacy network through possible relocations to nearby locations, where necessary, by continuing the process of professionalization of pharmacy staff, improving the IT infrastructure, increasing and diversifying the product portfolio and, last but not least, improving pharmaceutical services for the benefit of patients.

As a digital solution in the direction of automation and optimization of pharmaceutical processes, REMEDIA, in partnership with BD Rowa™, launched in October 2021 the first Smart Robot installed at the REMEDIA pharmacy in Bd. Metalurgiei no. 78, Bucharest.

REMEDIA also installed 4 robotic systems, including configurations of two robots each, during 2021 worth about 5 million lei (excluding VAT).

BD Rowa™, with over 11.000 robots installed in 55 countries, with a market share of 60-65% globally, is currently the world leader in pharmacy, warehouse and hospital automation solutions.

REMEDIA sells solutions for pharmacies, tailored to space, customer or product needs, and offers configurable robot models, depending on the space available, identifying customized solutions to solve the problems pharmacies face.

REMEDIA provides installation, commissioning and training of the beneficiaries, as well as the service of the robotic equipment installed with its own teams, specialized by the manufacturer BD Rowa.

Automation of processes in pharmacies by optimizing the flow supply, warehousing and delivery, increase patient access to care and reduce pressure on the NHS.

REMEDIA will continue, in partnership with BD Rowa, to implement robots for pharmacies, hospitals and pharmaceutical warehouses in Romania, Bulgaria and Moldova.

In this regard, REMEDIA will initiate marketing activities through the platform [www.pharmacy-automation.ro](http://www.pharmacy-automation.ro) to facilitate communication with both pharmacists and customers and answer questions about the benefits of robotic pharmacy.

Another priority objective of the company is to develop online sales by implementing its own solution in partnership with companies specialized in e-commerce.

The REMEDIA platform, [www.farmaciiileremedia.ro](http://www.farmaciiileremedia.ro), runs on a content management system with an e-commerce component that enables sales, product portfolio diversification and secure online transactions.

Communication with the company's own IT management system ensures the real-time transfer of data on products, orders, stock and customer invoicing.

The IT solution is based on software packages that are efficient in design and implementation and result in flexible products with very good response times. Customers will be able to choose the delivery method and subscribe to certain products with cyclical delivery according to preference (e.g. children's products), view order or subscription history.

Focused on customer satisfaction, the online sales platform ensures an easy and fast shopping experience that allows easy browsing through all product categories as well as promotion of target products. We also focus on displaying related products to allow customers to choose from a richer offering.

In parallel, social media campaigns have been launched to provide easier access to products, to inform customers about new products, promotions and campaigns run by the company, as well as the benefits of pharmacy automation processes through robots.

## **2. Fixed assets of the company**

**45.871.850 Lei** - represents Non-current assets (at residual value) with the following structure :

39.798.787 Lei - Tangible fixed assets (land, buildings, equipment, means of transport, commercial furniture, etc.)

724.436 Lei - Intangible fixed assets (pharmacy licences and software licences)

5.348.627 Lei - Financial fixed assets (shares held in other companies, deposits, deposits, guarantees paid.

Within tangible fixed assets, buildings and land account for 96,71%. These are valued at market level each year by an authorised valuer. The valuation at the end of 2021 showed an appreciation of 1.809.849 lei for these fixed assets (land + 77.827 lei, buildings +1.732.022 lei).

Since 2012, for the class of tangible fixed assets "Land and Buildings", the Company has switched from the cost-based accounting model to the revaluation model with a significant impact on the annual profit.

## **3. Shares and shareholding**

The shares issued by Farmaceutica REMEDIA SA were traded in 2021 on the regulated market of the Bucharest Stock Exchange, Standard category.

