2025 1st Semester Report

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; **biofarm.ro**

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

BIOFARM®

Table of Contents

INDEPENDENT AUDITOR'S REPORT 1

DIRECTORS' REPORT 4
1. Analysis of the Commercial Company Activity 4
1.1. General Assessment Elements: 5
1.2. Assessment of the Technical Level of the Commercial Company 7
1.3. Evaluation of the Technical-Material Supply Activity (Indigenous Sources, Import Sources) 9
1.4. Evaluation of the Sales Activity 9
1.5. Assessing the aspects related to the employees/personnel of the commercial company 10
1.6. Evaluation of the Research and Development Activity 17
1.7. Evaluation of the Activity of the Commercial Company regarding Risk Management 17
1.8. Elements of Perspective regarding the Activity of the Commercial Company 19
2. Tangible Assets of the Commercial Company 21
2.1. Specifying the location and characteristics of the main production capacities in the property of the commercial company. Description and analysis of the degree of wear of the properties of the commercial company 21
2.2. Specifying the potential issues related to the property right over the tangible assets of the commercial company 22
3. Market of securities issued by the commercial company 22
4. Management of the Commercial Company 23
5. Financial-Accounting Statement 27
5.1. Assets, Liabilities and Equity Statement 27
5.2. Income and Expenses Statement 27
5.3. Cash flow: 28
6. Semester Report on Corporate Governance 28
6.1. Corporate Governance Structures 29
6.1.1. General Meetings of Shareholders 29
6.1.2. Board of Directors 29
6.2. Rights of Shareholders 37
INDIVIDUAL FINANCIAL STATEMENTS 39
Statement of Individual Comprehensive Income 40
Statement of Individual Financial Position 41
Individual Cash Flows Statement 43
Individual Statement of Changes in Equities 44
Explanatory notes to the individual financial statements: 45
1. GENERAL INFORMATION 45
1.1. General Information 45
1.2. Corporate Governance Structures 45
2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT 47
2.1. Bases of Assessment 48
2.2. Functional and Presentation Currency 48
2.3. Significant Accounting Valuations and Estimates 48
2.4. Presentation of Financial Statements 49
2.5. Going Concern Principle 50
2.6. Intangible Assets 50
2.7. Tangible Assets 50
2.8. Investment property – IAS 40 52
2.9. Inventories 53
2.10. Financial Assets 54
2.11. Financial Debts 57
2.12. Recognition of Income and Expenses 58
2.12.1. Recognition of Income 58
2.12.2. Recognition of Expenses 58
2.13. Provisions – IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" 58
2.14. Employees Benefits – IAS 19 Employees Benefits 59

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2.15. Deferred Tax - IAS 12 ... 59
2.16. Dividends ... 60
2.17. Capital and Reserves ... 60
2.18. Financing Costs ... 60
2.19. Earnings per Share ... 61
2.20. Affiliated Parties ... 61
2.21. Segment Reporting ... 62
2.22. Modifications brought to the Accounting Policies ... 62
3. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT ... 67
4. INCOME FROM CONTRACTS WITH CLIENTS ... 73
5. RAW MATERIALS, CONSUMABLES AND GOODS ... 74
6. PERSONNEL EXPENSES ... 74
7. OTHER OPERATING EXPENSES ... 75
8. NET FINANCIAL INCOME ... 75
9. CORPORATE TAX EXPENSES ... 76
10. EARNINGS PER SHARE ... 77
11. TANGIBLE ASSETS ... 78
12. INVESTMENT PROPERTY ... 80
13. INTANGIBLE ASSETS ... 81
14. INVENTORIES ... 81
15. TRADE AND OTHER RECEIVABLES ... 81
16. CASH AND CASH EQUIVALENTS AND BANK TERM DEPOSIT ... 82
17. TRADE AND OTHER PAYABLES ... 83
18. DEFERRED TAX ... 84
19. OTHER PROVISIONS ... 85
20. SHARE CAPITAL ... 85
21. INFORMATION REGARDING THE REPURCHASE OF OWN SHARES ... 85
22. RESERVES ... 85
23. RETAINED EARNINGS ... 86
24. CURRENT PROFIT DISTRIBUTION FOR 2025 ... 87
25. CONTINGENT LIABILITIES ... 87
26. COMMITMENTS ... 87
27. INFORMATION ON THE AUDIT OF FINANCIAL STATEMENTS ... 87
28. AFFILIATED PARTIES ... 87
29. SUBSEQUENT EVENTS ... 87

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

DIRECTORS' REPORT
BIOFARM SA for the 1st Semester of 2025
Report according to: F.S.A. Regulation No. 5/2018 – Annex 15

For the fiscal year: **2025**
Date of the report: **30.06.2025**
Name of the commercial company: **Biofarm S.A.**
Registered office: **Bucharest, No. 99 Logofătul Tăutu Street, 3rd District**
Telephone/fax number: **021.301.06.21 / 021.301.06.24**
Unique registration code at the Trade Register Office: **RO 341563**
Order number with the Trade Register: **J1991000199407**
Regulated market on which the issued securities are traded: **BSE**
Subscribed and paid-up share capital: **lei 98,537,535**
The main characteristics of the securities issued by the commercial company: **dematerialized registered shares**

1. Analysis of the Commercial Company Activity

Description of the basic activity of the commercial company:

BIOFARM S.A. has its registered office in No. 99 Logofătul Tăutu street, Bucharest 3 and has as a main activity object the production and marketing of medicines for human use, NACE code 2120 "Manufacture of pharmaceutical preparations".

Biofarm S.A. holds the Certificate on compliance with good manufacturing practice issued by the National Agency for Medicines and Medical Devices of Romania for the manufacturing site located in No. 99 Logofătul Tăutu street, Bucharest 3:

- ✓ non-sterile products – soft capsules, liquids for external use, liquids for internal use, tablets, other solid dosage forms: sugar-coated tablets, film-coated tablets;
- ✓ herbal products;
- ✓ tests for physical and chemical quality control.

Biofarm SA holds the Certificate on compliance with good manufacturing practice issued by the National Agency for Medicines and Medical Devices of Romania for the manufacturing site located in No. 202-232 Drumul Gura Bădicului street, Bucharest 3:

- ✓ non-sterile products – soft capsules, tablets, other solid dosage forms: sugar-coated tablets, film-coated tablets;
- ✓ herbal products;
- ✓ tests for quality control (microbiological – without sterility and physicochemical tests);
- ✓ manufacturing operations of drugs for clinical investigation - non-sterile products (soft capsules, film-coated tablets, tablets).

Through our day-to-day activities, we ensure upon complying with the requirements of the Good Manufacturing Practice Rules in the pharmaceutical industry.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

In February 2025, the second surveillance audit took place, as part of the certification, in accordance with the requirements of the ISO-13485:2016 standard for medical devices. The audit ended without observations or recommendations, which proves that Biofarm has implemented and maintains a robust quality management system.

The subscribed share capital of the company on 30 June 2025 was of lei 98,537,535, the nominal value of a share being of lei 0.1/share.

The shareholding structure on 30.06.2025 was the following:

Shareholder	**Shares**	**Percentage (%)**
LONGSHIELD INVESTMENT GROUP S.A., BUCHAREST	509,229,185	51.6787
LION CAPITAL S.A., ARAD	362,096,587	36.7470
Natural Persons	102,560,501	10.4083
Legal Persons	11,489,077	1.1660
Total	**985,375,350**	**100**

Specification of the date of establishment of the commercial company;

BIOFARM S.A. was established by the Government Decision No. 1224 of 23.11.1990.

Description of any significant merger or reorganization of the commercial company, of its branches or controlled companies, during the fiscal year;

On 30.06.2025, the company had the following working points:

- ✓ Bucharest, No. 99 Logofătul Tăutu Street, 3rd District, registered office;
- ✓ Bucharest, No. 42-44 Iancu de Hunedoara Boulevard, 1st District, tax identification number 14008268;
- ✓ Bucharest, No. 202-232 Drumul Gura Bădicului Street, 3rd District, tax identification number 30037915.

1.1. General Assessment Elements:

Market share held:
BIOFARM S.A. is one of the first manufacturers of drugs and food supplements.

By an uninterrupted activity of over 100 years, with experience in research and development, Biofarm S.A. enables itself to innovate and launch new and improved products at a rapid pace to meet the needs of its customers and stay at the top of the market.

Currently, BIOFARM S.A. is among the top 10 active companies on the Romanian pharmaceutical market, in terms of units sold, a dynamic and highly competitive market. Thus, the company is dedicated to constantly improving the quality of its products and complying with international quality and safety standards, which provides safety, health and comfort to patients in Romania and in the countries in which we operate.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Biofarm S.A. owns two drug factories in Bucharest and one product testing and development unit, and its portfolio of over 100 products covers the most important therapeutic areas in the Consumer Healthcare division (digestive & metabolic, respiratory & ENT, cardiovascular & circulatory, nervous system, vitamins).
In the first 6 months of 2025, Biofarm S.A. occupied 2nd[1] place on the Consumer Healthcare (CHC) segment, in terms of the number of units sold and 7th place in value, as compared to the purchase price of pharmacies.

