

<< **Translation from Romanian** >>

Biofarm output number: 304/24.03.2020

CURRENT REPORT
According to F.S.A. Regulations no. 5/2018
Report date: 24.03.2020

Name of the commercial company: BIOFARM S.A.

Registered office: Bucharest, no. 99 Logofatul Tautu Street, 3rd City District

Telephone no.: 021/301.06.87

Fax no.: 021/316.52.48

Website: www.biofarm.ro

Tax registration number: RO 341563

Order no. with the Trade Register: J40/199/1991

Fully paid-up share capital: 98.537.535 lei

The market on which company securities are traded – Bucharest Stock Exchange, BIO symbol

Important event to report:

The Board of Directors of Biofarm S.A. gathered on 23.03.2020, decided the convening of the Ordinary and Extraordinary General Meeting of Shareholders:

C O N V E N I N G

The Board of Directors of BIOFARM S.A. with tax identification number 341563 and order number with the Trade Register J40/199/1991, share capital LEI 98,537,535.00 fully subscribed and paid-up, website www.biofarm.ro, convenes in compliance with Law 31/1990 on companies, republished, Law 297/2004 on capital market, Law 24/2017 on issuers of financial instruments and market operations, the FSA Regulation No. 5/2018 on issuers of financial instruments and market operations, **the Ordinary General Meeting of Shareholders on 28.04.2020, at 12 o'clock p.m. and the Extraordinary General Meeting of Shareholders on 28.04.2020, at 1 o'clock p.m.**, at the company office of Bucharest, str. Logofatul Tautu nr. 99, sector 3.

If the Meetings will not be able to be held due to quorum non-fulfilment, the second convening being on **29.04.2020**, at the same times, at the same place and with the same agenda.

At the Ordinary General Meeting of Shareholders/Extraordinary General Meeting of Shareholders, shareholders registered in the Shareholders' Register held by Depozitarul Central S.A. are entitled to attend and vote at the end of **16.04.2020 – considered the reference date**.

On the date of convening the Ordinary General Meeting of Shareholders/Extraordinary General Meeting of Shareholders, the share capital of Biofarm S.A. is of lei 98,537,535.00 divided in 985,375,350 shares with a nominal value of lei 0.10/share.

Each share gives the right to one vote within the General Meeting of Shareholders.

There are no different classes of shares.

There are no voting rights suspended on the date hereof.



The Ordinary General Meeting of Shareholders will have the following items on the agenda:

1. Approval of the election, on the basis of Article 129 of Law 31/1990 of the companies republished, of a secretariat for the Ordinary General Meeting of Shareholders.
2. Approval of individual financial statements for the year concluded on 31 December 2019 drafted in compliance with IFRS adopted by the European Union, based on the reports presented by the Board of Directors and by the financial auditor.
3. Approval of the discharge from administration for 2019.
4. Approval of the net profit distribution realised in 2019 and the **gross dividend of lei 0.021 per share.**
5. Approval of dividends distribution starting with **03.09.2020, which is the payment date** - in compliance with the provisions of Art. 86 (2) of Law No. 24/2017 and Art. 178 (2) from the FSA Regulation No. 5/2018, shareholders bearing the distribution expenses, as well as setting the deadline for keeping the dividends at the shareholders' disposal.
6. Empowerment of the Board of Directors to choose the payment agent and to establish the dividends distribution procedure, in compliance with the legal provisions in force.
7. Approval of the income and expenses budget on 2020.
8. Approval of a net budget of maximum 1% from the operating profit to reward the members of the Board of Directors for meeting the budget of 2020, as well as the approval of delegation to the B.D. of the competence to allocate the amounts.
9. Approval of the management and investment program on 2020.
10. Approval of registration to the "Retained earnings" of the amount of lei 749,503 representing dividends not picked up by shareholders for the financial year of 2015.
11. Appointing the external financial auditor and establishing the minimum duration of its contract, following the expiry of the external financial auditor contract.
12. The empowerment of the Board of Directors to identify new opportunities to develop the company by the purchase of local pharmaceutical companies or of local brands that would lead to the increase of the market share and the development of the portfolio of products of Biofarm and/or international pharmaceutical companies for the company development internationally.
13. Approval of the transfer of the amount of lei 78,563,960 from "Other reserves" in "Retained earnings".
14. Approval of the date of **14.08.2020 as the registration date** in compliance with the provisions of Art. 86 (1) of Law No. 24/2017.
15. Approval of the date of **13.08.2020 as ex date** in compliance with the provisions of Art. 176 (1) from the FSA Regulation No. 5/2018 and Art. 2 (2) letter I from the FSA Regulation No. 5/2018.
16. Approval of the mandating of Mr Andrei Hrebenciuc – Chairman of the Board of Directors for signing all documents issued following the Ordinary General Meeting of Shareholders.

