Farmaceutica REMEDIA S.A.
STATEMENT OF COMPREHENSIVE INCOME - unconsolidated (Lei)

	31.12.2023	31.12.2022
Net turnover	**15.379.933**	**18.307.055**
Income from the sale of goods	11.370.803	15.084.967
Trade discounts granted	-	0
Income from services rendered and rentals	4.009.129	3.222.088
Other operating income	**5.573.817**	**2.874.500**
OPERATING INCOME - TOTAL	**20.953.750**	**21.181.555**
Material expenses	**9.998.633**	**13.608.407**
Expenditure on goods	9.402.741	13.058.243
Trade discounts received	-19.909	-76.566
Expenditure on raw materials and consumables	385.524	375.199
Other material expenses (inventory items)	32.451	47.316
Energy and water expenses	197.826	204.215
Staff expenditure	**4.392.156**	**4.417.169**
Salaries and allowances	3.538.249	3.502.561
Expenditure on insurance and social protection	94.608	165.582
Other staff expenditure	759.299	749.026
Depreciation and provisions	**4.073.840**	**2.716.674**
Depreciation	4.073.390	2.717.999
Net provisions		-9.191
Losses on receivables	450	7.865
Other operating expenses	**3.471.646**	**2.823.298**
Expenditure on external services	1.393.114	1.334.698
Other taxes, duties and similar charges	1.197.106	802.627
Other expenses	881.426	685.973
OPERATING EXPENDITURE - TOTAL	**21.936.274**	**23.565.548**
OPERATING RESULT	**-982.525**	**-2.383.993**
Financial income	**5.413.254**	**5.321.320**
Interest income	343.634	237.069
Income from exchange rate differences	1.314	4.424
Dividend income	5.068.305	5.079.826
Prepaid discounts		0
Other financial income		0
Financial expenses	**55.867**	**21.301**
Interest-related expenditure	53.571	0
Exchange rate expenses	2.296	21.301

Discounts received in advance	-	0
Other financial expenses	-	-
FINANCIAL RESULT	**5.357.387**	**5.300.018**
TOTAL REVENUE	**26.367.003**	**26.502.875**
TOTAL EXPENDITURE	**21.992.142**	**23.586.849**
GROSS RESULT	**4.374.862**	**2.916.026**
Corporation tax	-	0
TOTAL NET PROFIT of which distributable	**4.374.862**	**2.916.026**
Shareholders of the company	**4.374.862**	**2.916.026**
Minority interest		
Other comprehensive income		
Revaluation of tangible fixed assets		
Tax relating to other comprehensive income		
Minority interest		
VERALL RESULT FOR THE PERIOD - TOTAL of which attributable:	**4.374.862**	**2.916.026**
Shareholders of the company	**4.374.862**	**2.916.026**
Minority interest		
Earnings per share (in Lei)		
- basic	0,0458	0,0305
- diluted	0,0458	0,0305

Chairman of the Board of Administrators
"TARUS" - Valentin Norbert TARUS e.U.

by representative
Valentin - Norbert TARUS

Farmaceutica REMEDIA S.A.
FINANCIAL POSITION - unconsolidated (Lei)

	31.12.2023	31.12.2022
ACTIVE		
Fixed assets	**49.600.693**	**47.370.124**
Tangible fixed assets	26.658.751	23.487.049
Investment property	16.364.407	16.545.703
Assets related to rights of use	667.684	
Software licences	76.006	63.649
Pharmacy licences	178.255	689.200
Holdings in group companies	602.200	891.720
Holdings in companies outside the group	5.916	5.916
Deposits and guarantees paid	5.047.385	5.686.888
Current assets	**15.001.185**	**14.704.786**
Inventories	2.298.411	2.179.248
Trade receivables	4.260.102	3.085.858
Other receivables	459.956	542.286
Cash and cash equivalents	7.982.716	8.897.395
Expenditure recorded in advance	**372.077**	**439.812**
TOTAL ACTIVE	***64.973.864***	***62.514.723***
EQUITY AND DEBT		
Shareholders' equity	**52.856.662**	**52.977.439**
Share capital	9.860.311	9.860.311
Share premium	757.485	757.485
Reserves	40.426.106	39.419.786
Current result	4.374.862	2.916.026
Retained earnings	11.123	448.688
Retained earnings - restatement	-312.229	-312.229
Profit distribution		0
Treasury shares	-2.260.996	-112.628
Long-term debt	**4.894.215**	**3.175.842**
Long-term lease liabilities	646.142	
Provisions	-	
Deferred income tax liabilities	4.248.073	3.175.842
Current liabilities	**7.222.987**	**6.361.443**
Bank loans	-	
Short-term lease liabilities	180.013	
Suppliers and other similar debts	5.908.015	5.531.838
Provisions		

Current tax liabilities		
Other short-term liabilities	1.134.959	829.605
Total debts	**12.117.202**	**9.537.284**
TOTAL EQUITY AND DEBT	***64.973.863***	***62.514.723***

Chairman of the Board of Administrators
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by representative
Valentin - Norbert TARUS

STATEMENT OF CHANGES IN EQUITY (RON)

CAPITAL CHANGES										
	Share	Legal	Revaluation	Other	Issuance	Result carried	Current	Profit	Own	TOTAL
	capital	reserves	reserves	reserves	premiums	forward	result	distribution	shares	
Balance on 01.01.2022	**9.860.311**	**2.121.796**	**21.942.201**	**19.762.129**	**757.485**	**136.459**	**859.155**	**0**	**-112.628**	**55.326.909**
										0
Transfer profit 2021 to retained earnings						859.155	-859.155			**0**
Profit distribution 2021 to dividends				-3.899.880		-859.155				**-4.759.035**
Allocation of profit 2021 to other reserves										**0**
Distribution of profit 2021 to legal reserve										**0**
Result 2022							2.916.026			2.916.026
Legal reserve 2021										**0**
Closing of account 129 (legal reserve 2021)										**0**
Disposals of buildings + land										**0**
Revaluation of buildings and land			-506.460							**-506.460**
Deferred tax										**0**
Correction of accounting errors 2022										**0**
Purchase of own shares									0	**0**
Balance at 31.12.2022	**9.860.311**	**2.121.796**	**21.435.741**	**15.862.249**	**757.485**	**136.459**	**2.916.025**	**0**	**-112.628**	**52.977.439**

STATEMENT OF CHANGES IN EQUITY (RON) - continued

CAPITAL CHANGES									
	Share	**Legal**	**Revaluation**	**Other**	**Issuance**	**Result carried**	**Current**	**Own**	**TOTAL**
	capital	**reserves**	**reserves**	**reserves**	**premiums**	**forward**	**result**	**shares**	
Balance at 01.01.2023	**9.860.311**	**2.121.796**	**21.435.741**	**15.862.249**	**757.485**	**136.459**	**2.916.025**	**-112.628**	**52.977.439**
									0
Transfer profit 2022 to retained earnings						2,916,025	-2,916,025		**0**
Profit distribution 2022 to dividends				-1,699,789		-2,916,025			**-4,615,814**
Profit distribution 2022 to other reserves									**0**
Appropriation of profit 2022 to legal reserve									**0**
Result 2023							4,374,862		**4,374,862**
Legal reserve 2022									**0**
Closing of account 129 (legal reserve 2022)									**0**
Disposals buildings + land									**0**
Revaluation of buildings and land			2,706,109						**2,706,109**
Deferred tax									**0**
Correction of accounting errors 2023						**-437,565**			**-437,565**
Purchase of own shares								-2,148,368	**-2,148,368**
Balance at 31.12.2023	**9,860,311**	**2,121,796**	**24,141,850**	**14,162,460**	**757,485**	**-301,106**	**4,374,862**	**-2,260,996**	**52,856,662**

STATEMENT OF TREASURY FLOWS (RON)

unconsolidated		
	31/12/2023	**31/12/2022**
Cash flows from operating activities		
Collections from the sale of goods and from the provision of services	18,928,342	20.679.779
Other cash inflows	517,672	1.248.092
Payments to suppliers of goods and services	-14,532,382	-19.895.308
Payments to and on behalf of employees (incl. payroll taxes)	-3,540,629	-3.627.936
Corporate tax payments	0	0
Payments of other taxes and fees	-1,703,271	-2.133.197
Interest paid		
Collected Interest (current account)	343,634	237.069
Other cash outflows	-647,359	-1.340.013
Total operating cash flow	**-633,993**	**-4.831.513**
Cash flow from investing activities		
Collections from the sale of long-term assets and financial investments	345,513	197.700
Collected Interest (on deposits)		
Collected Dividends	5,068,305	5.079.826
Payments for acquisition of long-term assets		
Total cash flow from investments	**5,413,818**	**5.277.526**
Cash flow from financing activities		
Short-term loan withdrawals		
Repayments of short-term loans		
Net foreign exchange differences	-858	-8.950
Financing received/granted		
Repayments of long-term loans, including interest		
Payments to shareholders (dividends)	-4,189,777	-4.470.000
Payments on own shares	-1,503,869	
Total cash flow from financing	**-5,694,504**	**-4.478.950**
Total cash flow	**-914,679**	-4.032.938
Cash at the beginning of the period	**8,897,395**	**12.930.332**
Cash at the end of the period	**7,982,716**	**8.897.395**

Farmaceutica REMEDIA S.A.

Chairman of the Board of Administrators
"TARUS" - Valentin Norbert TARUS e.U.

by representative
Valentin-Norbert TARUS

NOTE 1 COMPANY INFORMATION

Farmaceutica REMEDIA S.A. ("the Company") is a commercial company with registered office in Deva, Bld. Nicolae Balcescu nr. 2 (formerly Str. Dorobantilor 43), Hunedoara County, Romania.