Biofarm is the market leader by volume in the reference categories of 6 of its brands: Bixtonim, Colebil, Triferment, Extravalerianic, Carmol and Carbocit.

At the same time, in the first six months of 2025, an important contribution to Biofarm's performance was generated by the increase in sales of active brands in the most important CHC categories from a potential point of view – cold & flu and pain management.

The continuous development of new products, constantly adapted to the continuous diversifying needs of consumers, is one of the growth pillars of Biofarm company.

In the first six months of 2025, a new drug, two new products were launched for consumers in the pain management category, Biofen Plus, one of the categories with the largest absolute increases in value as compared to the similar period of 2024 and Magnefort B6, orodispersible granules in the magnesium supplements category.

Biofarm's strategy will focus on three main directions. First, there will be an emphasis on optimizing production capacities, in order to more efficiently use existing infrastructure and increase production volume.

Also, expansion into international markets will be a priority, as Biofarm will diversify its geographical portfolio and find new partnership opportunities.

In parallel, Biofarm will continue to invest in innovation and research and development, with the purpose of launching new products that meet the ever-changing needs of consumers.

The continuous development of new and revolutionary products is one of the key growth pillars of Biofarm S.A., which will strengthen the company's leading position in the pharmaceutical industry.

In parallel, Biofarm will continue to invest in innovation and research and development, with the purpose of launching new products that meet the ever-changing needs of consumers.

The continuous development of new and revolutionary products represents one of the key growth pillars of Biofarm S.A., which will consolidate the company's leading position in the pharmaceutical industry.

[1] Data source: IQVIA - Market reporter (pharmacy sales to end consumers)

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Net sales revenues achieved in the first six months of 2025 were of lei 162,908,450, up 15% compared to the same period of 2024.

Analysed in their structure, the main operating expenses are presented as follows:

Operating expenses	For the 6-month period ending on 30 June 25	30 June 24
Raw materials, consumables and goods	24,398,766	24,772,957
Personnel expenses	28,350,211	26,386,313
Depreciation	8,620,539	8,430,453
Other operating expenses	49,477,008	38,841,041
Total	**110,846,524**	**98,430,764**

The net operating result for the first six months of 2025 is increasing by approximately 16%, as compared to the similar period last year while the company's net profit recorded the same increase of approximately 16%.
The current profit tax expense in the first semester of 2025 was in the amount of lei 6,505,196 as compared to lei 4,097,498 recorded during the similar period of 2024.

Liquidity and money available in the account

On 30 June 2025, the general liquidity rate was 4.02, increasing as compared to the previous year, mainly due to the increase in current assets. Cash availability on 30 June 2025, pursuant to the balance sheet, represents money deposited into current bank accounts or in deposit accounts with Romanian banks.

1.2. Assessment of the Technical Level of the Commercial Company

Description of the main products realized and/or services provided:

a) main markets for each product or service and distribution methods

The sales of Biofarm S.A. products are mostly made to 6 local distributors, this segment representing approximately 98% of the total Biofarm sales both in volume and in value.

The extremely varied products portfolio held by BIOFARM company requires a complex approach from the point of view of media strategy, promotion and distribution.

Thus, Biofarm S.A. has a team specialized in the promotion of own products in the most important pharmaceutical chains and a promotion team specialized in supporting visits to medical doctors through integrated marketing, media and commercial campaigns for the purpose of increasing the degree of recognition of Biofarm products portfolio among healthcare professionals.

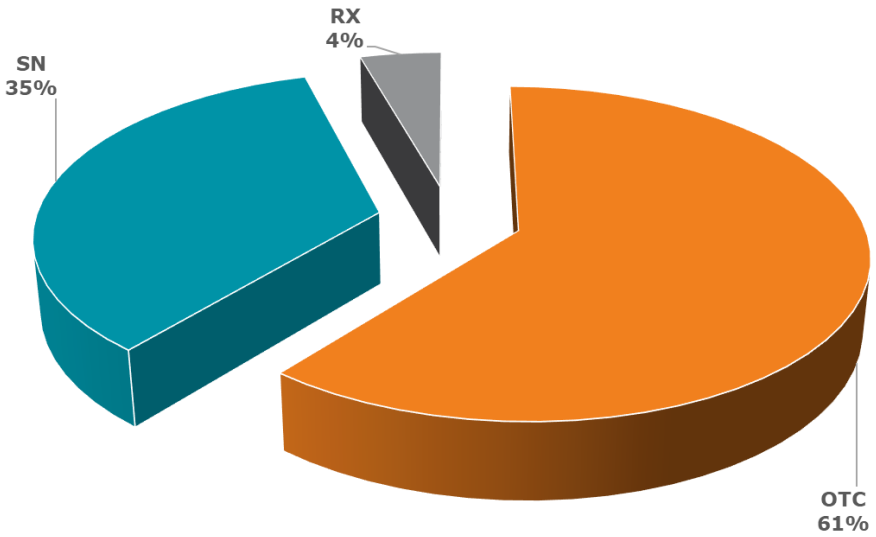
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

b) share of each category of products or services in the revenues and in the total turnover of the commercial company

The share, in (RON) value, of the three categories of products manufactured by Biofarm S.A. over-the-counter drugs ("OTC"), food supplements ("SN") and prescription drugs ("RX") is the following: over-the-counter drugs (OTC) have a share of 61%, food supplements (SN) have a share of 35% from the company portfolio, and the share of prescription drugs (RX) is of 4%.

Share of categories of products in Biofarm portfolio - value



c) new products envisaged for which a substantial volume of assets will be allocated in the next fiscal year, as well as the stage of development of these products.

Biofarm focuses on supporting strategic brands and developing a diversified product portfolio, tailored to the complex health needs of consumers. Investments will be strategically directed, taking into account the growth stage and potential of each brand and product category in which it operates.

Innovation remains the central element of Biofarm's development, aiming at the continuous development of the product portfolio, either through line extensions adapted to the increasingly sophisticated needs of the modern consumer, or through new products in categories with high business potential. The new product development center is considered the main growth engine of the company, as a result, for the next 5-7 years, there is a consistent innovation plan covering a diversified spectrum of therapeutic areas.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

1.3. Evaluation of the Technical-Material Supply Activity (Indigenous Sources, Import Sources)

The main objectives of the supply activity were:

- keeping acquisition costs under control;
- due to global price increases, it was decided to create safety stocks for raw materials and primary packaging materials;
- identification of new potential partners;
- reanalysis and renegotiation of contracts/commercial conditions offered by suppliers to reduce prices in some raw materials and materials;
- increasing the payment terms of internal and external suppliers to obtain longer credit periods.

The main suppliers of raw materials and packaging were re-evaluated to ensure the best possible added value for the company, a quality-price ratio being thus obtained, but also the optimal payment conditions for the company. Additionally, Biofarm identified a series of new alternative manufacturers with whom we will start the collaboration after the necessary approvals from relevant authorities.

1.4. Evaluation of the Sales Activity

a) Description of the evolution of sales on the internal market and/or external market and of medium- and long-term sales prospects

The turnover achieved by Biofarm S.A. in the first semester of 2025 from the sale of finished products and goods was in the amount of lei 162,908,450. This turnover is generated mainly from sales of end products directly to the main pharmaceutical distributors (for internal market) by the outlet of Bucharest, str. Drumul Gura Bădicului nr. 202-232, sector 3, Bucharest or from the MSL Logistic Services Distribution SRL warehouse, No. 93 Rudeni Street, C3 module, Chitila, Ilfov.

In the first semester of 2025, the share of export sales represented approximately 2.2% from the total net sales of Biofarm SA. The company's products were exported to 6 countries: Albania, Azerbaijan, Jordan, Malta, Republic of Moldova and Hungary.

b) Description of the competitive situation in the activity field of the commercial company, of the share on the market of products or services of the commercial company and of the main competitors;

During recent years, the pharmaceutical industry, but not only, faced multiple challenges. From the sanitary crisis caused by the pandemics to the rising costs of energy, raw materials, packaging, supply chain problems in terms of raw materials and packaging, as well as the lack of products to treat cold and flu symptoms. In this context, Biofarm S.A. achieved great results and was able to secure the necessary stocks and help cover the shortfall of cold and flu products by efficiently managing production and distribution.

Increasing competition and the entry of international players into the market is also a challenge. To cope, Biofarm S.A. has invested over 44 million euros, to date, in one of the most modern pharmaceutical factories in Romania, which covers an impressive area of over 10,000 square meters and has four production streams – tablets / film-coated tablets / sugar-coated tablets, soft capsules, solutions and syrups. This state-of-the-art factory is a key element in achieving the company's

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

strategic goals, which include portfolio development through line extensions, new product launches and expansion into foreign markets.

Biofarm is dedicated to providing high-quality products, and this production facility allows it to strengthen its market position and expand its activity into new territories.

Care and respect for consumers and Biofarm S.A. team are values we believe in and every time we have shown that these principles are confirmed by tangible facts.

c) Description of any significant dependence of the commercial company on a single customer or on a group of customers whose loss would have a negative impact on company's revenues

Biofarm S.A. company has sales contracts concluded with the main distributors on the pharmaceutical market, who have a good sales power in pharmacies.