Farmaceutica REMEDIA S.A. shares are registered shares with a value of 0,1 Lei/share, in the number of 95.480.820 shares with the following synthetic ownership structure as of 31.12.2021, (information provided by the Central Depository):

<b>Shareholders</b>	<b>No. of shares</b>	<b>Share from the share capital (%)</b>
<b>Valentin-Norbert TARUS</b>	<b>80.496.847</b>	<b>84,3068</b>
<b>Natural persons</b>	<b>13.487.235</b>	<b>14,1256</b>
<b>Legal entities</b>	<b>1.496.738</b>	<b>1,5676</b>
<b>Total</b>	<b>95.480.820</b>	<b>100</b>

On 31.12.2021 the shareholders of Farmaceutica REMEDIA SA where in **total** number of **3.297 shareholders**, out of which:

- 3.277 natural persons, with a total percentage of 98,43% of the share capital (of which 84,31% is held by Mr Valentin - Norbert TARUS)
- 20 legal entities, with a total percentage of 1,57% of the share capital.

According to the territorial criteria, the top 5 counties from which REMEDIA shareholders come from are the following counties:

- Hunedoara : 1,819 shareholders
- Bucharest : 356 shareholders
- Alba : 242 shareholders
- Cluj : 101 shareholders
- Timis : 57 shareholders

On 11.01.2021, Farmaceutica REMEDIA SA completed a share buyback operation, followed by the cancellation of shares and the reduction of share capital. A number of 10.608.980 shares, i.e. 10% of the share capital, were repurchased at a price of 0.6 Lei/share, for a total amount of 6.397.216 Lei. The share capital resulting after the operation of repurchase, cancellation of shares and reduction is Lei 9.548.082. The operation was registered with the Trade Register Office, the Financial Supervisory Authority, the Central Depository SA, the Bucharest Stock Exchange and was communicated to the capital market.

The company has no subsidiaries and has not issued bonds or other debt securities.

#### **4. Dividends**

For 2021, the Board of Administrators proposed the distribution to dividends of the amount of 4,759,036 Lei, in order to grant a gross dividend of 0.05 lei/share.

Thus, the Board of Directors proposed the distribution of the net profit obtained in 2021 in the amount of 859,155 Lei to dividends, as well as the distribution to dividends of the amount of 3,899,881 Lei from the previous year's profit.

In the medium term, the company intends to maintain the policy of distributing at least 50% of the net profit to dividends.

The amount of dividends due (distributed from profit), paid and accrued (unpaid) is as follows:

	2016	2017	2018	2019	2020	2021	2022
Initial ballance	217.459	205.414	214.756	241.226	209.353	117.155	327.582
Brotto dividends distribution	0	700.927	1.060.898	1.591.347	2.121.796	14.277.108	4.759.036*
Tax on the paid dividends	0	34.415	52.675	78.995	104.900	711.866	
Paid dividends	12.045	657.170	981.753	1.544.225	2.109.093	13.354.815	
Dividends to be paid	205.414	214.756	241.226	209.353	117.155	327.582	

\* 859.155 of current year's profit

\* 3.899.881 of previous year's profit

## 5. Management of Farmaceutica REMEDIA S.A.

During the financial year 2021, Farmaceutica REMEDIA S.A. was led by a Board of Administrators with the following composition:

Nr.crt.	01.01.2021 – 30.04.2021	01.05.2021 – 31.12.2021
1	"TARUS" - Valentin Norbert TARUS e.U. Represented by Mr. Valentin-Norbert TARUS	"TARUS" - Valentin Norbert TARUS e.U. Represented by Mr. Valentin-Norbert TARUS
2	Adrian-Marcel PARVU	NIPA STEURBERATUNG SRL, Represented by Mr. Adrian-Marcel PARVU
3	Elena CODREAN	Elena CODREAN

**1. 'TARUS' - Valentin Norbert TARUS e.U.**– Chairman of the Board of Administrators represented by Valentin Norbert TARUS, executive director, non-independent, member of the Audit Committee and Chairman of the Remuneration and Nomination Committee for the period 15.04.2021-30.04.2023

In the 1990s he laid the foundation for the first companies in Romania specialized in distribution, import, export, consulting and marketing of pharmaceutical products. In 2000 he acquired from FPS the majority of shares of Farmaceutica REMEDIA S.A., developing a successful business with national coverage and integrated services: marketing and distribution of medicines, as well as retail through the REMEDIA chain of pharmacies (taken over in 2020 by Phoenix Group).