On 25 July 1991, Farmaceutica REMEDIA S.A. was established as a commercial company with full state capital, through the reorganization of the Deva Pharmaceutical Office - established in 1957.

On 13 October 2000, V.TARUS RoAgencies S.R.L. acquired from FPS the majority of shares (55,802 %).

On 01 January 2006, Farmaceutica REMEDIA S.A. merged by absorption with V.TARUS RoAgencies S.R.L. Conform Legii 95/2006, republicata in August 2015, societatilor comerciale le-a fost interzisa desfășurarea, in acelasi timp, de activitati de distributie en gross si en detail de medicamente. (Art. 800 paragraful 2).

On January 1, 2016, Farmaceutica REMEDIA S.A. completed the transfer of the distribution activities 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.

As a result of the change in the main object of activity imposed by the above mentioned legislation, the company had to buy back from the market (in 2015) a number of 300,100 shares at a price set by an authorized appraiser.

During **2023** Farmaceutica REMEDIA S.A. did not participate in mergers.

In **February 2023**, Farmaceutica REMEDIA SA sold 1 pharmaceutical license to Remedia Aviației pharmacy in Bucharest.

On **02.03.2023**, Farmaceutica REMEDIA SA completed a share buyback operation carried out for the purpose of a Stock Option Plan. The number of shares repurchased on 02.03.2023, according to ASF Decision 122/08.02.2023 is 2,864,425 shares, representing 3% of the share capital. Total number of shares subscribed in the operation: 2,864,425 shares, representing 100% of the Offer. The total amount paid by Farmaceutica REMEDIA was 2,148,319 Lei. Repurchase price: 0.75 Lei per share.

In **August 2023** Farmaceutica Remedia SA closed the pharmacy Sf Augustin in Rosiori jud Sibiu.

In **December 2023**, Farmaceutica REMEDIA SA sold to Farmaceutica REMEDIA Distribution & Logistics SRL, 1 pharmaceutical license related to Remedia Metalurgiei pharmacy in Bucharest and the automatic storage system for pharmaceutical products.

NOTE 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Declaration of conformity

The company's financial statements have been prepared in accordance with the provisions of Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent amendments and clarifications.
For all periods up to and including the year ended 31 December 2011, the company has prepared financial statements in accordance with Romanian Accounting Standards (RAS).
The financial statements for the year ended 31 December 2012 are the first financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.
The financial statements as at 31.12.2023 were approved by the Board of Administratords of the Company on 22.03.2024.

Basics of evaluation

The financial statements have been prepared on a historical cost basis except for buildings and land which are valued at fair value (market value determined by an appraiser's valuation). Historical cost is generally based on the fair value of the consideration given for the assets.
The company presents in the financial statements at fair value all assets and liabilities for which fair value measurement is required, the methods used to determine fair value being inventory and revaluation (IFRS 13).
Thus, the buildings (included in the class Property, plant and equipment and investment property) and land owned by the Company are valued annually by an independent chartered appraiser, member of ANEVAR, with recent and relevant experience regarding the location and category of the investment subject to valuation.
Since 2015, the revaluation method used has been the gross income multiplier method (quantification of the present value of the anticipated future benefits produced to the owner by leasing the property). The values were estimated on the basis of public market studies and the correlation was made based on several criteria, the most important being the number of inhabitants of the locality where the property is located.
Property, plant and equipment valuations have been classified at level 2 because their values are comparable to similar values in the active market, are adjusted and are directly observable - IFRS 13.93 (b).
The Company does not hold financial instruments that would require the use of other fair value estimation methods.
During 2023 there were no events and circumstances that would lead to the recognition of a significant impairment loss on property, plant and equipment.

Functional and presentation currency

The financial statements are presented in LEI (RON), which is the Company's functional currency. All financial information is presented in LEI.

Principle of continuity of activity

The financial statements have been prepared on a going concern basis, which means that the company will, for the foreseeable future, continue as a going concern without going into bankruptcy, liquidation or significant curtailment.

Comparative situations

In 2023 the Company has updated its accounting policies for certain IFRS standards and these affect the ending balances from 2023.

Professional estimates and reasoning

The preparation of IFRS financial statements requires management to use professional judgement, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The underlying estimates and assumptions are reviewed periodically. Revisions to accounting estimates are recognised in the period in which the estimate was revised and in future periods affected. The following are critical professional judgements/reasons that the Company's management has made that have a significant impact on the amounts recognised in the financial statements:

- Useful lives of non-current assets
- Deferred taxes
- Provisions
- Segment reporting

Changes in accounting policies

The Company's financial statements have been prepared in accordance with :

- Accounting Act No. 82/1991, republished and updated;
- the provisions of the Order of the Minister of Public Finance No. 2844/2016, approving the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as subsequently amended and clarified.

These individual financial statements have been prepared in accordance with the recognition, measurement and evaluation criteria in accordance with the International Financial Reporting Standards, Interpretations and International Accounting Standards (collectively referred to as "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRSs").
The financial statements for the financial year ended on 31.12.2023 include the financial position statement. Statement of comprehensive income, statement of cash flows, statement of changes in equity and explanatory notes.
The main accounting policies applied to the preparation of the financial statements were applied consistently.
The preparation of financial statements in accordance with adopted IFRS requires the use

of certain crucial accounting estimates. It also requires management to use judgment in the process of applying the Company's accounting policies.

The areas that involve a higher degree of complexity and the application of these reasonings or those in which assumptions and estimates have a significant impact on the financial statements.

These provisions correspond to the requirements of the International Financial Reporting Standards (IFRS), adopted by the European Union (EU). The effects of changes in exchange rates, regarding the functional currency. For the purpose of preparing these financial statements in accordance with the legislative requirements in Romania, the functional currency of the Company is considered to be RON ("Romanian leu").

The management of the company considers it to be the functional currency, as defined by IAS 21 - The effects of changes in foreign exchange rates

The new accounting regulations

Starting with 2023, the Company applied the IFRS 16 standard for all rental and operational leasing contracts.

The table below summarizes the impact of this change in accounting policy on the financial statements.

	31.12.2023
	RON
Consolidated profit and loss account	***-10.425***
- rental expenses	*122.490*
- interest expenses	*-53.571*
- depreciation expenses	*-79.344*
The situation of the consolidated financial position	
- assets from rights of use	*667.684*
- debts from leasing	*826.155*
- reported result	

The following amendments to existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current period:

IFRS 17 Insurance contracts (including amendments to IFRS 17 from June 2020 and December 2021) The company adopted IFRS 17 with all amendments for the first time in 2023. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance contracts and replaces IFRS 4 Insurance contracts.
IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The overall model is simplified if certain criteria are met by measuring liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the value, timing and uncertainty of future cash flows and explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.
The company has no contracts that meet the definition of an insurance contract according to IFRS 17.

Amendments to IAS 1, Presentation of financial statements
The company adopted the amendments to IAS 1 for the first time this year. The amendments change the requirements of IAS 1 regarding the presentation of accounting policies. The amendments replace the term "significant accounting policies" with "significant accounting policy information". Accounting policy information is material when considered in conjunction with other information included in an entity's financial statements that can reasonably be expected to influence the decisions that primary users of the financial statements make on the basis of them.
IAS 1 has also modified paragraphs to clarify that information regarding the accounting policy of some insignificant transactions or events is not material and should not be presented.
Accounting policy information may be material because of the nature of the transactions or related events, even if the amounts are immaterial. However, not all accounting policy information relating to significant transactions or events is itself material.

Amendments to IAS 12 Income tax—deferred tax on assets and liabilities arising from a single transaction
The company adopted the amendments to IAS 12 for the first time in 2023. The amendments introduce a new exception to the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.
Depending on the applicable tax regulations, equal taxable and deductible temporary differences may arise in a transaction that is not a combination and does not affect either accounting profit or taxable profit.
According to the amendments to IAS 12, an entity must recognize the deferred tax asset and liability, and the asset is recognized according to the recoverability criteria established by IAS 12.

Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors

The company adopted the IAS 8 amendments for the first time in 2023. The amendments replace the definition of a change in accounting estimates with the definition of an accounting estimate. According to the new definition, accounting estimates are "monetary values in financial statements that are subject to measurement uncertainty." The definition of a change in accounting estimates has been removed.

Amendments to IAS 1 Presentation of Financial Statements—classification of short-term or long-term liabilities

The amendments to IAS 1 published in January 2020 only affect the presentation of liabilities as short-term or long-term in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expense, nor the information presented about these items.

The amendments clarify that this short-term or long-term classification is based on the rights that exist at the end of the reporting period and is not affected by the expectation that the company can exercise the right to defer the payment of a debt and clarifies that the rights exist certain contractual conditions are fulfilled at the end of the reporting period. The term "payment" is clarified, namely the transfer of money, capital instruments, or other assets or services.

NOTE 3 SIGNIFICANT INFORMATION REGARDING THE ACCOUNTING POLICY

Business combinations – IFRS 3

Business combinations are accounted for using the acquisition method. The acquirer recognizes the acquired company's identifiable assets, liabilities and contingent liabilities at their acquisition date fair values and also recognizes goodwill that is subsequently tested for impairment rather than amortized. The direct costs of the acquisition are recognized directly in the profit and loss account.Recunoasterea veniturilor

Revenues represent the gross inflow of economic benefits during the period generated within the normal activities of an entity, in the form of inflows of assets or increases in the value of assets, or decreases in liabilities, which result in increases in equity, other than those obtained through contributions from the capital holders.