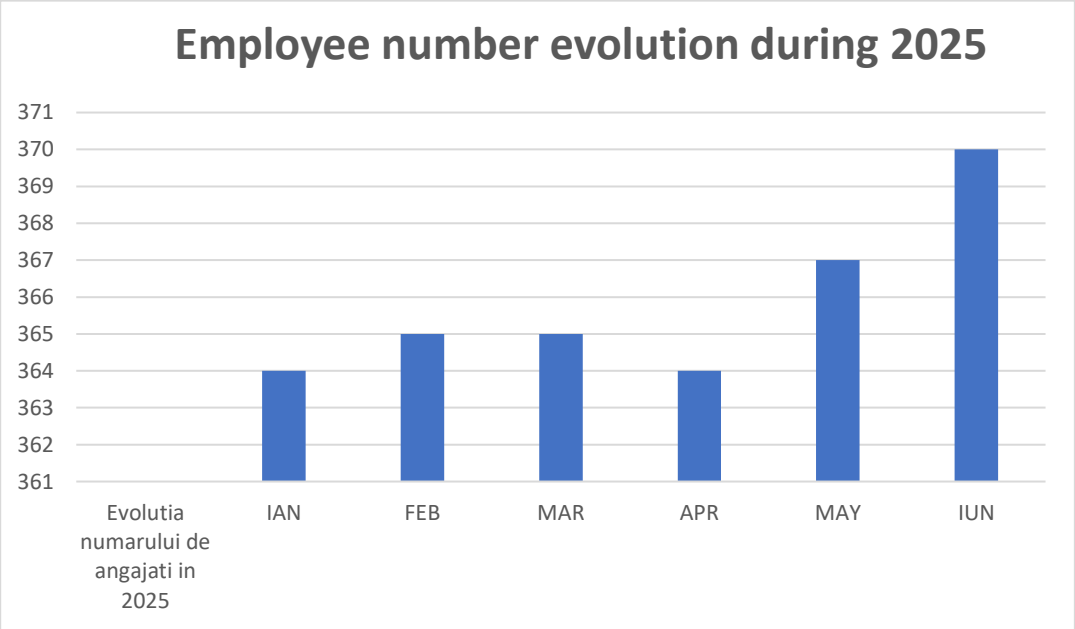
In the first semester of 2025, Biofarm S.A. had contracts concluded with the main distributors on the drugs and food supplements market, which generated a total of approximately 98% from the turnover.

1.5. Assessing the aspects related to the employees/personnel of the commercial company

In the first six months of 2025, Biofarm S.A. had an average number of 365 employees.

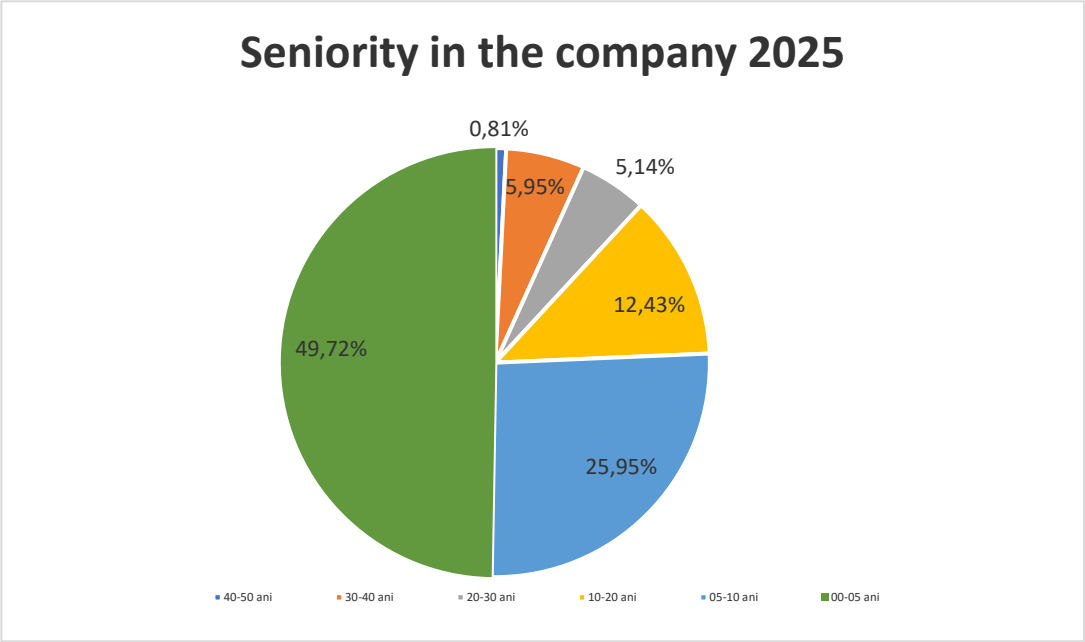
General Information

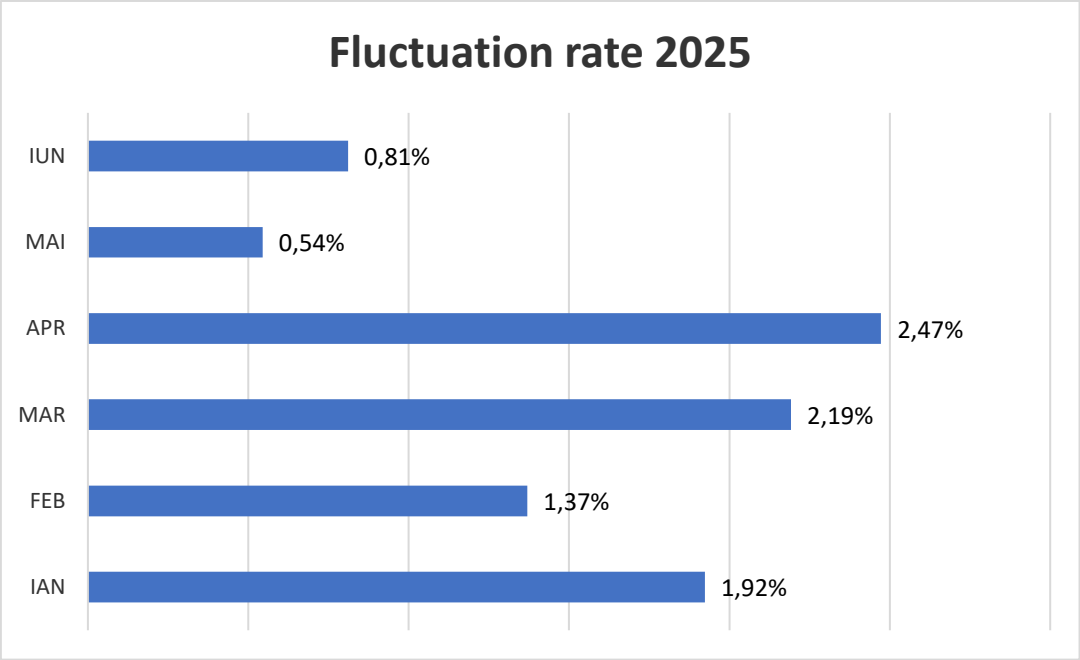
Personnel demographic indicators:



No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch





No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Main directions of activity:

1. Recruitment and Selection

The recruitment and selection process continued to be a priority for the Human Resources Department throughout 2025 as well. In line with the company's mission, vision and values, the recruitment and selection process aimed to attract new employees to strengthen the company's organizational structure. The main challenge continued to be identifying candidates with experience in the pharmaceutical market, who were suitable for the available roles. In order to manage these challenges, the Human Resources Department had, again in 2025, various resources and options at its disposal, so as to reach as many candidates as possible, to meet as many people as possible in interviews, in order to identify "the right person at the right place".

2. Training and Development

The training programs designed for 2025 are meant to respond to the development and learning needs of our colleagues, so as to bring a significant contribution to their performance. The integration plan of the new employees has the role of ensuring the accommodation of newcomers in the team and company, but also of their retention in the medium and long term, thus, in addition to the integration plan, the training and development programs come to complete the knowledge, skills and abilities of the company's employees so that they can perform and bring maximum results. As every year, the GMP, Risk Management, Pharmacovigilance, Data Protection and Competition trainings are a priority for Biofarm S.A. employees, and they take place according to the annual plans.
The training programs are provided using both internal resources and specialized training and development companies.

3. Future Directions of Action

The Human Resources Department is a strategic partner for the company, which contributes to the achievement of organizational objectives and to the increase of employee performance through the permanent improvement of human resources processes and policies, and by adapting to the trends of the business environment in which we operate.
For performance, it is necessary to keep key employees and at the same time to attract candidates who can easily integrate into our team and together contribute to a safe working environment and a healthy organizational culture that ensures all the prerequisites for exceptional results. The learning programs played an important role in 2025 as well, contributing to the permanent development of our employees.
It is important to remain a desired employer, as a result, we emphasize a healthy organizational culture that attracts talented and willing candidates to work within our company. We will continue to organize practice programs for pupils and students from high schools and specialized faculties to meet both their learning needs, and above all, those who later wish to work with us, as well as other projects of interest for employees and the company.