The Extraordinary General Meeting of Shareholders will have the following items on the agenda:

1. Approval of the election, on the basis of Article 129 of Law 31/1990 of the companies republished, of a secretariat for the Extraordinary General Meeting of Shareholders.
2. Approval of the waiver to the company logo reserved under No. 176183/2011 from the Trade Register Office and its deregistration from the T.R.O.
3. Approval of the modification of the Articles of Incorporation of the company as follows:
 - 3.1. Approval of the exclusion from the Articles of Incorporation of the company of paragraph 2 of Article 1 "Company name and logo", and the rename of Article 1 (in the "Company name"), respectively:
"The Company logo is composed of a quadrangle with rounded corners, black, divided on the inside into two equal parts, one white and one black. Also on the inside, two leaves are drawn,



a black one, drawn on the diagonal, in the white part of the quadrangle, and a white one, also on the diagonal, in the black part of the quadrangle. Outside it, at the bottom, the "BIOFARM" company name is written with massive print letters, in black, according to reservation No. 176183/2011 from the TRO, as shown in Annex 1 to these Articles of Incorporation, and is registered with the State Office for Inventions and Trademarks as a trademark, under the number 075990/06.03.2006."

- 3.2.** Approval of the replacement of the synthetic structure of shareholders issued by the Depozitarul Central S.A. for 31 August 2015 communicated by the address No. 42.508/14.09.2015, existing in the Articles of Incorporation in Article 6 "Share capital", point 6.2., with the synthetic structure of shareholders released by the Depozitarul Central S.A. for 31 August 2019 communicated by address No. 5260/18.02.2020.

Article 6, Point 6.2. from the Articles of Incorporation of the company will have the following content:

„6.2. The shareholding synthetic structure is the following:

a) *The Financial Investment Company MUNTENIA S.A. – a Romanian legal person, with office in Bucharest, Splaiul Unirii, nr. 16, sector 4, having unique registration code 3168735, order number with the Trade Register J40/27499/1992 – holds 502,379,066 dematerialised registered shares, in a nominal value of lei 0.10 each, representing 50.9835 % from the fully subscribed and paid-up share capital, that is lei 50,237,906.60.*

b) *The Financial Investment Company BANAT - CRISANA S.A. – a Romanian legal person, with office in Arad, Calea Victoriei nr. 35A, Arad County, having unique registration code 2761040, order number with the Trade Register J02/1898/1992 – holds 362,096,587 dematerialised registered shares, in a nominal value of lei 0.10 each, representing 36.7471 % from the fully subscribed and paid-up share capital, that is lei 36,209,658.70.*

c) *Other shareholders, natural persons – hold 97,623,403 dematerialised registered shares, in a nominal value of lei 0.10 each, representing 9.9072% from the fully subscribed and paid-up share capital, that is lei 9,702,340.30.*

d) *Other shareholders, legal persons – hold 23,276,294 dematerialised registered shares, in a nominal value of lei 0.10 each, representing 2.3622% from the fully subscribed and paid-up share capital, that is lei 2,327,629.40."*

- 4.** Approval of the date of **19.05.2020 as the registration date** in compliance with the provisions of Art. 86 (1) of Law No. 24/2017.
- 5.** Approval of the date of **18.05.2020 as the ex date** in compliance with the provisions of Art. 176 (1) from the F.S.A. Regulation No. 5/2018 and Art. 2 (2) letter I from the F.S.A. Regulation No. 5/2018.
- 6.** Approval of the mandate of Mr Andrei Hrebenciuc – Chairman of the Board of Directors for signing all the documents issued following the Extraordinary General Meeting of Shareholders and the Updated Articles of Incorporation.