REVENUE RECOGNITION IN ACCORDANCE WITH IFRS 15

Revenues are recorded when the significant risks and advantages of ownership of the goods are transferred to the customer. The amounts representing the income do not include the sales tax (VAT), but they include the commercial discounts granted. Financial discounts granted to customers (discounts) reduce the value of the Company's revenues.

The Company recognizes revenues when their value can be reliably estimated, when it is likely to produce future economic benefits for the entity, and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered reliably assessable until all sales contingencies have been resolved. The company bases its estimates on historical results, taking into account the type of client, the type of transaction and the specific elements of each contract.

Revenues from the provision of services are recognized in the period in which they were provided and in correspondence with the stage of execution.

Interest income is recognized periodically, proportionally, as the respective income is generated, based on accrual accounting.

Revenues from the collection of rents and/or rights to use assets are recognized on the basis of accrual accounting, according to the contract.

Dividends distributed to shareholders, proposed or declared after the date of the financial statements, are recognized as dividend income when the shareholder's right to collect them is established.

Revenues represent the gross inflow of economic benefits during the period generated within the normal activities of an entity, in the form of inflows of assets or increases in the value of assets, or decreases in liabilities, which result in increases in equity, other than those obtained through contributions from the capital holders.

Revenues constitute increases in economic benefits recorded during the accounting period, in the form of incomes or increases in assets or reductions in liabilities, which materialize in increases in equity, other than those resulting from shareholders' contributions.

Fair value is the value at which an asset can be traded or a debt settled, between interested parties and in good faith, in a transaction carried out under objective conditions.

Revenues are assessed according to IFRS 15 – Revenues from contracts with customers.
IFRS 15 establishes a five-step model to record revenue from contracts with customers:

•Step 1: Identifying the contract with a customer
• Step 2: Identification of payment obligations from the contract
• Step 3: Determining the transaction price
• Step 4: Allocation of the transaction price for the performance obligations in the contract
• Step 5: Revenue recognition as the company fulfills a performance obligation

The company has concluded contracts with clients for the delivery of goods (robots) and contracts for the provision of services (rents, and robot assembly and maintenance works).
The client is analyzed within the Control Dept. by accessing the data from the platforms that offered this service, e.g. "List of companies" and by requesting credit reports from specialized companies.
The company identifies the terms of payment and the rights of each party in what concerns the goods and services, it is established that it has commercial content, and the parties have approved the contract and undertake to fulfill the obligations according to the payment terms for the goods and services transferred.
The company evaluates the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer a distinct good or service to the customer.

Performance obligations are explicitly stipulated in the contract.
The Company considers the terms of the contract and its usual business practices to determine the transaction price.
The transaction price represents the amount of consideration to which the company expects to be entitled in exchange for the transfer of the promised goods or services to the customer, excluding VAT or other taxes.
For the purpose of determining the transaction price, the company assumes that the goods or services will be transferred to the customer as promised under the existing contract and that this contract will not be canceled, renewed or modified.

The individual (specific) selling price of a good or service is the price at which the good or service would be sold separately. When it is not directly observable, it can be determined:
- by reference to the market price (adjusted market valuation approach);
- by adding a margin to the cost that the entity estimates to bear for the fulfillment of that obligation.

In accordance with IFRS 15, revenue is recognized in the amount that reflects the consideration to which an entity expects to be entitled in exchange for the transfer of goods or services to a customer.
According to IFRS 15, revenues will be recognized when a customer obtains control over the goods.
In the case of contracts with customers, the sale of goods and other goods (pharmaceutical robots) is generally estimated to be the only performance obligation, revenue recognition takes place at a point in time, when control of the asset is transferred to the customer, namely upon delivery/ putting the goods into operation under the conditions stipulated in the contract.
In the case of sales of goods, in the retail system directly to the physical customer, it is estimated that the adoption of IFRS 15 will not have any impact on the Company's income and profit or loss. They are registered at the time of sale to the client - natural person, based on the tax receipt and the monthly Z report of the cash registers.
The income related to the goods - exclusively RX-type drugs, for which co-payment of the good is provided through the contracts with CNAS, are recognized in the month in which the patient took possession of the goods, based on the invoices drawn up to the Health Centers. Interest income is recognized monthly using the effective interest method and is included in the profit and loss account under financial income.
Dividend income is recognized when the shareholder's right to receive the payment has been established

Recognition of expenses

Expenses represent the reduction of economic benefits recorded during the accounting period in the form of outflows or decreases in the value of assets, or increases in liabilities causing reductions in equity, other than those resulting from their distribution to shareholders.

Currency conversions

In the financial statements, transactions in currencies other than the entity's functional currency (RON) are recognized at the current exchange rate on the date of the transactions. At the end of each reporting period, the monetary elements expressed in a foreign currency are converted at the current rates (BNR) of that date.

Monetary assets and liabilities expressed in foreign currency on December 31, 2023 are valued in RON using the exchange rate valid at the end of the financial year, respectively 1 EUR = 4.9746 RON; 1 USD = 4.4958 RON.

Exchange rate differences related to monetary elements are recognized in the profit and loss account at the time of occurrence.

The non-monetary elements accounted for at fair value in a foreign currency are converted at the current rates from the date on which the fair value was established. Non-monetary items valued at historical cost in a foreign currency are not converted.

Government subsidies

Government subsidies are recognized when there is reasonable certainty that the subsidy will be received and all related conditions will be met.

Capital subsidies, including non-monetary subsidies valued at fair value, are recognized as investment subsidies and are recognized in the balance sheet as income in advance, it is taken back to income as the expenses are recorded with the depreciation of the asset or at the time of the sale of the asset.

The company did not benefit from government subsidies.

Taxes

Current profit tax

The profit tax for the current period is presented at the amount to be paid to the tax authorities and is reported in the tax returns according to the legislation in force, the percentage applied to the taxable profit being 16%.

Deferred profit tax – IAS 12

The elements regarding the deferred tax are recognized in correlation with the transaction supporting other elements of the global result or, in the case of Farmaceutica REMEDIA S.A. - directly in equity (IAS 12 – Recognition of deferred tax liabilities and receivables).
Deferred tax receivables and liabilities are offset if there is a legal right to offset current tax receivables with current tax liabilities and deferred taxes refer to the same taxable entity and the same fiscal authority.

Deferred tax liabilities are represented by the amounts of profit tax payable in future periods regarding taxable temporary differences (point 5 of IAS12). These deferred tax liabilities are established when:
• the accounting value of an asset exceeds its tax value;
• the accounting value of an obligation is lower than its tax value.

When calculating the deferred tax, the company takes into account the provisions of IAS 12.

Deferred tax assets and liabilities are recognized when the accounting value of an asset or liability in the statement of financial position differs from the tax base.

Value added tax

The company applies two rates for calculating the value added tax, respectively 9% and 19% corresponding to the nature of the taxable base (eg for medicines the applicable rate is 9%).

The applicable VAT rate on rental income is 19%, the Company duly notifying the tax authority in this regard.
The net value of recoverable or payable VAT is included as part of receivables and payables in the statement of financial position.

Tangible assets

For initial recognition, tangible assets are valued at cost, net of accumulated depreciation and/or accumulated impairment losses, if applicable.

For the subsequent valuation, land and buildings are valued at fair value, from which the accumulated depreciation of the buildings, as well as the recognized value losses at the valuation date, are deducted. Valuations are performed with sufficient regularity to ensure that the fair value of the revalued assets does not differ materially from the net book value.

A surplus from the revaluation is recorded in other elements of the global result and thus credited to the reserve from the revaluation of the buildings, within the equity. However, to the extent that it recovers a deficit from the revaluation of the same asset previously recognized in the profit and loss account, the increase is recognized in the profit and loss account. A revaluation deficit is recognized in the profit and loss account, if an existing surplus recorded previously for the same asset, recognized in the asset revaluation reserve (according to IAS 16), is not compensated. In addition, the accumulated depreciation on the valuation date is eliminated from the accounting value of the asset and the net amount is restated at the revalued value of the asset. Upon disposal, any remaining revaluation reserve that refers to the respective asset to be sold is transferred to retained earnings.

The revaluation model for buildings and land and the cost-based model for the other classes of tangible assets were used as the accounting method for tangible assets (starting with the 2011 financial year).

In the case of tangible assets to which the cost-based model was applied, the linear depreciation method was used to calculate depreciation.

Assets under financial leasing (vans and cars) were restated according to IFRS 16.

The tangible assets owned by the company are subject to impairment tests to detect the case where their accounting value cannot be fully recovered. When the accounting value of an asset is greater than the recoverable amount, the asset is adjusted accordingly (IAS 36 – Depreciation of assets) by setting up a provision.

For new immobilized assets, such as installations, machines and measuring and control devices, the useful lives were established taking into account the estimated level of use based on the use of the asset's capacity.

The lifetimes used are the following:

Buildings and constructions 32 - 48 years

Equipment and installations 6 - 12 years

Means of transport 4 - 6 years

Computing technique 2 - 4 years

Furniture and office equipment 9 - 15 years

Current investments are amortized starting with the month following the moment of commissioning.

The expenses for the maintenance and repairs of tangible assets are recognized in the profit and loss account at the time they are made, and the improvements that lead to the optimization of their exploitation and fall within the legal norms are capitalized.

Leasing contracts

(a) The company is the lessee
The company evaluates whether a contract is a leasing one, at the start date of the contract. The company recognizes an asset from rights of use and a corresponding leasing liability, referring to all leasing contracts in which it is a tenant, except for short-term or low-value contracts (this is not the case).