He studied Chemical Engineering - Technologies for Organic and Pharmaceutical Substances at the Polytechnic Institute of Bucharest and completed postgraduate studies in Foreign Trade, with a dissertation on world trade in medicines.

In the last 5 years he has served as a director in the trading company:  
"TARUS" - Valentin Norbert TARUS e.U., Leopold Moses G. 4/2/46.

He has not been associated with bankruptcy, receivership or liquidation proceedings in the capacity of member of an administrative, management or supervisory body or general partner. Has not been convicted of fraud within the last 5 years and has not had an official public sanction pronounced against him. Has never been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from interfering in the management or conduct of the affairs of an issuer during the last 5 years.

As of 31.12.2021 he owned 84,3068% of the shares of Farmaceutica REMEDIA S.A.

**2. NIPA STEURBERATUNG SRL**, represented by **Adrian-Marcel PARVU** member of the Board of Administrators, non-executive director, independent, Chairman of the Audit Committee, member of the Remuneration and Nomination Committee for the period 15.04.2021-30.04.2023.

He graduated the Faculty of Economics and Business Management, German section, of the Babeş-Bolyai University of Cluj-Napoca, with a Bachelor's and Master's degree in International Business, and of the Faculty of Law of the Babeş-Bolyai University of Cluj-Napoca. He has been a member of the Cluj Bar Association since 2014, practicing as the owner of his own law firm. He is fluent in German and English.

He has not been associated with bankruptcy, receivership or liquidation proceedings in the capacity of member of an administrative, management or supervisory body or general partner. He has not been convicted of fraud within the last 5 years, nor has he had an official public sanction pronounced against him. Has never been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from interfering in the management or conduct of the affairs of an issuer during the last 5 years.

As of 31.12.2021, he did not hold any shares in Farmaceutica REMEDIA S.A.

**3. Elena CODREAN**, member of the Board of Administrators, non-independent executive administrator, member of the Audit Committee, Remuneration and Nomination during 23.12.2020-30.04.2023

Graduate of the Bucharest University of Economic Studies, Bucharest, specialization Accounting and Management Informatics, she worked as an economist at multinational companies such as "HPT Humbel Productiontehnik", and as Financial Controller at "Key Safety Systems". She attended postgraduate training and certification courses in the economic field at CECCAR, Romania and in the field of human resources. You speak fluent English.

She was not associated with the bankruptcy, seizure, or liquidation procedure in the quality given by the position of member of an administrative, management or supervisory body or general partner. She was not convicted for fraud in the past 5 years, nor an official public sanction was pronounced against her. She was never prevented by a court from acting as the member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of business of an issuer in the past 5 years.

On 31.12.2021 did not own shares at Farmaceutica REMEDIA S.A.

The executive management was ensured by a general manager that has in its subordination departmental directors and managers. In the fiscal year 2021, the executive management was provided by Mr. **Valentin - Norbert TARUS**.



## 6. Affiliated persons to the trading Farmaceutica REMEDIA S.A.

On the date of the report, the list of persons affiliated to the company Farmaceutica REMEDIA S.A. is composed of:

- Valentin-Norbert TARUS - Austrian citizen
- "TARUS" - Valentin Norbert TARUS e.U. – Austrian individual enterprise
- Farmaceutica REMEDIA Distribution & Logistics S.R.L.
- TARUS MEDIA S.R.L.
- IMOBILIARA MAGHERU S.R.L.

## 7. Corporate governance

In 2021 the corporate governance structures operated normally, the Company administration and representation being within the competence and responsibility of the members of the Board of Administrators (BA) and the General Manager.

Farmaceutica REMEDIA complies with the shareholders' rights, providing them with a fair treatment and submitting for approval any modification of the rights conferred at the general meetings, as well as of the legal regulations.

