

Date: May 15th, 2024

Location: TC REMEDIA, Romania

Participants:

Farmaceutica REMEDIA	Valentin-Norbert TARUS	President of the Board of Administrators/General Director
	Cristian PLOCON	Board of Adminsitrators Member
	Lucian CODREANU	Board of Adminsitrators Member
	Elena CODREAN	Financial Director
	Aurora CRISTESCU	FR&DL Chief Accountant
	Florin CADIA	Investor Relations Director
	Zoe CHIRITA	Business Development Manager

The conference starts with the introduction of the participants, Mr. Valentin-Norbert TARUS, President of the Board of Administrators, opening the conference.

Mr. Valentin-Norbert TARUS, President of the Board of Administrators, gives the floor to Mrs. Aurora CRISTESCU for the presentation of the financial results of the LFRD for the first quarter of 2024.

Mrs Aurora CRISTESCU, Chief Accountant of Farmaceutica REMEDIA Distribution & Logistics SRL (FRDL), presents the financial results for the first quarter of 2024. Turnover, revenue and cost structure are presented. Gross profit is increased compared to the first quarter of 2023, but is affected by turnover tax, resulting in a lower net profit than for the same period last year.

Mr. Valentin-Norbert TARUS, President of the Board of Administrators, asks for a better description, a presentation of the good parts, but also the less good parts and the reasons for them.

Mrs Aurora CRISTESCU, Chief Accountant FRDL, reports that the turnover is increasing by 28% compared to the same period last year, but also with an increase in expenses by about 26%.

Mr. Valentin-Norbert TARUS, President of the Board of Administrators, confirms that an important component of the expenses are the personnel expenses, the need for more money due to inflation is realized, and Remedia has increased the personnel expenses by about 17%, and in order to meet the needs of the employees, from April there will be a salary increase for some of the employees (especially those in sales). All this to create the premises that, despite the new tax, FRDL will end the year with a gross profit of 13 million lei, and assuming that this turnover tax will be maintained, it will still result in a net profit of about 6.5 million lei.

Mr. Valentin-Norbert TARUS, President of the Board of Administrators, gives the floor to Mrs. Elena CODREAN, Chief Financial Director, to present the consolidated financial results for the first quarter of 2024.

Mrs. Elena CODREAN, Chief Financial Director, presents the consolidated financial results for the first quarter of 2024, stating that both the turnover and the result of FR SA are consolidated, which in the first quarter of 2024 has a loss, due to the transfer of Remedia M78 pharmacy to FRDL, losing the profit component related to the transferred pharmacy, and this, due to the lack of contract with CAS in the first quarter, generated only costs, resulting after consolidation in a net profit of 1.625 million lei.

Mr. Lucian CODREANU, member of the Board of Administrators, states that, taking this into account, FRDL's performance is higher than the figures show, with a real net profit of more than 41% compared to the same period last year.

At the same time, the company PHARMA EXPERTSPEDITION (PES), 50% owned by FR SA, ended the first quarter with a profit of 19,000 lei, which is good news, considering that there has not been a profit in PES for a long time.

Mr. Valentin-Norbert TARUS, President of the Board of Administrators, explains the directions Remedia should take in order to streamline its activities and maintain an upward trend and achieve the budgeted consolidated gross profit. It is important to achieve the budget and to monitor its figures on a monthly/quarterly basis. Efficiency can be increased through cost optimizations, including in departments in the area of sustainability, quality, and administration.

At Remedia, several activities have been initiated, such as: general and individual wellbeing programs, training programs and courses for employees' children, other soft components, with impact on employees' wellbeing.

In conclusion, Mr. Valentin-Norbert TARUS, President of the Board of Administrators, thanked everyone for their participation.