A. Introducing new items on the agenda and presenting draft resolutions for the items included or proposed to be included on the agenda of the O.G.M.S./E.G.M.S..

According to the provisions of art. 117¹ line (1) of Law No. 31/1990 republished and of art. 92 line (3) of Law No. 24/2017, one or more shareholders representing individually or jointly at least 5% from the share capital of the Company, may request the Board of Directors of the



company to introduce new items on the agenda of O.G.M.S./E.G.M.S. and/or to present draft resolutions for the items included or proposed to be included on the agenda of O.G.M.S./E.G.M.S., in compliance with the following conditions:

i. In case of natural person shareholders, the requests must be accompanied by the copies of shareholders' identity documents, which must allow their identification in the company's shareholders' register held by the Depozitarul Central S.A..

ii. The quality of shareholder, as well as, in the case of legal person shareholders or of entities without legal personality, the quality of legal representative is found based on art. 194 (1) from Regulation No. 5/2018, based on the following documents presented to the issuer by the shareholder:

a) the account statement from which the quality of shareholder and the number of shares held result;

b) documents certifying the information registration regarding the legal representative with the depozitarul central/respective participants.

In all cases, documents certifying the quality of legal representative drafted in a foreign language, other than English language, shall be accompanied by a translation performed by a sworn translator in Romanian or in English language.

iii. To be accompanied by a justification and/or by a draft resolution proposed for adoption;

iv. The proposals regarding the introduction of new items on the agenda and of draft resolutions proposed for the approval of the O.G.M.S./E.G.M.S. shall be sent/submitted and registered at the company's registered office in Bucharest, Str. Logofatul Tautu nr. 99, sector 3, postal code 031212, **until the end of 08.04.2020**, in original, signed by shareholders or their legal representatives, mentioning on the envelope in print and in capital letters: «FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 28/29.04.2020».

B. Asking questions, in compliance with art. 198 from Regulation No. 5/2018 regarding the items on the agenda of the O.G.M.S./E.G.M.S.

Each shareholder may ask questions to the company by a document that will be submitted/sent and registered at the registered office of the company from Bucharest, str. Logofatul Tautu, nr. 99, sector 3, postal code 031212, **until the end of 24.04.2020**, in original, signed by the shareholder or its legal representative, mentioning on the envelope in print and in capital letters: «FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 28/29.04.2020».

The same identification requirements specified in letter A from this convening notice ("Introduction of new items on the agenda and presentation of draft resolutions for the items included or proposed to be included on the agenda") shall be also applicable for shareholders/shareholders' legal representative who is asking questions regarding the items on the agenda of the General Meeting of Shareholders.

The company may formulate a general answer to the questions with the same content that will be available on the company website in the Frequently asked questions section, in question-answer format.



C. Voting

Shareholders may exercise their voting right directly, by a representative or by mail.

In order to prevent / limit the spread of the SARS-Cov-2 virus (COVID 19), the company BIOFARM S.A. encourages its shareholders to express their voting rights by using the alternative of the vote by correspondence or the transmission of the documents by electronic means (using the extended electronic signature incorporated according to Law no. 455/2001 on the electronic signature, republished) at the e-mail addresses **mihaela.ion@biofarm.ro or roxana.stanciu@biofarm.ro.**

C.1. Direct voting within the O.G.M.S./E.G.M.S.

The access of shareholders entitled to attend the general meeting of shareholders is allowed by simply proving their identity, made in case of natural person shareholders with the identity document or, in case of represented legal person shareholders and natural person shareholders, with the empowerment given to the natural person representing them – except for the legal representative (who also is to present the identity document), in compliance with the applicable legal provisions and with the provisions contained in this convening notice.