Farmaceutica REMEDIA is among the companies that have offered the **highest dividend yields in recent years**, the average dividend yield offered was 5.26% over the last 10 years, 5.51% over the last five years and 7.66% over the last three years. REMEDIA ranks fourth in a ranking of stocks that have offered the highest dividend yields over the past three years.

Company's website - [www.remedia.ro](http://www.remedia.ro) - provides information and access conditions, in Romanian and English languages, at the GMS documents, financial statements, current reports to BSE, dividends, policies implemented in compliance with the provisions of the Corporate Governance Code of 4.01.2016.

In 2021, Farmaceutica REMEDIA obtained the **highest score, 10**, for meeting the **VEKTOR criteria**, an assessment conducted by **ARIR** (Association for Investor Relations on the Romanian Stock Exchange), which examines the implementation of good corporate governance and investor communication practices.

The **Investor Relations section**, [www.remedia.ro/investitori/](http://www.remedia.ro/investitori/) has been **reorganized and updated in 2021** according to ARIR's communication guidelines for shareholders and potential investors, as follows:

- **Shareholder information** - the section includes information about the upcoming General Meetings and OGM/EGM Resolutions, Financial Calendar, Dividends and Shareholders' rights; in the context of the Covid 19 pandemic, also taking into account the ASF recommendations, issued during 2021, Farmaceutica REMEDIA SA encouraged shareholders to exercise their right to vote by mail and to use electronic means of remote interaction

- **Financial information** - this section includes the Board of Administrators' Reports and the quarterly, half-yearly and annual Financial Statements for the years 2012-2021, both in electronic IRIS format and in IFRS EXCEL format;

- **Analysts** - contains the list of institutions that regularly publish analysis reports on the financial results of Farmaceutica REMEDIA S.A.

- **Current reports**, published in accordance with ASF Regulation no. 5/2018;

- **Share evolution** - online price of RMAH shares, with direct link to the BVB website;

- **Events and presentations** - events and teleconferences organized with investors, shareholders, financial analysts, press representatives on 16.04.2021, 13.08.2021;

A **new section** of the company's website has been created - **News** - where internal and press news about the company are presented;

With the reorganization of the section related to investors, a **new section** entitled **Corporate Governance** has been created, which includes all documents according to ARIR's provisions and communication guidelines:

a) Updated Articles of Incorporation;

b) Status of compliance with the BVB Corporate Governance Code for the period 2016-2021;

c) Board of Administrators; which in addition to the presentation of the Board also includes the Regulations of the Audit, Remuneration and Nomination Committees;

d) Policies and Vektors:

- Remuneration policy, updated on 15.04.2021;
- Internal rules of the Board of Administrators;
- Policy on transactions with companies with which Farmaceutica REMEDIA SA has close relations whose value is equal to or greater than 5% of net assets;
- Dividend distribution policy;
- Corporate Governance Regulations;
- Code of Conduct and Ethics;
- Policy on the support of various forms of artistic and cultural expression, sports, educational or scientific activities;
- Measures and procedures for the prevention of fraud and corruption;
- Policy on financial forecasting and risks;
- Internal regulations of the Board of Administrators of Farmaceutica REMEDIA
- Environmental Policy of the company.

Taking into account the ongoing preoccupation for improving the company's sustainability performance, a **subsection, ESG**, has been created within the Corporate Governance section, which includes information related to the company's activities in the areas of **Environmental, Social and Governance**, where non-financial / sustainability reports are also published.

In **November 2021**, Farmaceutica REMEDIA SA received an **ESG Risk Rating of 16.7** according to the **Sustainalytics assessment**, classified as a **LOW risk** of facing a significant financial impact due to ESG factors.

During the financial year 2021, the President of the Board of Directors convened 11 (eleven) meetings, statutorily convened, of the Board of Administration.