In the context of increased competitiveness on the labour market and workforce mobility, a strong employer brand is the key to keeping and attracting the best specialists.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

4. Aspects regarding Occupational Safety and Health

The management at the highest level of the Company, in compliance with the provisions of Law 319/2006 on occupational safety and health, of the Methodological norms of application, allowed the continuous monitoring of performances of the occupational health and safety system and the performance of the necessary corrections, PPE quality, improvement of work conditions and the Occupational Safety and Health instructions.

Information and training of workers:

- ✓ Permanent provision of the OSH and ES training activity, introductory-general employment, on-the-job training and periodic training for all employees, according to the legal provisions (OSH - Law 319/2006 on occupational health and safety, Methodological norms for the application of law).
- ✓ The introductory-general training and testing of the new employees were carried out, according to the legal provisions.
- ✓ Regular training is continued for both employees and collaborators.
- ✓ The training of the persons assigned with granting first aid at the workplace and of those that are part of the intervention team in case of fire was carried out.

Microclimate:

- ✓ There was a constant concern for ensuring the legal conditions of microclimate, the speed of air currents, the noise level generated by the air conditioning system.
- ✓ We maintain control of the microclimate through information measures.

Internal inspections:

- ✓ Internal inspections were carried out at the workplaces and the necessary organizational steps were taken to eliminate (reduce) the risks of occupational injury or illness.
- ✓ Periodic checks were performed on the electrical installation.

Occupational medicine coordination:

- ✓ The collaboration with the specialized medical services was continued for the implementation of the medical supervision program upon employment and periodically, for the entire personnel;
- ✓ The monitoring of health and of the work capacity of employees was maintained, for preventive and corrective purposes, by the performance of periodic analyses;
- ✓ Specialized monitoring was performed for the mentions in the skills assessment reports;
- ✓ All these measures highlight the permanent involvement of management and the Prevention and Protection Service.

Events reported in the first six months of 2025

- ✓ Work accidents – 0;
- ✓ Minor accidents, which resulted in incapacity for work for a period of less than 3 days – 0;
- ✓ Dangerous incidents – 0;
- ✓ Occupational diseases – 0.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

5. *Aspects related to Emergency Situations*

The aspects related to Emergency Situations are a permanent concern of the Company, meaning that during the first six months of 2025, measures were taken in accordance with the legal provisions, as follows:

- The authority and specific fire protection documents have been updated, according to the provisions of art. 19 of Law 307/2006 and art. 17-18 of OMAI No. 163/2007 regarding:
  - ✓ provisions for the appointment of personnel with attributions in the field;
  - ✓ organizing the training of the employed staff;
  - ✓ planning the execution of own controls in the field of fire protection;
  - ✓ planning exercises and alarm, evacuation and intervention applications.
- Verification and maintenance works were carried out on the detection and alarm systems in the company's workplaces, through the authorized company with which the company has a contract.
- The periodic checks of the means of first intervention (fire extinguishers) and of the internal/external hydrates were carried out.

In the first six months of 2025, the organization's continued interest and concern for environmental protection activities was maintained in order to minimize the impact on environmental factors, which allows the management to identify and control the impact of all the activities, products or services provided.
Within the development of new manufacturing capacities, only those responsible development measures were promoted, which allow monitoring and control of the impact of the activity on environmental factors. For the emission reduction equipment from the head office (the wet/dry filtration elements for atmospheric emissions, dispersion chimneys, wastewater treatment equipment - treatment plant), the use, their operation within the designed parameters was provided. For the mentioned equipment, maintenance was carried out according to the applicable technical procedures. No environmental incidents/accidents, accidental pollution of environmental factors was recorded on this equipment or on other related equipment.

The steps to control the impact on environmental factors also continued by the payment to the Environmental Fund Administration (established according to European principles "polluter pays" and “producer’s responsibility”, in order to implement the environmental protection legislation, harmonized with the provisions of the Acquis Communautaire), of the legal obligations regarding emissions, packaging placed on the market and the purchase of hazardous chemicals for the environment.

In the first six months of 2025, the steps taken to reduce and comply with legal requirements for all environmental factors (waste, emissions, wastewater, noise) continued, which made it possible to avoid any sanctions, penalties, environmental surcharges, as well as to maintain the company's positive image as a company actively involved in environmental protection.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

A. Renewal, Updating and Maintenance of Related Documents:

Biofarm S.A. obtained the renewal/endorsement of licenses/related authorizations to be able to carry its activity according to the legal requirements during the first semester of 2025 as well.

In the first six months of 2025, the contract of transfer of responsibility for the recovery from the market of packaging (packaging waste), minimizing the environmental impact by the recovery from the market of packaging waste, according to the requirements of the legislation in force. The packaging placed on the market were declared with the Environmental Fund Administration and a fee of 2% was paid to the Environmental Fund Administration from the value of the substances classified by normative acts as being dangerous for the environment, purchased from imports.

B. Meeting the Imposed Monitoring:

In the first six months of 2025, the monitoring of environmental factors continued, in compliance with the legal obligations, both at the working point on 99 Logofătul Tăutu street, in Bucharest, and at the working point on 202-232 Drumul Gura Bădicului street, Bucharest 3 (wastewater, emissions, noise), generated waste, hazardous chemicals (owned, purchased and used). The obtained results demonstrated the compliance of the level of all environmental factors (wastewater, emissions) within the maximum allowed limits established by the legal requirements in force. Monitoring of environmental factors was performed by RENAR authorized/accredited laboratories.

C. Environmental Protection Measures, Endowments and Arrangements:

In both working points, the evacuation of powders is done only by their retention installations, so as the so that the maximum permissible concentrations provided by the regulations in force are observed, and the waste gas is discharged only through dispersion chimneys, monitoring the contents of residual gas, so as not to exceed the limit values allowed by the regulations in force.

The discharge of technological wastewater was carried out through the treatment plants in both working points, so that their content falls within the required limits.

Control and preventive maintenance works were carried out in all installations with a role in mitigating pollutant emissions to air and water (dry and wet filtration elements, but also at treatment plants in both work points from 99 Logofătul Tăutu Street and 202-232 Drumul Gura Badicului Street.

For both work points, from 99 Logofătul Tăutu Street and 202-232 Drumul Gura Badicului Street, the organizational and technological measures for a good functioning continued, with the maintenance of low energy and water consumption values (control monitoring and preventive maintenance, at the chiller installation, treatment with water conditioning solutions introduced in steam boilers and cooling installations, technical inspection of drilling and proposals for the application of technical measures to adjust operating costs).

Interest was maintained in reducing the use of hazardous chemicals in specific processes and in promoting and developing the use of raw materials, materials, preparations from renewable (biological) or biodegradable resources.

In the first six months of 2025, the implementation of the provisions of GEO 92/2021 on the waste regime continued, as further amended and supplemented, implicitly the "Waste Management" internal procedure".

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

All waste generated by the company's activity in both working points were classified and coded according to the: Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, as further amended and supplemented and selectively collected on categories and of the Commission Decision 2014/955/EU.

To be compliant with the legal requirement for the separate collection of paper, plastic waste, bins were placed in offices for the separate collection of paper, plastic waste, apart from those existing in the interior yard of the company (containers on dedicated colors: blue-paper, yellow-plastic, green-glass) and those existing on each production flow, auxiliary activity, respectively administrative.

The entire waste generated at company level in both working points were temporarily stored in a warehouse with separate spaces for all the categories of waste (recyclable, hazardous, non-hazardous waste, WEEE)/ containers for hazardous, non-hazardous and recyclable waste and prepared from the point of view of final packaging for their delivery for recovery or final disposal, to authorized economic operators, based on the contracts concluded with them.
In the first six months of 2025, we continued to selectively collect the main types of recyclable waste (paper, plastic, glass, metals).

The handling, storage and use of raw materials, solvents and fuels has been carried out in such a way as to avoid any danger of environmental pollution, in accordance with the provisions of the safety data sheets.

The vegetation on the area with the destination of green space was maintained, both from the head office and from the platform in Bucharest, No. 202-232 Drumul Gura Bădicului Street. To this latter emplacement, pre-treatment plants contributed with a significant flow of water to the need for watering green spaces.

The part intended for internal traffic was maintained, including paving with ecological tiles. Maintenance works were carried out for the sewerage network, for the connections by sanitizing them according to the Regulation for the Maintenance and Operation of water-sewerage networks.

Both at the working point on Logofătul Tăutu Street, and at the one of Drumul Gura Bădicului Street, monthly rodent control and disinsection operations were carried out, on a monthly basis, under a contract with an economic operator approved for this activity.
All the steps, the organizational and technological measures carried out, led to the maintenance of the authorizations and related documents, to the avoidance of fines and penalties.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

1.6. Evaluation of the Research and Development Activity

The portfolio of Biofarm S.A. comprises products from the following categories: drugs, food supplements, cosmetics and medical devices.

In the first six months of 2025, for the export activity, 5 MAs were recorded, and for the Romanian market, a food supplement was recorded.

Currently, Biofarm company has a portfolio of 59 drugs, 5 medical devices (3 internal + 2 external) and 234 food supplements (total notified until now).

