Date: August 27, 2026
Location: TC REMEDIA, Romania
Participants:

REMEDIA Pharmaceuticals	Valentin-Norbert TARUS	Chairman of the Board
	Theodor COJOCARU-TOTH	Board Member
	Elena CODREAN	Financial Advisor
	Roxana ULMEANU	Chief Executive Officer
	Mihai MUSATESCU	Hospital Sales Director
	Andrei DRAGHICI	FRDL Logistics Director
	Nica PALADOIU	Chief Accountant, FR SA
	Aurora CRISTESCU	Chief Accountant, FRDL
	Florin CADIA	Director of Sustainability
	Zoe CHIRIȚĂ	Business Development Manager
	Cristina RADU	Human Resources Director
	Paula FLEISCHER	Pharmacy Manager
Shareholders	Istvan Sarkany, Cosmin Sabau, Costin Girbou, Nicoleta Coman, Mihaela Carutasu, Irina Craciun, Andrei Popa, Luiza Gherasim	

Mr. Florin CADIA, Director of Sustainability, opens the conference and introduces the participants, including members of Remedia's management, shareholders, investors, and guests in attendance.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, wishes to highlight several aspects related to Remedia's performance in the first half of 2026:

- As of June 30, 2026, Remedia closed the half-year with a consolidated net profit of 1,132,000 lei, a result that is unsatisfactory for shareholders, due to complex market conditions; management is currently working on a revised budget for the estimated result, based on changes in market conditions;
- The months of July and August were better than the first-half results indicate;
- We estimate that by the end of the year, Remedia will return to its target parameters;
- Factors—market conditions and the pharmaceutical industry, where all players—manufacturers and distributors alike—have experienced setbacks; there are also internal issues affecting the company's operations, such as the implementation of a new IT system for warehouse management;
- July and August showed improved results; we estimate a consolidated net profit of around 6 million lei by the end of the year.

Ms. Elena CODREAN, financial advisor, presents the consolidated results for the first half of 2026, including revenue, costs, operating and financial results, along with the final net income and the breakdown of sales by segment. An analysis of the income statements shows that the gross margin remains at 7.5%, indicating continued commercial discipline and the ability to maintain the margin. Declining market demand and rising costs have impacted the operating result; operating costs have increased, while inventory, receivables, and payables have decreased, against the backdrop of reduced activity in the first half of the year; however, working capital management, liquidity, and financial discipline will be closely monitored.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, notes that there are losses across nearly all business lines, but it is positive that the gross margin has been maintained at last year's level.
He emphasizes that, unfortunately, Remedia did not sell any robots in the first half of the year; there is reluctance to make investments; it is a difficult period in the pharmaceutical industry; we are working at to improve processes to make them more efficient, perhaps by reorienting toward other activities as well.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, opens the question-and-answer session.

Mr. Istvan Sarkany, an investor, has a few questions. He notes that revenues have not fallen dramatically, yet there has been a sharp decline in profitability. He would like to know where the margin pressure is coming from and whether it is caused by a one-time event or if we should expect it to become the norm.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, notes that the pharmaceutical market is shifting toward more expensive drugs, while inexpensive products are disappearing. Innovative manufacturers are introducing increasingly expensive drugs; for these drugs, the margin is 35 lei per distributed box, and the percentage of such drugs is rising—a trend that will continue. The portfolio needs to be reevaluated; perhaps it would be better to introduce products from the parapharmaceutical, OTC, and dietary supplement categories, where there is no pressure from margins set by the national health insurance system.

Mr. Istvan Sarkany, an investor, asks if there are any manufacturers of cheaper medications.

Ms. Roxana ULMEANU, General Director, confirms that such manufacturers do exist, but in the first half of the year there was a combination of market, macroeconomic, and political factors—underfunding of the public health system, the disappearance of co-insured patients, and consequently fewer prescriptions on the market, a decline in consumption, and a shift away from chronic conditions toward brand-name products. By analyzing our portfolio and products, we are attempting a change, a recalibration, and a new product mix, with an approach that is more closely aligned with independent key accounts—which have greater purchasing power than local independent pharmacies, which face the greatest product shortages—while chains have high product availability in this segment, which should drive growth. There are alternatives for non-prescription drugs and medical devices, as well as medications for chronic conditions.
There was significant pressure on margins due to a decline in pharmacy demand, combined with a drop in purchasing power and a 15.5% decrease in sales volumes for dietary supplements and OTC products, according to CEGEDIM, as well as an aggressive media campaign emphasizing that dietary supplements do not cure illnesses.

Mr. Istvan Sarkany, an investor, points out that personnel and external service expenses have increased (by 22%) and assumes this trend will not continue in the current context.