The members of the Board of Administrators attended these meetings in person, by telephone, teleconference or e-mail, in accordance with the Articles of Incorporation and

the Rules of Procedure of the Board of Administrators, where they were presented, discussed and approved as appropriate:

- quarterly, half-yearly and annual financial reports;
- annual commercial policy, marketing and sales strategies;
- AGM notices and resolutions;
- opening of two pharmacies in Bucharest and acquisition of licenses for their operation;
- opening of a new line of activity - marketing of pharmacy robots in partnership with BD Rowa;
- REMEDIA joining ARIR;
- extension of the number of Board members from 3 to 5;

- the work of the **Audit Committee**: The Board of Directors evaluated the system of internal control, reviewing the effectiveness and comprehensiveness of the internal audit function, the adequacy of risk management and internal control reports presented by the Board's Audit Committee, and the timeliness and effectiveness with which executive management addresses issues or deficiencies identified through internal control and reports presented to the Board; To achieve one of the Company's primary objectives;

- The activity of the **Remuneration and Nomination Committee**: the reports of this committee describe the essential elements of the related remuneration policy and the updates occurred in 2021 in accordance with the remuneration policy of the company, updated in accordance with the ARIR communication vektors; Considering the European and national regulations and taking into account the Remuneration Policy approved by the AGM of 15. 04.2021, the Remuneration Committee has prepared a Remuneration Report, which presents the activities carried out in 2021, analyzing, evaluating, implementing and monitoring the elements of the Remuneration Policy and provides an overview of the remuneration granted in 2021.

Following the meetings of the Board of Directors, a total of 21 (twenty-one) decisions were issued and communicated to the relevant departments for implementation and fulfilment during 2021.

## 8. Accounting financial statement (unconsolidated statements)

<b>Farmaceutica Remedia</b>		
<b>Income Statement</b>	<b>dec.-21</b>	<b>dec.-20</b>
<b>(RON)</b>	<b>neconsolidat</b>	<b>neconsolidat</b>
Sales of goods	11.849.099	61.752.389
Discounts given	0	0
<b>Net Sales</b>	<b>11.849.099</b>	<b>61.752.389</b>
COGS	9.705.229	51.154.844
Discounts Received	-31.753	-1.115.724
<b>Net COGS</b>	<b>9.673.476</b>	<b>50.039.120</b>
<b>Gross Margin</b>	<b>2.175.623</b>	<b>11.713.269</b>
Gross Margin (%)	18,36%	18,97%
Other Operating Revenues	3.092.640	42.052.724
Personnel	-3.741.748	-12.217.535
Third Party Expenses		
Transport		
Consumables		
Maintenance		
Rent		
Other Operating Expenses	-2.160.691	-9.683.801
<b>Total Operating Expenses</b>	<b>-5.902.439</b>	<b>-21.901.336</b>
<b>EBITDA</b>	<b>-634.175</b>	<b>31.864.656</b>
EBITDA Margin	-5,35%	51,60%
Depreciation	-153.554	-253.399
Provisions - net		
Bad debts lost	-5.992	-6.468
<b>EBIT</b>	<b>-793.721</b>	<b>31.604.789</b>
EBIT Margin	-6,70%	51,18%
Financial Revenues	1.665.974	1.017.644
Financial Expenses	-13.098	-5.911
Financial income	1.652.876	1.011.733
<b>EBT</b>	<b>859.155</b>	<b>32.616.522</b>
EBT Margin	7,25%	52,82%
Tax on Profit	0	-4.380.073
<b>Net Profit</b>	<b>859.155</b>	<b>28.236.449</b>
Net Profit Margin	7,25%	45,73%