1.7. Evaluation of the Activity of the Commercial Company regarding Risk Management

The company is exposed by its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

The overall management objective is to establish policies that try to reduce the risk as much as possible without unjustifiably affecting the competitiveness and flexibility of the Company. Additional details regarding these policies are established below:

Credit Risk

Credit risk is the risk that Biofarm SA may suffer a financial loss as a result of the non-fulfilment of contractual obligations by a client or a counterparty to a financial instrument, and this risk results mainly from the Company's trade receivables.

The company applies specific policies to ensure that the sale of products is carried out in such a way that the commercial credit granted is appropriate and continuously monitors the age of receivables. In this sense, measures were taken to verify the creditworthiness of clients and the Company's exposure to credit risk, as well as to insure claims with specialized companies. At the company level, there is a Commercial Policy, approved by the Board of Directors. In the latter, the commercial conditions of sale are clearly presented and there are conditions imposed in the selection of clients.

Biofarm SA does business only with distributors with national coverage in the pharmaceutical market. When selling for export, in all situations where it is possible, the sale is contracted with advance payment.

The collection period of net receivables is, on average, 110 days. Biofarm S.A. managed to permanently provide the necessary liquidity and solvency at high rates and will try to maintain the positive trend of the debt collection periods.

The company allows for a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor was put into liquidation or became insolvent. Allowed financial assets may still be subject to enforcement activities according to the Company's recovery procedures, considering legal advice, where appropriate. Any recoveries made are recognized in profit or loss.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Cash and cash equivalents are placed only in first-rate banking institutions, considered to have high solvency.

Liquidity Risk

Liquidity risk is the risk that Biofarm S.A. may encounter difficulties in meeting the obligations associated with financial debts that are settled in cash. The Company's approach to liquidity risk is to ensure, to the extent possible, that at all times it holds sufficient liquidity to meet its debts when they become due, both under normal and difficult conditions, without incurring significant losses or endanger the Company's reputation.
In general, the Company ensures that it owns sufficient cash at hand to cover expected operational expenses, including the payment of financial obligations.

In order to manage liquidity risk, cash flows are monitored and analysed quarterly and annually in order to establish the estimated level of net changes in liquidity.

At the end of the first six months of 2025, the company has enough liquid resources to honour its obligations in all the reasonable circumstances envisaged. A significant amount of the company's cash availability is kept in banks in the form of term bank deposits. The banks where the company owns bank accounts and term deposits are periodically analysed by the company's management.

The company has no outstanding obligations to the state budget.

Market Risk

Romanian economy is in continuous development, and there is a lot of uncertainty regarding the possible directions of politics and economic development in the future. The Company's management cannot foresee the changes that will take place in Romania and their effects on the financial statements, on the operating results and the treasury flows of the company.

Foreign Exchange Risk

Biofarm S.A. is exposed to currency exchange risk through its sales, purchases and availability which are denominated in currencies other than the Company's functional currency, however the currency in which most transactions are carried out is RON.

The currencies that expose the Company to this risk are, mainly, EUR and USD. The different results are included in the Statement of the overall result and do not affect the cash flow until the time of liquidation of the debt. As at 30 June 2025, the company holds cash, trade receivables and trade debts in foreign currency, the rest of the financial assets and financial liabilities being denominated in lei.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

1.8. Elements of Perspective regarding the Activity of the Commercial Company

a) Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the liquidity of the commercial company compared to the same period of the previous year.

Economic-financial indicators:

CAPITAL PROFITABILITY AND RETURN	**30 June 25**	**30 June 24**
Efficiency of available capital		
Profit before interest and tax (A)	53,061,893	45,894,388
Available capital (B)	498,082,497	446,754,807
A/B	**10.65%**	**10.27%**
Equity efficiency		
Net profit (A)	48,810,479	41,990,967
Equity (B)	496,525,300	445,855,457
A/B	**9.83%**	**9.42%**
Operational profit rate		
Profit before interest and tax (A)	53,061,893	45,894,388
Operating income (B)	163,908,417	144,325,152
A/B	**32.37%**	**31.80%**
Net profit rate		
Net profit (A)	48,810,479	41,990,967
Total income (B)	167,675,918	147,533,412
A/B	**29.11%**	**28.46%**
Total assets rate		
Profit before interest and tax (A)	53,061,893	45,894,388
Total assets (B)	588,942,193	526,095,886
A/B	**9.01%**	**8.72%**

SOLVABILITY	**30 June 25**	**31 December 24**
Debt rate		
Total obligations (A)	92,416,893	77,219,894
Total assets (B)	588,942,193	555,481,351
A/B	**15.69%**	**13.90%**
Rate of financial autonomy		
Equity (A)	496,525,300	478,261,457
Total assets less net current debt (B)	498,082,497	479,844,592
A/B	**99.69%**	**99.67%**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

LIQUIDITY AND WORKING CAPITAL	30 June 25	30 June 24
General liquidity rate		
Current assets	364,857,059	303,454,045
Current obligations	90,859,696	79,341,079
(A/B)	**4.02**	**3.82**
Rapid liquidity rate		
Current assets	364,857,059	303,454,045
Inventories	49,093,716	56,307,821
Current obligations	90,859,696	79,341,079
(A-B)/C	**3.48**	**3.11**
Client collection period		
Net trade receivables without VAT (A)	99,310,337	90,821,337
Net turnover (B)	162,908,450	141,164,596
(A/B)*180 days	**110**	**116**
Period of inventory immobilization		
Inventories of end products and merchandise (A)	81,125,467	91,815,161
Net turnover (B)	162,908,450	141,164,596
(A/B)*180 days	**90**	**117**
Period for suppliers' payment		
Suppliers (A)	34,237,944	27,995,374
Material and external expenses (B)	86,471,036	74,838,491
(A/B)*180 days	**71**	**67**

b) Presentation and analysis of the effects of capital, current or anticipated expenditures on the financial situation of the commercial company, as compared to the same period last year

On 30 June 2025, the situation of fixed assets held by Biofarm S.A. is presented as follows:

TANGIBLE ASSETS	**30 June 25**	**31 December 24**
Lands and constructions	73,387,527	75,334,954
Technical installations and machines	71,798,175	73,312,268
Other installations, machinery and furniture	1,341,948	1,466,076
Tangible assets under execution	50,997,548	49,056,809
TOTAL	**197,525,198**	**199,170,107**

In the first six months of 2025, the value of acquisitions of tangible assets was of lei 7,240,270.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. Tangible Assets of the Commercial Company

2.1. Specifying the location and characteristics of the main production capacities in the property of the commercial company. Description and analysis of the degree of wear of the properties of the commercial company.

The policy of Biofarm S.A. is to reassess the patrimony so that the market value does not differ significantly from the accounting value. The re-evaluation of lands being in the company patrimony was carried out by an authorized valuer, member of the National Association of Authorized Romanian Valuers (ANEVAR) on 31 December 2023.

The production activity of the company continued to be realized on the manufacturing flows, GMP (Good Manufacturing Practice) certificates, structured depending on the pharmaceutical forms that are produced and namely:

- flows of solid forms–film-coated tablets and sugar-coated tablets;
- flows of soft capsules;
- liquid flows;
- flows of chewable tablets.

Also, the flows located in No. 202-232 Drumul Gura Bădicului street, 3rd District, Bucharest, were authorized:

- flows of solid forms – film-coated tablets and sugar-coated tablets;
- flows of soft capsules;
- manufacture of drugs for human use for clinical investigation;
- liquid manufacturing flow.

Product quality is ensured by manufacturing in accordance with GMP requirements for all the company's drugs.

Quantifiable production objectives are oriented towards streamlining the activity and optimizing costs through:

- ✓ Realization of the production plan;
- ✓ Staying within the allocated budget;
- ✓ Classification into specific utility consumption per unit for each manufacturing flow.

Also, in order to achieve production, specific consumptions of raw materials, primary and secondary packaging materials were established and monitored on each manufacturing flow and on each series of manufactured products. Consumption reduction is achieved by working in campaigns and using manufacturing equipment at maximum capacity.

In addition, the consumption of utilities (electricity, drinking water, methane gas) is monitored by rationalizing the consumption in relation to the hours worked, following the repair works and isolation of the utility.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

In the first six months of 2025, the packaging of all drugs that are subject to EU Regulation 2016/161 of the Commission of 02.10.2016 supplementing Directive 2001/83/EC of the European Parliament (released with prescription) on the three packaging lines continued:

- Tablets/Soft capsules;
- Solutions;
- Syrups.

Investment in the New Factory

In the first semester of 2025, the installation of the equipment related to the solutions and syrups manufacturing lines has been completed, the equipment qualification activities have been completed and the validation of manufacturing processes continues.

2.2. Specifying the potential issues related to the property right over the tangible assets of the commercial company

On 30 June 2025, the company did not hold an ownership title over the land in use of Bucharest, No. 99 Logofătul Tăutu Street, 3rd District.

The land being in use from No. 99 Logofătul Tăutu street, Bucharest, 3rd District is not included in the financial statements of Biofarm S.A. due to the fact that the documents attesting the property were not yet obtained, there being notifications on Law No. 10/2001.

Pursuant to the provisions of Art. 1 of GD No. 834/1991, the company requested to obtain the certificate attesting the ownership right over the land for all the lands necessary to carry out the activity according to the activity object.

The value of the land for which a certificate attesting the ownership right will be obtained, will be established based on the legal provisions. With the value of the lands, the share capital of the Company will be increased, and the shares will become the state property.