Ms. Roxana ULMEANU, General Director, responds that this trend will not continue; the company is moving toward cost reduction, and the revised budget for the second half of 2026 includes aggressive cost-cutting and customer repositioning. July, the first month of the second half of the year, brings a strong result—more than half of the first half's total—which we expect to maintain, with a consolidated net profit of approximately 6 million lei by year-end.

Mr. Istvan Sarkany, an investor, points out, regarding the consolidation, that in the hospitals and clinics segment—which accounts for a large share of sales—there is an operating loss of 2 million lei. Pharmacies have fixed costs; it is plausible that if revenue declines, these fixed costs will weigh heavily on the bottom line. Could you provide further explanation on this matter?

Ms. Roxana ULMEANU, General Director, reports that the hospital system was severely underfunded at the beginning of the year; budgets for laboratory tests were extremely low and declining, with patients waiting three months to undergo tests and obtain prescriptions, which led to an increase in prescriptions for chronic diseases. In hospitals, spending was high in the categories of rare diseases, oncology, and hematology, as well as for expensive products; these extremely expensive medications are subject to a state-imposed margin of 35 lei per box. For example, a vial of Jakavi costs 11,000 lei, and the 35-lei margin does not even cover logistics costs.

Mr. Mihai Musatescu, Director of Hospital Sales, adds that it must be taken into account that the CNAS budget is 13.5% lower than last year's, with disastrous consequences.

Mr. Istvan Sarkany, an investor, notes that it is strange, as he had assumed we were selling to hospitals with positive margins.

Ms. Roxana ULMEANU, General Director, responds that Remedia does sell with a positive margin, but when it comes to hospitals, orders are primarily for life-saving products; there have been fewer orders for generic products, and the procurement rule for generics is "first price, lowest price."
Historically, the first half of the year is weaker than the second half, at around 40 percent; budgets are released in the second half of the year, depending on consumption in the first half; In a sense, we have a budget surplus in healthcare, but there are no decision-makers with signing authority to release the budgets and get operations underway, and the political vacuum is also taking its toll on Remedia's operations.

Mr. Mihai Musatescu, Director of Hospital Sales, notes that, given the smaller budget, the sales battle centered on margins, leading to weaker results. The commercial terms are the same for all participants; the markup is the margin within which we must make a profit and sell.

Ms. Roxana ULMEANU, General Director, notes that the small budget led to the purchase of original, life-saving products, which account for a growing share of sales.

Mr. Istvan Sarkany, an investor, asks if there is any possibility of increasing the margin on these products, noting that it is unsustainable to have a fixed margin on products with a very high cost.

Ms. Roxana ULMEANU, General Director, states that there is information regarding the possibility of a price adjustment as of April 1, 2027, but nothing concrete has been decided.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, states that he is not very optimistic that anything will happen in favor of distributors; creative workarounds and bundled sales involving higher-margin products will still be needed to achieve a sustainable margin for Remedia.

Mr. Istvan Sarkany, an investor, requests details regarding the reasons why operating cash flow decreased by 18 million lei.

Ms. Roxana ULMEANU, General Director, responds that part of the explanation is that some suppliers, in order to maximize commercial benefits and discounts, request advance payments or early payments; for example, our main partner—with whom we have significant business volume and who is a manufacturer of innovative oncology products—practices a policy of early payments.

Ms. Elena CODREAN, Financial Advisor, states that Remedia is attempting to address this by issuing letters of guarantee to relieve pressure on cash flow, conducting daily cash flow monitoring, and keeping payments under strict control.

Ms. Roxana ULMEANU, General Director, notes that an analysis of working capital requirements for each supplier is underway, along with an update or reduction of payment terms for product categories where this is feasible.

Mr. Istvan Sarkany, an investor, would like to learn more about robots; Remedia was unable to sell any in the first half of the year.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, notes that everyone wants to install robots, but with non-repayable grants; however, there are also customers who have managed to purchase them with their own funds.

Ms. Roxana ULMEANU, General Director, reports that in December 2025, Remedia sold a robot under a "Try & Buy" arrangement in Jibou, which was installed in the first part of this year, and in July it sold a robot in Beiuș, paid in installments; a series of projects are in the pipeline in the hospital sector.

Mr. Istvan Sarkany, an investor, notes that the robot business line is currently generating losses, likely due to the revenue structure—specifically, depreciation occurring before full payment has been made.

Ms. Roxana ULMEANU, General Director, points out that the two automation solutions sold under a "try & buy" system and with installment payments—in December of last year and July of this year—are currently causing these losses. Regarding robots, a request to outsource technical services is currently being reviewed; Remedia's technical team is well-prepared—we provide services in other European countries, and in Israel we have five robot installations scheduled through December, a request from Slovenia, and two relocations at Dr. Max in Timisoara. All pharmacy automation solutions in Romania are provided by Remedia; over the past four years, Remedia has installed over 25 robotic systems in the country, and the technical team's schedule is fully booked through the end of the year.