The lease liability is initially valued at the present value of the lease installments that are unpaid at the commencement date, using the default discount rate in the contract. If this rate cannot be determined easily, the company uses the marginal lending rate.

The marginal lending rate depends on the term, currency and start date of the contract and is determined based on information such as the government bond rate, specific adjustments for country risk and credit risk.

The lease debt is subsequently measured by adding the interest amount and is reduced by the payments made.

The company reassesses the lease liability (and makes a corresponding adjustment for the right-of-use asset) when:

• The duration of the lease changes
• Lease payments change due to changes in an index or estimated payments, in which case the lease liability is revalued by updating these changed payments with the same discount rate.
• A leasing contract is modified and I do not consider it a separate lease, in which case the lease debt is reassessed based on the new term, and the modified payments are updated using the rate from the date of the modification

In 2023 IFRS 16 was applied for the first time for lease contracts.

Right-of-use assets comprise the initial value of the corresponding leasing liability, minus any initial direct costs. They are subsequently valued at cost less accumulated depreciation and impairment losses.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and reflects any impairment loss as described in the property, plant and equipment policy.

The costs of indebtedness

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of that asset. All other costs of indebtedness are expensed in the period in which they occur.

Borrowing costs represent interest and other costs borne by the Company for borrowing funds.

The company has not entered into debt for the acquisition, construction or production of an asset.

Real estate investments (IAS 40)

Real estate properties used partially or fully to obtain rental income were classified as "real estate investments". In the case of properties partially used by the Company and partially rented, the value of the real estate investment was determined proportionally to the area allocated for renting to third parties as presented in NOTE 10. Real estate investments are presented in the financial statements at fair value, reflecting the market conditions at the end of the reporting period and do not include transaction costs that may be incurred in case of sale (IAS 40).

Thus, the buildings classified as real estate investments, owned by the Company, are evaluated annually by an authorized independent appraiser, member of ANEVAR, having recent and relevant experience regarding the location and category of the real estate investment subject to evaluation.

In 2023, the revaluation method used was the gross income multiplier method (quantification of the present value of the anticipated future benefits produced to the owner by renting the property). The values were estimated based on public market studies, and the correlation was made based on several criteria, the most important being the number of inhabitants of the locality where the property is located. The valuations of real estate investments were classified at level 2 because their values are comparable to similar ones on the active market, are adjusted and are directly observable - IFRS 13.93 (b).
During the year 2023, there were no events and circumstances that would lead to the recognition of a significant impairment loss of real estate investments.

Intangible assets

Intangible assets are initially valued at cost (IAS 38 – Intangible assets and IAS 36 – Depreciation of assets). The useful lives of intangible assets are evaluated as being determined or indefinite.

Intangible assets with a determined useful life are amortized over their economic life and are depreciated whenever there are indications of impairment of the intangible asset.

The amortization expense of this type of intangible assets is recognized in the profit and loss account.

Intangible assets such as purchased software programs are amortized linearly over a period of 1-3 years.

Operating authorizations for pharmacy activity (pharmacy licenses) are included in the category of indefinite-lived intangible assets. According to the legislation in force, the number of these authorizations is limited according to several criteria, the most important of which is the demographic criterion. Operating authorizations are valued at purchase cost, have an infinite useful life, are transferable (have a price) and do not depreciate. In some cases, the costs generated by the purchase of pharmacy licenses were capitalized.

In February 2023, Farmaceutica REMEDIA SA sold 1 pharmaceutical license related to Remedia Aviații pharmacy in Bucharest.

In December 2023, Farmaceutica REMEDIA SA sold to Farmaceutica REMEDIA Distribution & Logistics SRL, 1 pharmaceutical license related to Remedia Metalurgiei pharmacy in Bucharest and the automatic storage system for pharmaceutical products

Financial instruments

Financial assets

Financial assets are classified, upon initial recognition, for the purpose of subsequent evaluation at amortized cost, fair value through Other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the Company's business model regarding their management.

The Company's business model regarding the management of financial assets is established by groups of assets and not for each individual asset or at the level of the entire entity and refers to the way in which they manage their financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, from the sale of financial assets, or from both activities.

According to the economic model, the Company measures financial assets at amortized cost if the following conditions are simultaneously met:

- The financial asset is held within a business model with the objective of holding financial assets to collect contractual cash flows and;
- The contractual terms of the financial asset give rise to cash flows on the specified dates that represent exclusively payments of the principal and the interest related to the principal payment amount

Financial assets are represented by loans, trade receivables and other receivables, cash and cash equivalents.

The entity does not own a portfolio of tradable financial assets. The company holds majority shares in one company and minority shares in two other companies. These financial assets

are not listed on a regulated market and are presented at purchase value without being revalued.
Cash and cash equivalents are liquid in the short term and can be found in cashiers, current bank accounts and deposits with a maturity of less than one year.
For more information on receivables, see Note 14 - Trade receivables and other receivables.

Financial debts

Financial liabilities are classified into two categories:
• valued at amortized cost and
• valued at fair value through profit or loss for the period
All financial liabilities are valued at amortized cost (such as trade debts, loans from the issue of bonds, bank loans with a standard interest rate, etc.), with the exception of financial liabilities valued at fair value through the profit or loss of the period, the category of which includes:
• those held for the purpose of being traded issued for the purpose of being redeemed in a short period of time
• those in the form of derivative financial instruments that were not included in the category of hedging operations (interest rate swaps, commodity and currency forward contracts, commodity and currency options, etc.
• those for which the entity chose the fair value valuation option because:
o an accounting inconsistency of assessment or recognition is eliminated or significantly reduced (accounting mismatch) and thus the relevance of the published information is improved
o a group of liabilities or liabilities and assets is managed and valued at fair value in accordance with a documented risk management or investment strategy (and information about the group is provided to key management personnel (KMP Key Management Personnel)
At the time of initial recognition, a financial instrument is valued at fair value to which trading costs are added, except for financial instruments valued at fair value through profit or loss for which trading costs are recognized in the profit or loss of the period and are accounted for as expenses. The amortized cost of a financial liability is determined as follows:
1 the initially accounted amount
2 debt repayments
3.+/- cumulative amortization of the difference between the initial amount and the maturity amount calculated based on the effective interest method
The company has jointly opened a multi-currency credit line worth 11 million euros, mainly used by FRDL for the issuance of participation/good performance guarantee letters issued in favor of clients and for working capital.
There is also at the Company's disposal a line of credit, SME type with guarantees from the state fund, which is currently being used.
The main policies regarding financial instruments and risk management are presented in NOTE 29.

Inventories

The stock of goods (pharmaceutical and parapharmaceutical products) represents over 99.6% of the total stocks of the Company. In the accounting situations, the stocks of goods are highlighted at the input cost, which includes, in addition to the purchase price, import taxes, transport and, when applicable, the discounts received. Inventories are valued at the end of the period at the lower of cost and net realizable value (IAS 2 – Inventories).

From 2011 certain future discounts are included in the cost of stored goods. The net realizable value is the estimated selling price under the normal operation of the business, less the estimated costs of completion and selling costs.

Within the own pharmacies, stocks of drugs and parapharmaceutical products are shown at retail price (purchase price + commercial surcharge + VAT).

Stocks being mostly represented by drugs managed strictly on the basis of manufacturing batches (according to the legislation in force), when leaving management, the FEFO method (first expired, first out) is used, and in the case of the existence of two batches with the same term expiration, the FIFO (first in, first out) method is used.
Determining the actual quantities in stock is done using the permanent inventory method. The company periodically inventories stocks to determine if they are damaged, have slow movement or if the net realizable value has decreased, making the necessary adjustments if necessary.

The company does not hold stocks of goods pledged in the account of debts.

Information on stocks is presented in NOTE 13 (IAS 2.36 – Stocks – presentation of information).

Provisions

A provision is recognized if, following a previous event, the Company has a present obligation, legal or implied, which can be reliably estimated and which will generate an outflow of economic benefits for its settlement (IAS 37 – Provisions, contingent liabilities and contingent assets).
The expense related to any provision is presented in the profit and loss account.

Provisions are reviewed at each balance sheet date and adjusted to reflect management's best current estimate in this regard. If an outflow of resources is no longer probable for the settlement of an obligation, the provision is reversed to income.

Provisions for litigation are recognised when management estimates that cash outflows will be required as a result of adverse litigation. The Company did not have significant risk of cash outflows as a result of litigation.

The Company has provisions for impairment of current assets (goods, debtors and uncertain customers) and for risks and charges (cash shortage).

Provisions for doubtful customers are recognised based on the analysis of balances older than 6 months. Provisions are made for customers in insolvency or with a low probability of collection. When the loss becomes certain (decision of the judge to strike off the Commercial Register) the uncollected balances are recognised as costs and, at the same time, the previously established provision is reversed.

A statement of the company's provisions is given in NOTE 23.

The company has not made a provision for the claw back tax as it is not legally obliged to bear the amount of the claw back tax on costs, as it does not produce pharmaceutical products.

Employee benefits (IAS 19)

a) Pension plan
All employees of the Company are included in the Romanian State Pension Plan, some of the employees also contribute to private pension plans (pillar II or III).

In this context, the Company makes payments to the Romanian State on behalf of its employees.

The Company does not have any other pension plan or post-retirement benefit plan other than those mentioned above.

The Company's contributions to the Pension Plan of the Romanian State are charged on a monthly cost basis, in the month for which these contributions are due.

Employees who retire for the age limit will receive an allowance equal to 2 gross salaries, based on the last gross salary of the employee in the month of retirement. The allowance is granted only to employees who retire from the company.

b) Other employee benefits

All employees on an 8-hour work contract are entitled to meal vouchers according to current legislation.