3. Market of securities issued by the commercial company

Specifying the markets in Romania and other countries on which the securities issued by the company are traded.

The securities issued by Biofarm S.A. are traded exclusively on the main market, at the Bucharest Stock Exchange, Premium category, BIO symbol.

Description of the activity of the commercial company regarding the dividends. Specifying the dividends due/paid/accumulated in the last 2 years.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Profit distribution for 2023

On 31.12.2023, Biofarm S.A. recorded a net profit in the amount of lei 77,012,898, which was distributed as follows:

Dividends	30,546,636	40%
Retained earnings	46,466,262	60%
Net profit 2023	**77,012,898**	**100%**

Profit distribution for 2024

On 31.12.2024, Biofarm S.A. recorded a net profit in the amount of lei 74,396,397, which was distributed as follows:

Dividends	30,546,636	41%
Retained earnings	43,850,331	59%
Net profit 2024	**74,396,967**	**100%**

Description of any activities of the commercial company for the purchase of own shares.

Following the increase of the share capital by incorporating the profit related to 2006, a number of 8,126 shares remained, which could not be distributed according to the allocation rate. These shares were allocated by the Depozitarul Central to the company.
On 30 June 2025, Biofarm S.A. held 8,126 own shares.

If the commercial company has branches, specifying the number and the nominal value of shares issued by the parent company held by the branches.

The company has no branches in the country or abroad.

If the commercial company issued bonds and/or other debt securities, presentation of the manner in which the company pays its obligations to the holders of such securities.

Biofarm S.A. did not issue bonds or other debt securities in the first semester of 2025.

4. Management of the Commercial Company

The composition of the Board of Directors was the following:

- The Board of Directors of BIOFARM S.A. during the period 01.01.2025 – 30.06.2025 a was composed of:

- Andrei HREBENCIUC – B.D Chairman
- Bogdan Alexandru DRĂGOI– B.D. Member
- Nicușor Marian BUICĂ – B.D. Member
- Cătălin Constantin VICOL – B.D. Member
- Rachid EL LAKIS – B.D. Member

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Surname/First Name	**ANDREI HREBENCIUC**
Date of birth	27.06.1984
Professional qualification	2003 - 2007- Bucharest Academy of Economic Studies, "Faculty of General Economics"
	2007 - 2011 - Doctor of Economy, Bucharest Academy of Economic Studies
	Oversight Training Program (2009) - CNVM & US Securities and Exchange Commission
Professional experience	16 scientific articles in international databases as author and co-author
	2008 – 2011 - Graduate Assistant - Bucharest Academy of Economic Studies
	2010 – 2 published books – the prize of the General Association of Economists from Romania for the book "Iluzia. Erou si Antierou in crizele economice"
	2012 – guest professor at the Stanford University - Hoover Institute
	2012 – 2013 - Assistant Professor - Bucharest Academy of Economic Studies
	2009 – present - Managing Partner - Private Future Consulting S.R.L.
	March 2013 – present - University Lecturer - Bucharest Academy of Economic Studies

Surname/First Name	**BOGDAN ALEXANDRU DRĂGOI**
Date of birth	27.05.1980
Professional qualification	University of Tufts, Fletcher, Boston, Massachusetts Specialisation in International Relations – graduated Magna cum Laudae Specialisation in Economics – graduated Magna cum Laudae
	Member of the Golden Key Honour Society
Distinctions	National Order of the Star of Romania – Knight grade
	Sovereign Military Order of Malta – Order pro Merito Melitensi
Professional experience	2002 – 2003 – Business analyst – Inquam Limited UK
	2003 – 2004 - Associate – Inquam Limited UK
	2004 – 2006 – Vice-president/Shareholder – FocusSat SA Romania
	April – September 2006 - Counsellor of the Minister – Ministry of European Integration
	2006 – 2007 – State Secretary – Ministry of Public Finance
	2007 – 2008 – General Manager, Economic Department – City Hall of Bucharest Municipality
	2009 – 2012 – State Secretary – Ministry of Public Finance
	February 2012 – May 2012 - Minister – Ministry of Public Finance
	2012 – 2014 - Presidential Counsellor – Presidential administration
	March 2015 – Present – Chairman of the Board of Directors of LION CAPITAL SA, General Manager

Surname/First Name	**BUICĂ NICUȘOR MARIAN**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Date of birth	16.02.1975
Professional qualification	1994 - 1997 – "Politehnica" University of Bucharest, Associate Degree in Engineering, Mechanical Field of Study, Materials and Defectoscopy Specialisation
	1998 - 2003 – University of Craiova, Faculty of Economics, Degree in Economics, Economics Field of Study, Financial and Banking Management Specialisation
	16-25.09.2005 - Bucharest Chamber of Commerce and Industry and Royal Trading House SRL, Professional Sales Management Graduation Certificate
	October 2003 - March 2005 - City University, State of Washington, USA, Master of Business Administration Graduation Certificate, EMBA
	October 2017 – November 2017 – CIT Irecson Centrul de Informare Tehnologica SRL Bucharest, Graduation Certificate, Innovation Manager
Professional experience	January 1998-September 2001 – Investment Broker – Active International SA
	October 2001 – March 2005 – Development Manager - Elpreco SA
	February 2004 - 2006- Internal Control - Active International SA
	March 2005 - December 2007 – Member of the Board of Directors – executive Manager - Elpreco S.A.
	2007 – July 2009 – Leader (Deputy Manager) - Active International SA
	January 2008 – May 2009 – Business Manager – Apolodor Com Impex
	July 2010 - June 2012 – Chairman of the Board of Directors, Dunapref SA
	June 2012 - November 2012 – Counsellor of the Secretary of State, Ministry of Environment and Climate Change
	March 2013 - March 2014 – Secretary of State, Ministry of Transport
	August 2014 - December 2014 - Delegate Minister Counsellor for Budget, Ministry of Public Finance
	December 2014 - July 2015 - Member of the Board of Directors, Enel Energie Muntenia SA
	February 2015 – September 2015 – Member of the Board of Directors, CN „Loteria Română" SA
	October 2015 – April 2016 – Secretary of State, Ministry of European Funds
	June 2016 – December 2016 – Member of the Board of Directors, Swiss Capital SA
	May 2017 - present – Member of the Board of Directors, Incertrans SA
	December 2016 – December 2017 – Member of the Board of Directors, SAI Muntenia Invest SA
	December 2017 – October 2024 - General Manager, SAI Muntenia Invest SA
	September 2020 – present – Member of the Board of Directors, Biofarm SA
Surname/First Name	**VICOL CATALIN CONSTANTIN**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Date of birth	16.11.1974
Professional qualification	1997 – a graduate of the "AL. I. CUZA" University of Iași, Faculty of Economic Sciences, specialisation Company Management (Bachelor's Degree)
	2000 – a graduate of the "AL. I. CUZA" University of Iași, Faculty of Economics and Business Management, specialisation Planning and Marketing Strategy (Master's Degree)
Professional experience	1999 - 2003 - Brand Manager - Royal Brinkers Romania
	2003 - 2008 - Marketing Manager- Walmark Romania
	2008 - 2010 - General Manager- Walmark Romania
	2010 - 2016 - Regional Director (RO, BG, HU, MD) & GM Romania- Walmark Romania
	*2011 - 2016 – Chairman of P.R.I.S.A. - "Patronatul Roman al Industriei Suplimentelor Alimentare din Romania"
	2017-2018 - General Manager- Air Liquide VitalAire Romania
	2018 - present - General Manager- Biofarm S.A.

Surname/First Name	**RACHID EL LAKIS**
Date of birth	20.06.1996
Professional qualification	2014 - 2017 - University of East Anglia, UK – BSc Economics and Accounting
	2018 - 2019 - Lancaster University, UK – MSc Finance
	2020 – Continuing Professional Training Program – AS Financial Markets
	2022 - Harvard University, Executive Leadership Program
	2023 – Professional Training and Development Program for Management Positions – AS Financial Markets
	2024 – Preventing and combating money laundering - AS Financial Markets
	2024 – Operational Risk Management - AS Financial Markets
	2024 – Principles of Management – Johns Hopkins University
	2024 – Organizational Behaviour – IESE Business School
	2024 – Operations Analytics – Wharton University
	2024 – Essential of Management and Strategic Planning – University of California
	Nov. 2024 – PGCert in Board Practice and Directorship
Professional experience	2016 – Internship in the Corporate Tax Department, Bucharest - KPMG
	2017 - 2018 - Financial analyst, Bucharest - SAI Muntenia Invest S.A.
	2019 – present – Member in the Board of Directors of BIOFARM S.A.
	2019 - 2024 – Investment Analyst, Bucharest - LION CAPITAL S.A.
	2020 - present - Member in the Board of Directors, Vrancart S.A.
	2021 – present – Advisor to the General Manager – SIF1 IMGB S.A.
	2024 – 2025 – Operations Department Manager – LION CAPITAL S.A.
	2025 – present – Deputy General Manager – BIOFARM S.A.
	2025 – present – Member in the Board of Directors – LION CAPITAL S.A.