profit/sales own pharmacies

profit/sales third parties

<b>Farmaceutica Remedia</b>		
<b>Balance Sheet(RON)</b>	<b>dec.-21</b>	<b>dec.-20</b>
	<b>neconsolidat</b>	<b>neconsolidat</b>
<b>Total Assets</b>	<b>67.749.548</b>	<b>79.091.681</b>
Cash	12.930.332	25.531.903
A/R (clients)	4.188.251	1.637.382
Inventory	2.479.331	1.793.844
Expenses in advance	1.941.105	990.057
Other Current Assets	338.679	413.355
<b>Total Current Assets</b>	<b>21.751.790</b>	<b>30.366.542</b>
Tangible Assets	39.798.787	36.238.276
Intangible Assets	724.436	213.719
Financial Investments	5.348.628	12.273.144
<b>Total Long-Term Assets</b>	<b>45.871.850</b>	<b>48.725.139</b>
A/P (suppliers)	8.976.083	2.773.247
Other ST payables	574.707	281.997
Payables to shareholders	327.582	117.155
ST Loans*		
<b>Current Liabilities</b>	<b>9.752.463</b>	<b>3.172.399</b>
LT Loans*	0	0
Other LT liabilities	2.544.268	2.246.739
<b>LT Liabilities</b>	<b>2.544.268</b>	<b>2.246.739</b>
Provisions		
Share capital	9.548.082	10.608.980
Reserves & others	44.919.672	34.827.114
Profit	859.155	28.236.449
<b>Equity</b>	<b>55.326.909</b>	<b>73.672.543</b>
<b>Total Liabilities &amp; Equity</b>	<b>67.749.548</b>	<b>79.091.681</b>

\* including financial leasing

**The unconsolidated financial statements were audited by the independent financial auditor.**

## 9. Indicatori economico-finanziari 2021

\*mii lei

<b>LIQUIDITY AND WORKING CAPITAL</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Current liquidity (Current assets/Current liabilities)</b>	<b>2,02</b>	<b>9,26</b>
Current assets	19.936.593	29.376.485
Current liabilities	9.878.372	3.172.399
<b>Degree of indebtedness (Borrowed capital / Equity x 100)</b>	<b>0%</b>	<b>0%</b>
Borrowed capital (including leasing)	0	0
Equity	55.326.909	73.672.543
<b>Turnover speed for client debit items (average customer balance/turnover *365)</b>	<b>60 days</b>	<b>52 days</b>
Average customer balance	2.383.346	9.172.151
Net turnover	14.513.188	63.833.250
<b>Turnover speed of liabilities (average suppliers balance/cogs*365)</b>	<b>224 days</b>	<b>99 days</b>
Average suppliers balance	5.957.020	13.556.169
Cost of merchandise sold	9.673.476	50.039.120
<b>Turnover speed of stocks (average stock balance/cogs * 365)</b>	<b>75 days</b>	<b>55 days</b>
Average stocks balance	2.010.796	7.620.605
Cost of merchandise sold	9.673.476	50.039.120
<b>Turnover speed of fixed assets (turnover/fixed assets)</b>	<b>0,32</b>	<b>1,31</b>
Net turnover	14.513.188	63.833.250
Fixed assets	45.871.850	48.725.139
<b>Gross profit margin (%) (gross profit/net sales)</b>	<b>5,92 %</b>	<b>51,09%</b>
Gross profit	859.155	32.616.522
Net turnover	14.513.188	63.833.250

### Note:

1) **Current liquidity** – the indicator level reflects a good payment capacity, therefore a reduced risk for creditors, certifying that the companies are capable of covering their short-term liabilities based on receivables and cash availabilities. The indicator evolved positively compared to the same period last year.

2) **Degree of indebtedness** expresses the effectiveness of credit risk management, indicating potential financing, liquidity problems, with influences in honoring the assumed commitments. The value of 0% indicates that the company has no credit problems or liquidity problems. In the calculation of this indicator, the borrowed capital comprises both bank loans and finance lease liabilities.

3) **Turnover speed for client debit items** expresses company effectiveness in collecting its receivables, respectively the number of days until the date on which debtors pay their liabilities to the company. Considering the dynamics of sales and the specificity of the



collection of receivables in the distribution of drugs, we consider that the value of 60 days is normal under the given conditions.

- 4) **Turnover speed of liabilities** represents the average period in which suppliers are paid.
- 5) The value of the **No. of days on hand** indicator (75 days) can be considered that it falls within the specifics of the activity.
- 6) **Turnover speed of fixed assets** expresses the effectiveness of the management of fixed assets, by examining the turnover generated by a certain quantity of fixed assets.

15.03.2022

Board of Administrators,  
President

“TARUS” - Valentin Norbert TARUS e.U.