Also, in accordance with the Collective Labour Agreement, all employees benefit from fixed bonuses at Easter and Christmas, as well as holiday bonuses.

Also in accordance with the Individual Labour Contract, employees who are individually dismissed receive an indemnity equal to the last gross salary if they have a seniority of 1 to 3 years, 2 gross salaries if they have a seniority of 3 to 6 years and 3 gross salaries if the seniority exceeds 6 years. In the case of collective redundancies, the compensation is similar to that for individual redundancies.

Politica Societatii pentru alte beneficii ale angajatilor pe termen lung este sa recunoasca castigurile si pierderile in perioada in care apar in cadrul contului de profit si pierdere.

At the Company level, a stock option plan has been approved, which provides a valuable opportunity for a number of employees and members of the Company's management and affiliated legal entities to be rewarded for their contribution to the Company's success.

Through this program, a total of 2,864,425 shares are intended to be granted to eligible individuals according to established criteria and the implementation plan approved by the Board of Directors. The distribution of shares to eligible employees will be made in 2024 provided the criteria are met.

On 02.03.2023, Farmaceutica REMEDIA SA completed a share buyback operation carried out for the purpose of a Stock Option Plan. The number of shares repurchased on 02.03.2023, according to ASF Decision 122/08.02.2023 is 2,864,425 shares, representing 3% of the share capital. Total number of shares subscribed in the operation: 2,864,425 shares, representing 100% of the Offer. The total amount paid by Farmaceutica REMEDIA was 2,148,319 Lei. Repurchase price: 0.75 Lei per share.

c) Annual bonuses of managers and members of the Board of Administrators

Directors and members of the Board of Administrators of the Company benefit from annual bonuses based on mandate contracts (depending on the achievement of certain performance indicators) or decisions of the Board of Administrators.

Dividend

Distribution of dividends to the Company's shareholders is recorded in the financial statements in the year in which they were approved by the General Meeting of Shareholders, and are therefore not recognised as a liability at the end of the reporting period. The calculation and recognition of dividends are performed in accordance with IAS 10 - Events after the Reporting Period.

The company does not distribute cumulative preferential dividends.
The dividend situation is presented in NOTE 18.

Affiliated parties

Parties are considered related when one party has the ability to control or significantly influence the other party, through ownership, contractual rights, family relationships or otherwise. Related parties also include major shareholders of the company, members of management, members of the Board of Directors and their family members, parties with whom they jointly control other companies, post-employment benefit plans for company employees.

Details of related party transactions are disclosed separately in NOTE 27.

Equity capital

Equity capital shows the shareholders' right to the company's assets after deducting all debts. They comprise: capital contributions, capital premiums, reserves, retained earnings and profit or loss for the financial year.

Capital contributions

Farmaceutica REMEDIA S.A. was established in 1991 as a wholly state-owned commercial company. In 2006, the Company merged with V.TARUS RoAgencies SRL. In 2007 the Company increased its capital by subscribing shares. In 2009 the company was listed in category a- II - of the BVB.

Evolution of share capital:

	Date	Number of shares	Value of issue (Lei)	Explanations
1	10.11.1999	3.370.107	337.010,70	Initial state capital, including land contributed in kind
2	06.09.2001	1.500.000	150.000,00	Cash contribution to V.TARUS RoAgencies
3	23.07.2003	42.402	4.240,20	Merger - capital of Ditafarm Trading - absorbed company
4	05.01.2006	5.696.471	569.647,10	Merger - capital of V.TARUS RoAgencies - absorbed company
5	21.12.2007	87.905.969	8.790.596,90	Capital increase - shareholders with pre-emptive rights
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
	TOTAL	**95.480.820**	**9.548.082,00**	

As the valuation made at the date of the merger of the two companies eliminated any revaluation surplus that arose in previous periods and any further increase in share capital was made after 31 December 2003, share capital was not adjusted for inflation in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies.

Reported result

The accounting profit remaining after the distribution of the 5% share to the legal reserve, up to 20% of the share capital, is taken to retained earnings at the beginning of the financial year following that for which the annual financial statements are drawn up, from where it is distributed to the other legal purposes.

The distribution of profit is made in the following financial year, as approved by the AGM.

Reserves

The company presents in the financial statements in the category reserves amounts representing legal reserve, reserve from revaluation of owned buildings and land and reserve from net profit of previous years as fund at the disposal of the company.

Earnings per share

The company presents earnings per share by dividing the profit or loss attributable to shareholders by the number of shares. The statement of earnings per share is presented in the Statement of Comprehensive Income.

Segment reporting (IFRS 8)

The segmentation of the Company's activities is done mainly by business lines and detailed by geographic regions as shown in NOTE 28.
The calculation takes into account the risks and rewards directly and indirectly attributable to each segment.

Given the specific nature of the goods distributed and services offered by the company, a correlation between geographical regions and customers is not relevant.

Accounting errors

The correction of material misstatements relating to prior years does not result in a change to the financial statements for those years. In the case of errors relating to previous financial years, the correction of such errors does not entail any adjustment to the comparative information presented in the financial statements. Any impact on the comparative information relating to the financial position and financial performance, i.e. change in financial position, is disclosed in the notes to the financial statements and adjusted in retained earnings during the year.

NOTE 4 SALES AND OTHER OPERATING REVENUES

Operating income is generated from sales of goods - mainly medicines and parapharmaceutical products, as well as from services rendered and rents, as shown below:

description	2023	2022
NET TURNOVER, of which :	**15.379.933**	**18.307.055**
Income from sale of goods, of which:	**11.370.803**	**15.084.967**
- Remedia pharmacy sales	11.370.803	10.587.770

- BD ROWA robot sales	-	4.497.197
- hospital distribution		
- warehouse distribution		
- other distribution channels		
Trade discounts granted		
Income from services rendered and rents, of which :	**4.009.130**	**3.222.088**
- logistics and warehousing services		
- rents	3.159.728	2.765.830
- BD Rowa services		455.118
- other services	849.402	1.140

Other operating income

description	2023	2022
Billed penalties	-	-
Sales of tangible fixed assets	1.706.443	267.029
Other income	3.867.374	2.607.471
TOTAL	**5.573.817**	**2.874.500**

NOTE 5 MATERIAL EXPENDITURE

Description	**2023**	**2022**
Cost of goods	9.382.832	12.981.677
Utilities	197.826	204.215
Fuels	197.325	225.900
Spare parts	80.287	19.142
Consumable materials	107.912	130.157
Inventory items	32.451	47.316
TOTAL	**9.998.633**	**13.608.407**

NOTE 6 STAFF EXPENDITURE

Staff expenditure has the following component:

Description	2023	2022
Gross salaries and allowances	**3.538.249**	**3.502.561**
Insurance and social protection expenditure	**94.608**	**165.582**
Insurance contribution for work	79.501	79.632
Other expenditure on insurance and social security	15.107	85.950
Other staff expenditure	**759.299**	**749.026**
PFA/PFI	284.000	389.400
Disability Fund	67.899	67.556
Meal/coupon voucher	407.400	292.070
TOTAL	**4.392.156**	**4.417.169**

The costs (including taxes) for the remuneration in 2023 of the Board of Administrators and the Director General amounted to a total of 284,000 lei.

NOTE 7 OTHER OPERATING EXPENSES

Description	2023	2022
Repairs	135.743	71.104
Rentals	84.433	356.750
Insurance	75.813	55.970
Post and telecommunications	58.207	57.311
Travel and transport	148.102	139.227
Advertising	1.296	27.841
Protocol	49.543	23.860
Donations and sponsorships		71.104
Other taxes and duties	1.197.106	802.627
Bank fees	96.237	89.600
Other services provided by third parties	743.729	513.035
Other operating expenditure	881.426	685.973
TOTAL	**3.471.646**	**2.823.298**

NOTE 8 NET FINANCIAL INCOME

Description	**2023**	**2022**
Interest income	343.634	237.069
Interest expenses	-53.571	
Diff.course income	1.314	4.424
Course expenses	-2.296	-21.301
Discount advance payments		
Discount cash in advance		
Dividends received	5.068.305	5.079.826
Result	**5.357.387**	**5.300.018**

NOTE 9 INCOME TAX EXPENSE

The influence of non-deductible costs, non-taxable income (including reversals of provisions) and tax benefits was taken into account in the calculation of corporate income tax.