** the data in the submitted CVs are in accordance with the latest Information made available to the company by the members of the Board of Directors*

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Any agreement, understanding or family relationship between that director and another person by virtue of which that person was appointed a director:

N/A.

Participation of key persons in the company's capital (figures in RON):

Andrei Hrebenciuc – B.D. Chairman	5,000
Mirel Florica – Industrial Operations Manager	5,000

The related parties with which the company carried out its activity during the first six months of 2025 are presented in Note 28 to the Financial Statements.

5. Financial-Accounting Statement

5.1. Assets, Liabilities and Equity Statement

-Lei-

Description	30 June 25	31 December 24
Fixed assets	224,085,134	227,005,060
Current assets	364,857,059	328,476,291
TOTAL ACTIVE	**588,942,193**	**555,481,351**
Current debts	90,859,696	75,636,759
Long-term debts	1,557,197	1,583,135
TOTAL DEBTS	**92,416,893**	**77,219,894**
NET ASSETS	**496,525,300**	**478,261,457**

Share capital and reserves	30 June 25	31 December 24
Share capital	98,537,535	98,537,535
Own shares	(813)	(813)
Premiums related to the issue/redemption of own shares	(173,154)	(173,154)
Revaluation reserves	10,622,424	10,622,424
Reserves	23,350,438	23,350,438
Retained earnings	315,378,391	271,528,060
Current result	48,810,479	74,396,967
Profit distribution	-	-
TOTAL CAPITALS	**496,525,300**	**478,261,457**

5.2. Income and Expenses Statement

-Lei -

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Description	For the 6-month period ending on 30 June 25	30 June 24
Income from sales	**162,908,450**	**141,164,596**
Other operating income	449,386	322,341
Changes in inventories	550,581	2,838,215
Total operating expenses	(110,846,524)	(98,430,764)
Operating profit/(loss)	**53,061,893**	**45,894,388**
Net financial income/(costs)	3,767,501	3,208,260
Profit before tax	**56,829,394**	**49,102,648**
Expenses with taxes	(8,018,915)	(7,111,681)
Net profit	**48,810,479**	**41,990,967**

5.3.Cash flow:

-Lei-

Description	For the 6-month period ending on 30 June 25	30 June 24
Initial balance	**61,843,963**	**20,660,190**
Cash within the basic activity	65,840,083	32,528,020
Cash within the investments activity	58,954,229	19,930,664
Cash within the financing activity	(61,995)	(43,865)
Final balance	**186,576,280**	**73,075,009**

6. Semester Report on Corporate Governance

The Corporate Governance Chapter of the Directors' Report was prepared taking into account the applicable legislation such as: Regulation No. 5/2018 on issuers of financial instruments and market operations, as further amended and supplemented, Law No. 297/2004 on capital market, as further amended and supplemented, Law No. 24/2017 on issuers of financial instruments and market operations, Republished, as further amended and supplemented, Companies Law No. 31/1990, Republished, as further amended and supplemented etc.

The company elaborated a Corporative Governance Regulation which is posted in updated form on the company website www.biofarm.ro in the Corporate Governance/Relationship with Investors section – Regulations and Regulations of advisory committees sub-section. The purpose of adopting the Corporate Governance Regulation is to ensure transparency, the rights of shareholders and third parties, as well as the company credibility.

Biofarm S.A. will permanently improve the activity of Corporate Governance and will seek to fulfil all the applicable legal provisions in the future as well.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

6.1. Corporate Governance Structures

6.1.1. General Meetings of Shareholders

The General Meeting of Shareholders is the supreme decision-making body of the Company. General Meetings are: Ordinary and Extraordinary.

According to the Decision of the General Meeting of Shareholders No. 68/24.04.2012, the procedure to carry out the General Meetings of Shareholders was approved. The procedure to carry out the G.M.S. shall be modified or supplemented, as appropriate, with the legislative provisions in force on the date of each General Meeting of Shareholders individually. If there are differences between the provisions of the procedure and the applicable legislation, the legislation in force shall be applied.

The procedure regarding the exercise of the voting right by the shareholders of Biofarm S.A. company within the General Meetings of Shareholders, in an updated form (on 10.11.2022), is posted on the Company website in the Corporate Governance/Relationship with Investors section – Policies sub-section.

6.1.2. Board of Directors

The company is managed by a Board of Directors consisting of 5 members. From among the B.D. members, the B.D. Chairman is chosen. Directors shall be chosen by the Ordinary General Meeting of Shareholders for a period of 4 years and their mandate can be renewed for a period decided by the Ordinary General Meeting of Shareholders.

Directors can be revoked anytime by the decision of the Ordinary General Meeting of Shareholders.

The majority of members of the Board of Directors shall be formed of nonexecutive directors.

The Board of Directors has the following duties:

a. to establish the main directions of activity and company's development;

b. to establish the accounting and financial control system and to approve the financial planning;

c. to appoint and revoke directors and to establish their remuneration and any other advantages; to establish the additional remuneration of the members of the Board of Directors charged with specific functions established by the General Meeting of Shareholders

d. to prepare the annual report, to organize the general meeting of shareholders and to implement its decisions;

e. to introduce the request for opening the company's insolvency procedure, according to Law No. 85/2014 on insolvency prevention procedures and insolvency proceedings;

f. to relocate the company's office;

g. to change the company activity object, except for the field and the main object of the company;

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

h. to establish or dissolute secondary offices: branches, agencies, offices or other such units with no legal personality;

i. to increase the share capital and establishing the procedure to be followed in compliance with the laws in force, under the limits established by the extraordinary general meeting of shareholders;

j. documents for acquisition, transfer, exchange or constitution in guarantee of assets from the category of fixed assets of the company, the value of which exceeds, individually or together, during a financial year, 20% from the total of fixed assets, less receivables, shall be concluded by the administrators or directors of the company only after prior approval by the extraordinary general meeting of shareholders;

k. to choose the Chairman of the Board of Directors

l. to organize its control on the company

m. to approve the contracting of banking loans with a value higher than EUR 750,000, but less than or equal to 20% from the total of fixed assets less receivables;

n. to approve the organizational chart.

The members of the Board of Directors of BIOFARM S.A. are:

- The Board of Directors of BIOFARM S.A. during the period 01.01.2025 – 30.06.2025 was composed of:

  - Andrei HREBENCIUC – B.D. Chairman, non-executive, independent
  - Bogdan Alexandru DRĂGOI– B.D. Member, non-executive, non-independent
  - Nicușor Marian BUICĂ – B.D. Member, non-executive, independent
  - Cătălin Constantin VICOL – B.D. Member, executive, non-independent
  - Rachid EL LAKIS – B.D. Member, executive, non-independent

The Board of Directors was composed of 5 members, of which 3 non-executive members and 2 executive members:

- Andrei HREBENCIUC – elected for the first time in 2013 (by the GMS Decision No. 70/06.11.2013), re-elected for consecutive mandates of 4 years in 2017 (by the O.G.M.S. Decision No. 77/07.11.2017) and in 2021 (by the O.G.M.S. Decision No. 84/04.11.2021);
- Bogdan Alexandru DRĂGOI – provisionally appointed by the Board of Directors in 2015 (by the BD Decision No. 167/10.12.2015) and confirmed in position in 2016 (by the GMS Decision No. 75/29.04.2016), re-elected for consecutive mandates of 4 years in 2017 (by the O.G.M.S. Decision No. 77/07.11.2017) and in 2021 (by the O.G.M.S. Decision No. 84/04.11.2021);
- Nicușor Marian BUICĂ – provisionally appointed by the Board of Directors in 2020 (by the B.D. Decision No. 5/18.09.2020 starting from the same date), elected in 2021 (by the G.M.S. Decision No. 83/26.04.2021) for a period equal to the difference of mandate that remained to be executed by the Board of Directors in operation. He was elected for a mandate of 4 years in 2021 (by the O.G.M.S. Decision No. 84/04.11.2021);
- Cătălin Constantin VICOL – provisionally appointed by the Board of Directors in 2018 (by the B.D. Decision No. 209/06.12.2018) and confirmed in the position in 2019 by the G.M.S. Decision No. 79/23.04.2019) for a period equal to the difference of mandate that remained to be

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

executed by the Board of Directors in operation. He was elected for a mandate of 4 years in 2021 (by the O.G.M.S. Decision No. 84/04.11.2021);

- Rachid EL LAKIS – chosen in 2019 (by the G.M.S. Decision No. 80/11.12.2019), for a period equal to the difference of mandate that remained to be executed by the Board of Directors in operation. He was elected for a mandate of 4 years in 2021 (by the O.G.M.S. Decision No. 84/04.11.2021).

During the 1st semester of 2025, the Chairman of the Board of Directors of Biofarm S.A. **convened 4 times the members of the Board of Directors**. The members of the Board of Directors attended the meeting in person, by representative, by telephone or e-mail, in compliance with the provisions of the Articles of Incorporation, as follows:

Director	Number of meetings to which he attended	Number of meetings to which he was absent	Total number of meetings*
Andrei Hrebenciuc	4	-	4
Bogdan Alexandru Drăgoi	4	-	4
Cătălin Constantin Vicol	4	-	4
Rachid El Lakis	4	-	4
Nicușor Marian Buică	4	-	4

** meetings to which they were convened during the mandate, in the 1st Semester of 2025*

The following were presented, discussed, and approved as appropriate: preliminary financial statements for 2024, approval of the 2024 Annual Inventory Minutes and the cancellation proposals, convening the OGMS and the EGMS, the 2024 Annual Report, the 2024 Remuneration Report and the Management Remuneration Policy, the appointment of the Committee for centralizing votes by correspondence and proxies sent by shareholders for the General Meeting of Shareholders, the approval of the financial results as at 31.03.2025, taking the necessary decisions for the Company's current activity.