Mr. Istvan Sarkany, an investor, would like to ask, regarding profitability, whether it can at least remain at this level or if next year might be worse from this perspective? Or could this pace somehow be sustained?

Ms. Roxana ULMEANU, General Director, believes that economic stability, macroeconomic factors, and political factors are very important, and that at the moment there is no predictability.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, states that he is more confident; he has built the company over the past 30 years; distribution processes are well organized; he calls for ideas and innovations; there may be other business directions; temperature-controlled transportation is increasingly in demand; expansion of the cold storage area, Remedia is investing in expanding and increasing storage capacity in cold storage areas.

Mr. Istvan Sarkany, an investor, notes that Remedia has divested itself of some of its warehouses in recent years.

Mr. Valentin-Norbert TARUS, Chairman of the Board, responds that Remedia has divested some of its warehouses because the business model in the country has become dependent on a central warehouse. Remedia has two regional warehouses, in Bucharest and Deva. Overnight transport to distribution hubs, and from the hubs the next day to end customers, has proven to be a more efficient model than distributing inventory across multiple regional warehouses (Remedia previously had six). Remedia is making improvements to its warehouse logistics processes, including tracking inventory levels, replenishment frequency and quantities, and procurement, leading to cost efficiencies.

Mr. Istvan Sarkany, an investor, points out that Remedia has invested in a transportation company. He asks why he has not seen the figures reflected in the consolidated financials.

Mr. Valentin-Norbert TARUS, Chairman of the Board, responds that Remedia owns 50% of Pharma ExpertSpedition (PES), a company that is steadily gaining ground—albeit more slowly than we would like—but the need for temperature-controlled transportation services is growing; it also has contracts with veterinary firms, and business is on the rise.

Ms. Elena CODREAN, financial advisor, responds that the amounts related to PES are listed under financial income, where the share of investment profits is reported.

Mr. Istvan Sarkany, an investor, would like to know more details about the investment in the clinic in Cluj.

Ms. Elena CODREAN, financial advisor, responds that Remedia owns 24% of Novoengrama, a rehabilitation clinic in Cluj; it does not appear in the consolidated financial statements but only in the dividend distribution. The company is profitable, but we have not yet received dividends (approximately 30,000).

Mr. Istvan Sarkany, an investor, would like to know, regarding the dividends to be paid in the fall—given the pressure on cash flow—whether the dividend distribution remains valid and whether a public buyback has been considered, given that dividends are taxed at 16%, the amount leaving the company would be roughly the same as in a dividend distribution, but the tax would be on capital gains.

Ms. Elena CODREAN, financial advisor, responds that dividends will be paid on September 30; this amount has been set aside and was calculated at the time the distribution decision was made. There will be no pressure on individual cash flow, and we will also receive intra-group dividends; there are no additional issues.

Mr. Istvan Sarkany asks whether Remedia is considering a public offering in which Mr. Tarus, along with other shareholders, could participate.

Mr. Florin CADIA, Director of Sustainability, states that at the Extraordinary General Shareholders' Meeting in March, a decision was made to repurchase 1% of the share capital to carry out the share buyback program, to be completed within 18 months, likely in the first half of next year, in May or June of next year.

Mr. Istvan Sarkany, an investor, states that the question concerns a cash distribution—not necessarily for the SOP—but rather a share buyback followed by a cancellation of shares and a capital reduction, whereby cash flows out of the company to shareholders but is taxed at 3%–6%, not 16%.

Mr. Florin CADIA, Sustainability Director, notes that Remedia carried out a similar transaction 3–4 years ago, but the buyback for the SOP is currently planned. Mr. Sarkany's proposal remains to be analyzed for the future.

Mr. Valentin-Norbert TARUS, Chairman of the Board, considers this a good suggestion and a tax advantage for shareholders.

Mr. Istvan Sarkany, an investor, points out that shareholders would pay less tax, the company would pay the same amount, cash flow would remain virtually unchanged, the transaction could be conducted at a price close to market value, and each shareholder could decide whether to participate or to receive cash in proportion to their subscription.

Mr. Valentin-Norbert TARUS, Chairman of the Board of Administrators, states that consultations will take place to clarify all the details of such a transaction, but that it is a good, profitable proposal worth considering.

Mr. Valentin-Norbert TARUS, Chairman of the Board, notes that since there are no further questions, the conference may be concluded; he adds that any comments or suggestions, whether internal or external, are welcome, and calls for innovation to drive Remedia's business development—including automation, logistics, and temperature-controlled transportation—and emphasizes that new developments must be identified and capitalized upon.

In closing, Mr. Florin CADIA, Director of Sustainability, thanked everyone for their participation.