Description	**2023**	**2022**
total income	26.367.003	26.502.875
total expenditure (excluding income tax)	21.992.142	23.586.849
gross accounting result	**4.374.862**	**2.916.026**
deductions	3,991,555.00	2.718.328
non-taxable income	8,923,650.00	7.639.791
non-deductible expenses	4,922,059.00	3.666.470
Tax result	**-3,700,119**	**-3.774.622**
corporate tax	-592,019	0
deductions		0
tax rebates		
total current income tax	0	**0**

NOTE 10
TANGIBLE ASSETS AND REAL ESTATE INVESTMENTS

	Lands	Buildings and other constructions	Technical installations and cars	Equipment and vehicles	Furniture	assets related to the right of use of leased assets	assets in progress	Advances for fixed assets	Total
as at 01 January 2022	**5.414.765**	**14.418.482**	**123.902**	**3.483.111**	**1.431.800**		**0**	**34.550**	**24.906.610**
inflows	117.604	3.952.065	0	270.783	12.020			460.070	4.812.542
transfers		2.111.626							2.111.626
outflows	-919	-4.397.188	0	0	500			0	-4.397.607
as at 31 December 2022	**5.531.450**	**16.084.985**	**123.902**	**3.753.894**	**1.444.320**	**0**		**494.620**	**27.433.171**
inflows	317.402	7.004.550		54.607	16.608	816.080		227.296	8.436.543
transfers		181.296			0			0	181.296
outflows	-2.023	-4.034.466		-421.115				-27.621	-4.485.225
as at 31 December 2023	**5.846.829**	**19.236.365**	**123.902**	**3.387.386**	**1.460.298**	**816.080**		**694.295**	**31.565.785**

NOTE 10 TANGIBLE ASSETS AND REAL ESTATE INVESTMENTS (continuation)

Accumulated amortisation	Lands	Buildings and other constructions	Technical installations and cars	Equipment and vehicles	Leasing assets	Furniture	Total
as at 01 January 2022	0	0	**350.018**	**2.312.514**		**1.102.680**	**3.765.132**
amortization of the year			372	132.922		47.765	250.113
cumulative amortisation afferent to outflows							
as at 31 December 2022		0	**350.390**	**2.445.436**	**0**	**1.150.295**	**3.946.121**
amortization of the year			216	193.614	148.395	38.736	380.961
cumulative amortisation afferent to outflows				-87.732			**-87.732**
as at 31 December 2023	0	0	**350.606**	**2.551.318**	**148.395**	**1.189.031**	**4.239.350**

* excluding real estate investments

10.2 REAL ESTATE INVESTMENTS (RON)

City	Adress	Surface area Inch. mp	Surface area Total sqm	VAT-free rent -EUR-	revalued value on 31.12.2023 -lei-	% of rented area	Value of real estate investments
ABRUD	Str.Piata Eroilor nr 6 ap i	164	164	736	199,554	1	199,554
ARAD	Str.Voinicilor nr 38 bl 245 ap 25	73	73	1,577	749,770	1	749,770
ALBA IULIA	Str. Zorilor nr 1 bl 280 sc C nr 4	164	297	1,577	666,691	1	666,691
	Str.Nicolae Titulescu bl 280	131		1,200	666,769	1	666,769
BLAJ	Str.Piata 1848 nr 21	202	202	1,051	356,394	1	356,394
DEVA	str. Pta Victoriei nr 3		336		2,526,512	1	2,526,512
	SF.STEFAN str. 22 Dec	60	167	500	1,037,328	1	1,037,328
	SF. MARIA, str. Mihai Eminescu nr 13A	109	150	1,892	1,107,499	1	1,107,499
		41		500			0
		64	64	450	208,571	1	208,571
	REMEDIA DEPOZIT, str Dorobantilor nr. 43	500	3576,2	2,628	2,492,047	0	0
	PARTE LOCAL DEVA	42	330	93	795,156	1	795,156
	SPATIU KOGALNICEANU	142		708	294,766	1	294,766
	Str Horea nr 5	75	154	550	512,096	0	250,927
DOBRA	Str 1 DECEMBRIE BL 4	106	166	473	190,266	1	190,266
	Str. 1 DECEMBRIE BL 4	60		150		1	0
VATA	SF PARASCHIVA	105	184	530	153,311	0	62,551
HATEG	SF. TREIME, Ovidiu Densuseanu	51	355	475	1,139,283	1	1,139,283
	HOREA NR 5	47		LIBER	88,647	1	88,647
HATEG	PIATA UNIRII	35	93	250	91,858	1	91,858
HUNEDOARA	STR VIORELE NR 6	115	239	1,366	899,526	1	899,526
	Bdul 1848 nr 7	152	185	736	349,362	1	349,362
	Str.Republicii nr 10 bl D8	95	95	1,051	499,768	1	499,768
PETROSANI	STR TIMISOAREI	142	183	500	267,643	1	267,643
ILIA	MIHAI VITEAZU BLD	185		650	174,077	1	174,077
JIDVEI	PERILOR NR 2	32		96	28,654	1	28,654
CLUJ	STR FAGULUI NR 1	205	205	1,500	814,760	1	814,760
SIMERIA	SF. ANDREI	30	305	265	762,091	1	762,091
BRASOV	Str.Zizinului	572	572	2,097	929,100	1	929,100
BUCURESTI	Garsoniera Dr taberei	29			169,139	1	169,140
	Garsoniera Dr.Taberei	29			169,139	1	169,139
	Apartament Dr. Taberei	46			244,010	1	244,010
	Garsoniera Dr. Taberei	30			179,836	1	179,836

PERIS	**Cladire comerciala**	**123**			**264,330**	**1**	**264,330**
DEVA	**APARTAMENT TEILOR**	**34**			**70,828**	**1**	**70,828**
SIMERIA	**SPATIU COMERCIAL 1 DECEMBRIE**	**51**			**109,600**	**1**	**109,600**
TOTAL		**3,699**	**4,519**	23,599	**19,208,383**		**16,364,407**

Fair value

On 1 January 2022	18.657.330
Entries	
Exits	2.111.627
On 31 December 2022	16.545.703
Entries	
Exits	181.296
On 31 December 2023	16.364.407

NOTE 11 INTANGIBLE ASSETS (RON)

SOFTWARE LICENSES			
	Cost	Amortization	Net value
on 1 January 2022	**504.179**	**468.943**	**35.236**
entries	29.084	672	
transfers			
exits			
on 31 December 2022	**533.263**	**469.615**	**63.648**
entries	14.848		
transfers			
exits		2.491	
on 31 December 2023	**548.111**	**472.106**	**76.005**

PHARMACY LICENSES			
	Cost	Amortization	Net value
on 01 January 2022	**689.200**	**0**	**689.200**
entries			0
transfers			
exits			
on 31 December 2022	**689.200**	**0**	**689.200**
entries			0
transfers			
exits	-510.945		-510.945
on 31 December 2023	**178.255**	**0**	**178.255**

In February 2023, Farmaceutica REMEDIA SA sold 1 pharmaceutical license to Remedia Aviației pharmacy in Bucharest.

In December 2023, Farmaceutica REMEDIA SA sold to Farmaceutica REMEDIA Distribution & Logistics SRL, 1 pharmaceutical license related to Remedia Metalurgiei pharmacy in Bucharest and the automatic storage system for pharmaceutical products.

NOTE 12 FINANCIAL ASSETS AT FAIR VALUE

Name	Value
Group company shares	**2.800**
of which:	
FRDL(SIBMEDICA)	2.800
Investments in jointly controlled entities	**599.400**
of which:	
Pharma Expertspedition	599.400
Company's shareholdings outside the group	**5.916**
of which:	
EUROM BANK	2.413
BODY FARM	2.903
Pharma Expertspedition	600
Deposits and guarantees paid	**5,047,385**

* Companies over which Farmaceutica REMEDIA S.A. has no control and does not influence decisions.

NOTE 13 STOCKS

The stock of goods (pharmaceutical and parapharmaceutical products) represents more than 93% of total stocks Farmaceutica REMEDIA S.A.

Description	31-Dec-23	31-Dec-22	31-Dec-21
Goods in warehouses/BD ROWA	161.126	161.126	162.020
Goods in pharmacies	3.237.707	2.999.307	3.370.554
Adjustments			0
Other stocks			0
Commercial fertilisers	-831.581	-728.047	-748.885
Non-exempt VAT goods	-268.841	-253.138	-304.358
TOTAL	**2.298.411**	**2.179.248**	**2.479.331**

NOTE 13 STOCKS (continuation)

Name	Sold on 01.01.2023		entries	exits	Sold on 31.12.2023	
	Debit	Credit			Debit	Credit
Materials			27.097	27.097		
Inventory objects			32.451	32.451		
Goods in custody				15.920.184		
Goods in pharmacies	2.999.307		12.920.877	12.682.476	3.237.707	
Goods in storage/BD ROWA	161.126				161.126	
Goods in storage						
Commercial additions		728.047	1.452.125	3.011.753		831.581
Provisions for impairment of goods						
Non-exempt VAT goods		253.138	1.271.382	1.255.679		268.841
Total	**3.160.433**	**981.185**	**15.703.932**	**32.929.641**	**3.398.833**	**1.100.422**

SOLD – 2.298.411

NOTE 14 TRADE AND OTHER RECEIVABLES

DescrIption	**31-dec-2021**	**31-dec-2022**	**31-dec-2023**
COMMERCIAL RECEIVABLE:	**4.188.251**	**3.085.858**	**4.260.102**
commercial receivable	7.492.045	6.389.652	7.563.895
adjustments for commercial receivables	-3.303.794	-3.303.794	-3.303.794
intra-group receivable			
OTHER RECEIVABLE:	**455.377**	**544.503**	**459.956**
Sick leave to recover	41.568	91.591	28.450
Corporate tax	242.606	242.606	242.606
Litigation costs to be recovered relating to pending litigation	38.972	38.972	38.972
Other receivable	132.231	171.334	149.838

NOTE 15 CASH AND CASH EQUIVALENTS

	31 Dec 2021	31 Dec 2022	31 Dec 2023
Bank accounts in RON	7.784.903	8.872.212	11.145.338
Foreign currency bank accounts	108.575	31.649	1.670.832
cash in the money register RON	88.238	82.984	113.062
Other values	1.000	550	1.100
Total cash and cash equivalents	**7.982.716**	**8.897.395**	**12.930.332**

NOTE 16 SHARE CAPITAL

31-Dec-2023

Shareholders	No. of shares	Percentage of share capital (%)
TARUS Valentin - Norbert	80.496.847	84,3068
Others	14.983.973	15,6932
Total	**95.480.820**	**100,0000**

NOTE 17 RESERVES

	31-Dec-22	31-Dec-23
Legal reserves	2.121.796	2.121.796
Other reserves	16.555.311	14.855.523
Revaluation reserves	20.742.678	23.448.787
Corp. immobilizations		
TOTAL	**39.419.785**	**40.426.106**

The nature and purpose of each reserve within equity are described below.