In case of legal person shareholders or of entities without legal personality, the quality of legal representative is found based on the shareholders' list from the reference date received from the Depozitarul Central S.A.. In case the shareholders' register, on the reference date, does not contain data regarding the quality of legal representative or they are not updated, this quality is proved with a confirmation of company details in original or in a certified true copy, issued by the Trade Register or any other document, in original or in a certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, attesting the quality of legal representative.

The documents certifying the quality of legal representative of the legal person shareholder shall be issued no more than 3 months before the publication date of the convening notice of the general meeting of shareholders.

Shareholders who do not have legal competence, as well as legal persons can be represented by their legal representatives, who in turn may issue an empowerment to other persons.

C.2. Representation based on a power of attorney with the O.G.M.S./E.G.M.S.

Shareholders can be represented in the O.G.M.S./E.G.M.S. through other persons, based on a special power of attorney or of a general power of attorney (empowerment).

For this type of vote, the special power of attorney forms shall be used (in Romanian or in English language) in compliance with the provisions of the applicable legislation, which will be made available by the Board of Directors of the company or by a general power of attorney drafted in compliance with the provisions of Art. 202 from Regulation No. 5/2018.

Legal person shareholders or entities without legal personality attending the O.G.M.S./E.G.M.S. through another person than the legal representative, shall necessarily use a special or a general power of attorney, under the conditions specified above.



a. Representation based on a special power of attorney

The forms of special power of attorney will be available in Romanian and in English language **starting with 27.03.2020, at 5 o'clock p.m.**, at the Company office, and on the company internet page, www.biofarm.ro. If a shareholder assigns by special power of attorney, as a proxy, another person, the form of special power of attorney for natural persons or legal persons shall be used, if necessary.

i. In case of natural person shareholders, special powers of attorney shall be accompanied by the copies of the identity documents of shareholders, who must allow their identification in the company's shareholders' register held by the Depozitarul Central S.A..

ii. The quality of legal representative of the person who signed the power of attorney is found based on the shareholders' list from the reference date received from the Depozitarul Central S.A.. In case the shareholders' register does not contain data regarding the quality of legal representative or they are not updated, this quality is proved with a confirmation of company details in original or in a certified true copy, issued by the Trade Register or any other document, in original or in a certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a period of maximum 3 months in relation with the date of publication of the convening notice of the General Meeting, which would allow identifying the legal representative.

Shareholders shall fill in and sign the special powers of attorney in three original counterparts: one for the shareholder, one for the representative and one for the company. The copy for the company, filled in, signed, as well as accompanying documents, are submitted in person or sent to the BIOFARM S.A. office of Bucharest, str. Logofatul Tautu, nr. 99, sector 3, postal code 031212, **until 26.04.2020, at 12 o'clock for O.G.M.S., respectively until 26.04.2020, at 1 o'clock for E.G.M.S.** in a sealed envelope, with the mention in print and in capital letters: «FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 28/29.04.2020» or sent on the e-mail addresses mihaela.ion@biofarm.ro or roxana.stanciu@biofarm.ro until the same dates and times, with the extended electronic signature embedded according to Law No. 455/2001 on electronic signature - republished, under the sanction of losing the voting right.

A shareholder is forbidden to express different votes based on the shares held by him/her at the same company.

A shareholder gives within the special power of attorney form specific voting instructions to the person representing him/her, for each item on the agenda of the General Meeting of Shareholders.

If by the empowerment, several alternate representatives are appointed, the order in which they will exercise their mandate will be established as well.

A person acting as the representative may represent several shareholders, the number of shareholders thus represented being unlimited. If a representative holds different empowerments conferred by several shareholders, he/she is entitled to vote for a shareholder differently as compared to the vote for another shareholder. The person representing several shareholders based on empowerments, expresses the votes of the represented persons by summing up the number of votes "for", "against" and "abstention" without compensating them



(for example, in item x from the agenda, I am representing "a" votes "for", "b" votes "against" and "c" "abstention"). In the case of special empowerments, the votes thus expressed are valid based on copy 3 of the special empowerment.

Special powers of attorney shall be updated in case proposals to complete the agenda shall be made by shareholders.