Legal reserves: according to Law 31/1990, at the end of each financial year, at least 5% shall be deducted from the accounting profit, before determining the income tax, from which non-taxable income shall be deducted and expenses related to such non-taxable income shall be added, until it reaches one fifth of the subscribed and paid-up share capital or of the assets, as the case may be, according to the organization and operation laws.

Fixed asset revaluation reserves: when the carrying amount of a tangible asset increases as a result of revaluation, then the increase must be recognised in other comprehensive income and accumulated in equity as a revaluation surplus. Revaluation reserves may not be distributed and may not be used to increase share capital.Other reserves include reserves representing tax relief as well as reserves set up from profits in previous years.

NOTE 18 DIVIDENDS

The evolution of dividends distributed and paid in the last 6 years is presented as follows:

	2018	2019	2020	2021	2022	2023	2024
Initial sale	**214.756**	**241.226**	**209.353**	**117.155**	**327.582**	**379.265**	**436.551**
Gross dividends distributed	**1.060.898**	**1.591.347**	**2.121.796**	**14.277.108**	**4.759.036**	**4.616.675**	**4.773.076**
Dividend tax paid	**52.675**	**78.995**	**104.900**	**711.866**	**237.353**	**368.751**	
Dividends paid	**981.753**	**1.544.225**	**2.109.093**	**13.354.815**	**4.470.000**	**4.190.037**	
Dividend payment	**241.226**	**209.353**	**117.155**	**327.582**	**379.265**	**436.551**	

NOTE 19 RETAINED EARNINGS

	2022	2023
Sold out first year	**448.687**	**448.687**
Transfer profit 2021/2022	859.155	3,260,692
Profit distribution 2021/2022	-859.155	-3.550.211
Accounting corrections		-148,045.00
Sold end of year	**448.688**	**11.123**

NOTE 20 PROFIT DISTRIBUTION

As of 31.12.2023, the Company recorded a net profit of 4.374.862 Lei, which is proposed for distribution as follows:

- dividends: 4.374.862 Lei

NOTE 21 OWN SHARES

In 2015, as a result of the change in the main object of activity required by Law 95/2006, republished in August 2015 (art. 800 para. 2), the Company had to buy back from the market a number of 300,100 shares at a price set by an authorized appraiser.

On 02.03.2023, Farmaceutica REMEDIA SA completed a share buyback operation carried out for the purpose of a Stock Option Plan. The number of shares repurchased on 02.03.2023, according to ASF Decision 122/08.02.2023 is 2,864,425 shares, representing 3% of the share capital. Total number of shares subscribed in the operation: 2,864,425 shares, representing 100% of the Offer. The total amount paid by Farmaceutica REMEDIA was 2,148,319 Lei. Repurchase price: 0.75 Lei per share.

NOTA 22 LEASING

Right of use assets:

	Buildings
	RON
Cost:	
On 31 December 2022	-
Entries	-
IFRS 16 accounting policy restatements	816.080
At 31 December 2023	816.080
Accumulated depreciation:	
On 31 December 2022	-
Depreciation 2023	79.344
IFRS 16 accounting policy restatements	69.052
At 31 December 2023	148.396
Net value:	
At 31 December 2023	**667.684**
On 31 December 2022	**-**

The Company has recognised the following categories under "Right-of-use assets":

- Contracte de inchiriere pentru spatiile in care functioneaza farmaciile

Amounts recognised in the income statement:

	31.12.2023
	RON
Depreciation of right-of-use assets	79.344
Interest expense on lease liabilities	53.571

Carrying amount of lease liability and movements recorded within this category during the financial year 2023

	31.12.2023
	RON
On 1 January	859.104
Entries during the period	35.970
Interest associated with leasing debt	53.571
Lease payments	-122.490
IFRS 16 accounting policy restatements	
At 31 December	**826.155**
Of which:	
Long-term lease liabilities	646.142
Short-term lease liabilities	180.013

NOTE 23 PROVISIONS

Name of provision	Balance at the beginning of the financial year	Transfers		Balance at the end of the financial year
		in cont		
PROVISIONS FOR CURRENT ASSETS:	**3.303.794**		**0**	**3.303.794**
provision for expired goods	0	0	0	0
provision for uncertain customers	3.303.794	0	0	3.303.794
Provision for impairment of debtors	0		0	0
PROVISIONS FOR RISKS AND CHARGES :	**0**	**0**	**0**	**0**
provision for VAT on expired goods	0	0	0	0
GRAND TOTAL	**3.303.794**	**0**	**0**	**3.303.794**

NOTE 24 COMMITMENTS

The company has a multi-currency working capital credit line with BANCA TRANSILVANIA. The credit line can also be used by FRDL

Objective	Line of credit - working capital financing
Amount	90.000.000 LEI
Expired	09 Februarie 2025
Guarantees	Real estate collateral on real estate of the company
	Balance at 31 December 2023
LC used 31.12.2023	0 LEI
LC restricted 31.12.2023 for SGB only	0 LEI in FR 71.053.157 LEI in FRDL
LC to be used 31.12.2023	18.946.843 LEI

As at 31.12.2023, the amount drawn from the credit line relates to letters of guarantee of participation and performance. The amounts relating to the letters of guarantee are non-interest bearing and are only recorded off-balance sheet and are not a payable.

NOTE 25 TRADE AND OTHER PAYABLES

Description	**31-Dec-23**	**31-Dec-22**
suppliers, of which :	**5.908.015**	**5.531.838**
suppliers of goods	5.768.890	5.392.713
real estate suppliers	139.125	139.125
other current liabilities, of which :	**1.134.959**	**829.605**
salaries and related taxes	171.907	127.839
dividend	436.551	379.265
VAT payable	240.783	29.766
other creditors	285.718	292.735

December 2023 salaries and related taxes were settled in January 2024.
"Other creditors" represent guarantees paid by tenants and management staff.

NOTE 26 LITIGATION

The company is involved in litigation as a plaintiff, mainly for the recovery of commercial amounts from customers whose debts are overdue.

NOTE 27 DISCLOSURE OF RELATED PARTY TRANSACTIONS

The transactions consisted of sales and purchases of goods, as well as the provision of services, as follows:

partner	**object of the contract**	**year of contract**	**sales REMEDIA**	**REMEDIA purcases**	**Customer balance**	**Supplier balance**
Farmaceutica Remedia D&L SRL	Sale of goods, rental of premises	2022	2.160.893	8.294.353	1.089.942	3.824.01 6
Pharma Expert Spedition	Transport services	2020		782		

For transactions with related parties, no guarantees are given on receivables or payables.

NOTE 28 **REPORTING ON BUSINESS SEGMENT**

				Rentals	Services	TOTAL *
		Remedia Pharmacies E-commerce	BD ROWA/Robots	buildings/auto	provided	2,023
Net turnover		**11,370,803**	**779,155**	**3,159,728**	**70,246**	**15,379,932**
	Income from sale of goods	11,370,803				**11,370,803**
	Trade discounts granted	**0**		0	0	**0**
	Income from services rendered and rents	**0**	779,155	3,159,728	70,246	**4,009,129**
Other operating income		**0**			5,573,817	**5,573,817**
OPERATING INCOME - TOTAL		**11,370,803**	**779,155**	**3,159,728**	**5,644,063**	**20,953,749**
						0
Expenditure on goods		**9,382,832**	**0**	**0**	**0**	**9,382,832**
	Expenditure on goods	9,402,741	0	0	0	**9,402,741**
	Trade discounts received	-19,909		0	0	**-19,909**
Gross margin on sales of goods		**1,987,972**	**0**	**0**	**0**	**1,987,972**
						0
Other operating costs		**9,280,311**	**829,493**	**2,353,081**	**90,558**	**12,553,443**
	Direct costs	2,600,606	813,910	496,919	49,292	**3,960,727**
	Logistics costs	**0**		0	0	**0**
	Promotion costs	**0**		0	0	**0**
	Indirect costs	6,679,705	15,583	1,856,162	41,266	**8,592,716**
OPERATING EXPENDITURE - TOTAL		**18,663,143**	**829,493**	**2,353,081**	**90,558**	**21,936,274**
						0
Operating result		**-7,292,339**	**-50,338**	**806,647**	**5,553,505**	**-982,525**
Financial result						**5,357,387**
Gross result						**4,374,862**
	Impozit pe profit					0
Net profit						**4,374,862**

NOTE 29 OBJECTIVES AND POLICIES FOR FINANCIAL RISK MANAGEMENT

Financial risk management

The company is exposed to a number of financial risks such as:

- Capital risk
- Market risk (which includes currency risk, interest rate risk and price risk)
- Credit risk
- Liquidity risk

The Companies' management oversees the management of these risks and, through the measures taken, seeks to minimise any adverse effects that could affect the Companies' financial results.

Capital risk

Management's objectives in managing the Company's capital include:

- Continuity of the Company's business
- Optimal sizing of capital to reduce its cost.

The Company's capital comprises short-term and long-term debts, which include loans, debts to suppliers, etc., and shareholders' equity comprising share capital, reserves, current result and retained earnings. The Company may revise its capital structure on a regular basis through the means at its disposal (payment of dividends to shareholders, issue of new shares, sale of assets to reduce debt, etc.).