In all cases, natural persons empowered by special power of attorney will be identified with the identity deed at the O.G.M.S./E.G.M.S.

b. Representation based on a general power of attorney (empowerment)

Shareholders may issue a general power of attorney (empowerment) valid for a period of time that must not exceed 3 (three) years, allowing the assigned representative to vote in all the aspects under debate of the Company's General Meeting of Shareholders, provided that the general power of attorney (empowerment) is issued by the shareholder, as the customer, to an intermediary, as defined according to art. 2 line (1) point 20 of Law No. 24/2017, or to an attorney-at-law.

In the case of general empowerments, the person acting as the representative shall not present in the general meeting of shareholders any proof regarding the vote of the represented persons.

The general empowerment must contain at least the following information:

- a. shareholder's name/designation;
- b. representative's name/designation (the person whom the power of attorney is granted to);
- c. date of the empowerment, as well as its validity period, complying with the legal provisions; empowerments bearing a later date have the effect of revoking the powers of attorney previously dated;
- d. specifying that the shareholder authorizes the representative to attend and vote on his/her behalf by the general empowerment at the General Meeting of Shareholders for the entire holding of the shareholder on the reference date, with express specification of the company(ies) for which the respective general empowerment is used.

The general empowerment shall terminate by:

- (i) a revocation written by its principal shareholder, sent to the issuer no later than the deadline for submitting the empowerments, applicable to an extraordinary or ordinary general meeting, held within the mandate, drafted in Romanian language or in English language; or
- (ii) losing the quality of shareholder of the principal on the reference date applicable to an extraordinary or an ordinary general meeting of shareholders, organised within the mandate; or
- (iii) losing the quality of intermediary or of attorney-at-law of the representative.

The general empowerment shall be signed by the shareholder and accompanied by a



statutory declaration given by the legal representative of the intermediary or by the attorney-at-law who received the power of representation by the general empowerment, showing that:

(i) the empowerment is granted by the respective shareholder, as the customer, to the intermediary or, where appropriate, to the attorney-at-law;

(ii) the general empowerment is signed by the shareholder, including by attaching an extended electronic signature, where appropriate.

The declaration provided above must be submitted with the BIOFARM S.A. Company in original, signed, without fulfilling other formalities in relation to its form. The declaration is submitted together with the general empowerment.

Shareholders cannot be represented in the General Meeting of Shareholders, based on a general power of attorney (empowerment), by a person who is in a situation of conflict of interests, in compliance with the provisions of art. 92 line 15 of Law No. 24/2017.

General powers of attorney (empowerments), before their first use, are submitted to the company 48 hours before the General Meeting, in copy, comprising the mention of conformity with the original under the representative's signature or sent on the e-mail addresses mihaela.ion@biofarm.ro or roxana.stanciu@biofarm.ro until the same date and time, with the extended electronic signature embedded according to Law No. 455/2001 on electronic signature - republished, under sanction of losing the voting right. Certified copies of the general powers of attorney (empowerments) are retained by the company, a mention being made in this regard in the O.G.M.S./E.G.M.S. protocol.

In case the person empowered by a general power of attorney (empowerment) is a legal person, he/she may exercise his/her mandate received through any person who is part of the administration and management bodies, or through any of his/her employees, presenting documents proving their quality, in original or in a certified true copy.

In all cases, legal persons empowered by a general power of attorney (empowerment) shall be identified with the identity document at the O.G.M.S./E.G.M.S..

C.3. Vote by mail within the O.G.M.S./E.G.M.S.

The shareholders of the Company S.C. BIOFARM S.A. registered on **the reference date of 16.04.2020**, in the shareholders' register issued by Depozitarul Central S.A. have the possibility to vote by mail, before the Ordinary General Meeting of Shareholders/Extraordinary General Meeting of Shareholders, by using ballots by mail made available by the company.