The main indicator on the basis of which the Company monitors capital is the gearing ratio calculated as the ratio of borrowed capital (from banking and leasing institutions) to equity. The situation of the indicator "debt ratio" as at 31.12.2023 is as follows:

	31.12.2023	**31.12.2022**
Borrowed capital	0	0
Equity capital	52.856.662	52.977.439
Degree of indebtedness	0%	0%

Market risk

Market risk is the risk that the fair value of an instrument's future cash flows will fluctuate due to changes in market prices. There are four types of market price risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables and payables.

Foreign exchange risk

The Company's exposure to foreign currency risk is exclusively given by monetary items such as trade receivables, trade payables and foreign currency loans.

The Company was mainly exposed to currency risk for payments to leasing companies as well as purchases made in foreign currency. In 2023 the company did not make any foreign currency purchases.

Given that the proportion of foreign currency debt/receivables is very small, reasonable exchange rate fluctuations will not have a significant effect on future financial statements.

With the obligation of major international manufacturers to sell medicines in lei (in spring 2009), the currency risk has decreased significantly.

Monetary assets and liabilities denominated in foreign currency at the reporting date are presented as follows:

Description	**31/12/2023**		**31/12/2022**	
	EURO	USD	EURO	USD
Commercial creditor	784		784	
Trade debts	10.938	190	10.938	190
Bank credits	0	0	0	0
Financial leasing	0	0	0	0

Interest rate risk

The Company does not hold any significant interest-bearing assets and income and cash flows are not materially affected by changes in market interest rates.

The company has only one multi-currency credit line open for which the interest rate is calculated according to the ROBOR or EURIBOR 3-month rate, depending on the currency used. In view of the Company's very low level of indebtedness, it is estimated that reasonable fluctuations in interest rates will not have a significant effect on future financial statements.

Price risk

The company mainly markets ethical medicines whose maximum price is set by the Romanian authorities. These prices are updated annually in accordance with the legislation in force.

Lately, there is a pressure from the competition, which is countered by price reductions and diversification and improvement of service quality.

In order to compensate for price reductions, the policy adopted by the Company is to obtain additional discounts from suppliers by carefully selecting them in conjunction with stock optimization.

Credit risk

Credit risk is the risk of financial loss to the Company that arises if a customer fails to meet its contractual obligations. The Company is mainly exposed to credit risk arising from sales to customers.

In the current market conditions in Romania, drug distribution is based on credit. Due to the transfer of the engross sales activities to FRDL, the risk of non-collection of receivables has largely disappeared. The settlement term with the health insurance companies was in 2023 about 90 days.

To counter the risk of non-collection of receivables and cash flow management of Farmaceutica REMEDIA S.A. has taken a number of measures such as:

- More frequent analysis of the debits and financial situations of the clients
- Hiring additional staff in the control departments with increased tasks in terms of stock management, initiating and pursuing legal action against debtors and debt recovery.
- Strict cost control with positive impact on cash flow.

Cheltuielile de capital vor fi efectuate strict in baza Bugetului de investitii si in limita disponibilitatilor banesti, fara a afecta activitatea operationala.

On the other hand, the difficulties faced especially by independent pharmacies create market opportunities to find new forms of collaboration, acquisitions and mergers.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and funding expenses and repayments on its borrowing instruments.

The Company's policy is to ensure that it will always have sufficient cash to meet its payment obligations when due. In order to achieve this objective, cash (or line of credit) is maintained to meet payment needs. The Company has sufficient liquid resources to meet its obligations in all reasonable expected circumstances.

The Company's debts (trade and other payables, loans, finance leases) are classified by the Company's management into short-term debts (due in less than 12 months) and medium- and long-term debts (due within 13 to 48 months).

The breakdown of debts by maturity 0 - 12 months, respectively 13 - 48 months is presented accordingly in the Statement of Financial Position ("current liabilities", respectively "long-term liabilities").

Bank liquidities

A significant amount of the Company's cash and cash equivalents is held in banks in the form of deposits or cash at sight. The Company works mainly with Raiffeisen Bank, Banca Transilvania and the State Treasury. The commercial and credit conditions offered by the banks with which the Company has open bank accounts are periodically analysed by the management of the financial accounting department.

Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide range of causes associated with the Company's processes, personnel, infrastructure and external factors, such as those arising from legal and regulatory requirements and generally accepted standards of organisational behaviour. Operational risks arise from all of the Company's operations.

The primary responsibility for developing control tools related to operational risk rests with the Company's management. The directions for the development of operational risk management standards are:

- development of business continuity plans
- alignment with regulatory and legal requirements
- periodical analysis of the operational risk to which the Company is exposed and adaptation of procedures and controls to prevent identified risks
- identification of operational losses while generating proposals to remedy the causes that led to them
- preventing the risk of litigation
- mitigating risks, including through the use of insurance where appropriate
- professional development and training

NOTE 30 SOURCES OF ESTIMATION UNCERTAINITY

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying notes and to disclose contingent liabilities at the end of the reporting period.
These estimates and assumptions result in uncertainty that may cause a material future adjustment to the carrying amounts.

The assumptions and other sources of estimation uncertainty disclosed in accordance with IAS 1 relate to estimates that require management to make the most difficult, subjective and complex judgements.

The following are critical professional judgments/reasons that the Company's management has made that have a significant impact on the amounts recognized in the financial statements:
o Useful lives of non-current assets (NOTE 3)
o Deferred taxes (NOTE 3)
o Provisions (NOTE 23)
o Segment reporting. In allocating revenues and expenses to the various segments, the Company relies on estimates and assumptions that reflect the size of the operations and their relationship to each business segment (NOTE 28).
o Cost of goods sold by FR and sourced from FRDL, which requires the creation of impairment adjustments.

In the case of provisions for the depreciation of goods, as a principle, the value of expired goods existing at the balance sheet date is taken into account, to which is added the value of goods in stock at the balance sheet date and which are expected to expire in the next 6 months, taking into account the average monthly sales of the last quarter of the year for which the balance sheet was closed.

Considering that the main sources of the uncertainty of the estimates (risk of non-collection of receivables, depreciation of stocks, other expenses) were foreseen by the management and appropriate provisions were recorded, we consider that there is no significant risk that the accounting value of the assets and liabilities will change fundamentally in the next financial year.

Evaluation of the objectives, policies and procedures of the capital management entity

The company's policy is to include the following in its own capital:
- share capital: 95,480. 820 shares * 0.01 ron/share = 9,548,082 ron
- emission premiums
- legal reserves and other reserves
- current result
- Reported result
- own actions

The company was not subject to externally imposed provisions regarding the capital in 2023.

NOTE 31 EVENTS AFTER THE REPORTING PERIOD

At the level of the Company, a stock option plan program was approved, which offers a valuable opportunity for some of the employees and members of the Company's management and some affiliated legal entities, to be rewarded for their contribution to the company's success. Through this program, a number of 2,864,425 shares are intended to be granted to eligible persons according to the established criteria and the implementation plan approved by the Board of Directors. The distribution of the shares to the eligible employees will be done in 2024, provided that the criteria are met.

NOTE 32 – ECONOMIC - FINANCIAL INDICATORS

LIQUIDITY AND WORKING CAPITAL	31.12.2023	31.12.2022
Current liquidity (Current assets / Current liabilities)	**2,08**	**2,24**
Current assets *	15.001.185	14.367.922
Current liabilities *	7.222.987	6.402.052
Degree of indebtedness (Borrowed capital / Equity x 100)	**0,00%**	**0,00%**
Borrowed capital * (including leasing)	0	0
Own capital *	52.856.662	52.586.442
Turnover speed of customer debits (average customer balance/turnover*365)	**72 days**	**64 days**
Average customer balance *	3.013.747	3.232.502
Net turnover *	15.379.933	18.307.055
Turnover speed of liabilities (average balance suppliers/cogs*365)	**259 days**	**208 days**
Average supplier balance *	6,665,102	7.410.150
Cost of goods sold - net	9.382.832	12.981.677
Turnover speed of stocks (average stock balance/cogs * 365	**86 days**	**68 days**
Average stock balance	2.207.242	2.406.105
Cost of goods sold - net	9.382.832	12.981.677
Turnover speed of fixed assets (turnover/fixed assets)	**0,31**	**0,38**
Net turnover *	15.379.933	18.307.055
Fixed assets *	49.600.603	47.370.124
Gross profit margin (%) (gross profit/net sales)	**28,44 %**	**16 %**
Gross profit *	4.374.862	2.918.586
Net turnover *	15.379.933	18.307.055

Notes:

1) **Current liquidity** - the level of the indicator reflects a good ability to pay, therefore a reduced risk for

creditors, certifying that the company is able to cover its short-term debts on account of receivables and cash availability.
2) **The degree of indebtedness** expresses the effectiveness of credit risk management, indicating potential financing and liquidity problems, with influences in honoring the assumed commitments. In the calculation of this indicator, the borrowed capital includes both bank loans and financial leasing debts.
3) **Turnover speed of customer debits** expresses the effectiveness of the company in collecting its debts, respectively the number of days until the date when the debtors pay their debts to the company. Considering the dynamics of sales and the specifics of the collection of receivables in the distribution of medicines, we consider that the value of the indicator is a normal one, under the given conditions.
4) The **Turnover speed of liabilities** represents the average period in which suppliers are paid.
5) The value of the indicator **No. of days of storage** can be considered as falling within the specifics of the activity.
6) **Turnover speed of fixed assets** expresses the effectiveness of fixed asset management, by examining the turnover generated by a certain amount of fixed assets.

Bucharest, March 22nd, 2024

Board of Administrators,
Chairman
"TARUS" - Valentin Norbert TARUS e.U.