The forms of ballots by mail shall be available in Romanian and in English language, starting with the date of **27.03.2020, at 5 o'clock p.m.**, at the Company office, and on the company website, www.biofarm.ro.

i. In case of vote by mail of natural person shareholders, the voting forms by mail shall be accompanied by the copies of shareholders' identity documents, which must allow their identification in the company's shareholders' register, held by Depozitarul Central S.A. and, if the case may be, copies of the identity documents of legal representatives (in the case of natural persons without legal competence or with limited legal competence), together with the proof of legal representative;



ii. In case of vote by mail of legal person shareholders or of entities without legal personality, the quality of legal representative is found based on the shareholders' list from the reference date received from the Depozitarul Central S.A.. In case the shareholders' register does not contain data regarding the quality of legal representative or they are not updated, this quality is proved with a confirmation of company details in original or in a certified true copy, issued by the Trade Register or any other document, in original or in a certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a period of maximum 3 months in relation with the date of publication of the convening notice of the General Meeting, which would allow identifying the legal representative.

Documents that certify the quality of legal representative, drafted in a foreign language other than English language shall be accompanied by a translation performed by a sworn translator in Romanian or in English language.

Voting by mail can be expressed by a representative only when he/she received from the shareholder whom he/she represents a special/general empowerment, which is submitted to the issuer, in compliance with art. 92 line 14 of Law No. 24/2017.

The ballot by mail form, in Romanian or in English language, in a written format, as well as accompanying deeds shall be submitted/sent and registered at the office of BIOFARM S.A. Company of Bucharest, str. Logofatul Tautu, nr. 99, sector 3, postal code 031212, in original, filled in and signed, **until 26.04.2020, at 12 o'clock p.m. for O.G.M.S., respectively until 26.04.2020, at 1 o'clock p.m. for E.G.M.S.**, in a sealed envelope, with the written mention in print and in capital letters: «FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS/EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 28/29.04.2020» or sent on the e-mail addresses mihaela.ion@biofarm.ro or roxana.stanciu@biofarm.ro until the same dates and times, with extended electronic signature embedded according to the Law No. 455/2001 on electronic signature - republished, under the sanction of losing the voting right.

Forms of ballots by mail shall be updated in case proposals to complete the agenda shall be made by shareholders.

Shareholders who vote by mail shall correctly exercise their voting right, so that for each subject on the agenda and in the ballot to expressly and clearly result his/her vote option. In case in one or more subjects from those recorded on the ballot there will be several options, they are illegible, or conditionally cast or other ballots forms were used, the votes afferent to those items shall be considered void, for the reason of vitiated expression of the consent.

Voting forms which are not received at the office of the BIOFARM S.A. Company until the dates and times above mentioned shall not be taken into consideration for establishing the quorum and the majority in the Ordinary General Meeting of Shareholders/Extraordinary Meeting of Shareholders.

If the shareholder who cast his/her vote by mail personally attends or attends through a representative the O.G.M.S./E.G.M.S., the vote cast by mail shall be cancelled. In this case, only the vote cast in person or by the representative shall be considered. If the person representing the shareholder by participation in person at the O.G.M.S./E.G.M.S. is another person than the one who cast his/her vote by mail, then, for the validity of his/her vote, he/she shall present at the O.G.M.S./E.G.M.S. a written revocation of the vote by mail signed by the shareholder or by the representative who cast the vote by mail. This is not necessary if the shareholder or his/her legal representative is present at the General Meeting.



Starting with 27.03.2020, at 5 o'clock p.m., the documents, information materials, draft resolutions in relation with the Ordinary General Meeting of Shareholders/Extraordinary General Meeting of Shareholders, under the conditions of the legislation in force, can be consulted and obtained by shareholders from the Company website, www.biofarm.ro, or from the Legal Service – Shareholding, at the Company office, during business days, between 10 o'clock a.m. – 4 o'clock p.m..

Further information can be obtained at the office of BIOFARM S.A. or at the telephone number 021.301.06.87, during business days, between 10 o'clock a.m. – 4 o'clock p.m..

All the documents for the Ordinary General Meeting of Shareholders/Extraordinary General Meeting of Shareholders can be submitted at the Company office during the business days between 10 o'clock a.m. – 4 o'clock p.m..

B.D. CHAIRMAN

Andrei HREBENCIUC