The company drafted in 2021 *the Remuneration Policy* of Managers, approved by the General Meeting of Shareholders through the Decision No. 83/26.04.2021. On the occasion of the Ordinary General Meeting of Shareholders of 2025, the Company elaborated the new *Remuneration Policy* of Managers – approved by the O.G.M.S. Decision No. 91/28.04.2025.

Thus, pursuant to the approved Policy and to the regulations in force, O.G.M.S. – by the Decision No. 91/28.04.2025, it approved the Remuneration Report afferent to 2024 drafted by the Board of Directors (the vote having the character of an advisory vote). The Remuneration Report afferent to 2024 can be consulted on the Company website in the Corporate Governance/Investor Relations section, subsection GMS – GMS 2025.

On 30.06.2025, there is no Committee (Audit, Nomination, Remuneration) established at the level of the Board of Directors of Biofarm S.A.

Following the meetings of the Board of Directors from the 1st Semester of 2025, a decision was issued, communicated to the persons that had to fulfil it.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

The Chairman of the Board of Directors has the following attributions:

a. convenes the General Meeting of Shareholders upon the proposal of the Board of Directors or upon the shareholders' request who hold individually or cumulatively at least 5% of the share capital;

b. manages the meetings of the Board of Directors and manages the General Meetings;

c. coordinates the activity of the board and reports on it to the General Meeting of Shareholders;
d. ensures the proper functioning of the company's bodies.

The **General Manager** has the following attributions:
a. represents the Company in the relationship with shareholders, third parties, the trade union and in court, under the law, and of the Articles of Incorporation;
b. employs and dismisses the company personnel;
c. establishes the job descriptions and the salaries of all the company employees;
d. proposes the company's organizational chart;
e. approves sanctions for the company personnel;
f. approves the allocation of bonuses for the company personnel;
g. owns the right of signature in the bank, will appoint and revoke the persons that will have this right, as well as the limits of this right;
h. in the absence of a decision of the General Meeting of Shareholders, the General Manager will be able to employ the company within the limit of an amount representing maximum the equivalent in lei of EUR 750,000, but no more than 20% from the total of fixed assets, less receivables for financial operations taken individually or cumulatively during a financial year;
i. meets any other duties delegated by the Board of Directors;
j. has the right to delegate the power to represent the company in relations with third parties, the union etc., to the Executive Director, the Deputy General Manager and other persons from the company's management, by decision.

The General Manager of the Company reports to the Board of Directors.
The General Manager is responsible for exceeding his duties.
The General Manager can also be the Chairman of the Board of Directors.
The General Manager is liable to meet the decisions of the Board of Directors and of the business plan.

On 30 June 2025, **the management team of the company** was provided by the following persons:

Cătălin Constantin VICOL – General Manager
Date from which he holds the position within Biofarm S.A.: 15.11.2018

Cătălin Vicol took over the management of Biofarm S.A. as the General Manager starting with 15.11.2018.
Cătălin Vicol has been active in the pharma market for over 20 years. He managed the local branch of a multinational company active in CHC, between 2008 and 2016, and since 2010, he occupied the position of Regional Manager as well, being responsible for Romania, Bulgaria, Hungary and Moldova. For two years, he was the General Manager of one of the greatest companies in the respiratory medical services and home medical devices market.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Catalin Vicol contributes to the development of Biofarm S.A. and to achievement of the company's objectives through proven skills throughout his career in the area of business strategy, process optimization and people management.

Rachid EL LAKIS – Deputy General Manager
Date from which he holds the position within Biofarm S.A.: 28.04.2025

Rachid Lakis has significant experience in the field of investments, operational management and corporate governance, gained within listed companies and financial institutions. He held management positions at Lion Capital S.A., where he coordinated the activities of the operations department and managed complex investment portfolios. He is a member of the boards of directors of several companies in the industrial and pharmaceutical sectors, actively contributing to the definition of long-term development strategies. He has specialized studies in finance and accounting, complemented by international leadership and corporate governance programs.
Through his expertise in strategic analysis, operational restructuring and streamlining financial performance, Rachid will contribute to the consolidation and sustainable growth of the company, including by identifying development opportunities, optimizing internal processes and supporting management decisions at the executive level of Biofarm S.A..

Mihai ZOESCU - Chief Financial Officer
Date from which he holds the position within Biofarm S.A.: 18.01.2021

Mihai Zoescu has under his subordination the Financial-Accounting, Human Resources, Controlling & Reporting, Legal and Relationship with Investors, and IT Departments of Biofarm SA. In his role, Mihai has the responsibility to improve the financial and control environment within the company. Mihai Zoescu is involved in standardizing and improving financial and internal control processes to maximize company performances, to reduce risks and to ensure the compliance with the internal policies and procedures. He brings more than 19 years of work experience in financial audit departments, internal audit, internal control, assistance in transactions – mergers and purchases, investigations, management and financial consultancy in one of the audit and consulting companies that is part of the "Big 4" where he was exposed to various business sectors: food supplement production, pharma distribution and retail, medical services, media and advertising, agriculture or construction materials. He holds a Master's degree in Finance, Insurance, Banking and Stock Exchanges from the Bucharest Academy of Economic Studies, CAFR *(Chamber of Financial Auditors of Romania Registry)* and ACCA *(Body of Expert and Licensed Accountants)* certification.

Mirel FLORICA – Industrial Operations Director
Date from which he holds the position within Biofarm S.A: 01.09.2023

Mirel Florica coordinates the Manufacturing Unit and the Quality Unit of Biofarm SA.
With wealthy experience in the pharma industry, over 28 years, during which he held several management positions in leading companies, Mirel joined the Biofarm team with bold goals and the necessary motivation to achieve them, as well as the right ability and qualities to induce those around them to contribute to their achievement. The main objectives of Mirel's role are to substantiate the annual manufacturing plan, the implementation of the development and modernization strategy of the two production sites, the optimization of investments in the manufacturing areas, quality, environmental protection and health and safety at work and projects of digitization, in the area of industrial operations.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Mirel is a graduate of the Faculty of Industrial Chemistry at the Polytechnic University of Bucharest and holds a graduation diploma from the Executive MBA program at The Institute for Business and Public Administration Bucharest at ASEBUSS.

Ioana GORĂNESCU - Marketing Manager
Date from which he holds the position within Biofarm S.A.: 21.01.2019

Ioana leads the Marketing Department within Biofarm S.A., contributing to the development of Marketing and Communications strategies of renowned brands from the company portfolio, as well as to the identification of new market opportunities. The previous experience, of over 16 years helps her, together with the team she leads, achieve the growth objectives of the company. She has a Master's Degree in Marketing and Business Communication from the Bucharest University of Economic Studies and has a Bachelor's Degree in Social Economic Statistics and holds an IMB degree at the City University of Seattle.

Dragoș MOISE – Trade Manager
Date from which he holds the position within Biofarm S.A.: 21.01.2019

Dragoș leads the Trade Department (Trade Marketing, Key Account & Distributors) within Biofarm S.A. developing the company Trade and Sales strategies concerning the sales in Distributors and from Distributors to pharmacies of national chain type and independent pharmacies. His previous experience, of over 20 years in large multinational and local companies, with strong brands, market leaders in Pharma and FMCG, help him that, together with the team it coordinates, to reach the growth objectives of the company. Dragoș is licensed in Mechanical Engineering, studies graduated within the Ovidius University of Constanța.

Dănuț Cristinel IORGA – Field Force Manager
Date from which he holds the position within Biofarm S.A.: 21.01.2019

Dănuț the sales and medical promotion teams within Biofarm S.A., teams whose objective is to reach the sales figures in pharmacies - the Sales team, respectively the market share targets for the brands in medical promotion – the Medical Promotion team. Licensed engineer of TCM Iași Faculty, Dănuț has built a career in sales since the first years of activity, accumulating an experience of over 25 years, of which 22 years in management positions, the experience accumulated both in FMCG - 12 years - as well as in Pharma - 13 years - developing their area of expertise both in the sales area and in the medical promotion field.

Monica Claudia DOBRISAN – Chief Accountant
Date from which she holds the position within Biofarm S.A.: 09.05.2016

Claudia occupies the position of Chief Accountant within the Financial-Accounting Department since 2016, and together with the team it coordinates, ensures that all the financial-accounting activities of Biofarm S.A. are carried out both in compliance with the internal procedures of the company, and with the applicable tax regulations.
Claudia is a graduate of the of the Bucharest Academy of Economic Studies and a CECCAR member. Her experience, accumulated in the financial accounting field in multinational companies in various fields of activity (food production, pharma distribution) since 2002, allows her to contribute to the company performance.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Petruța STOICESCU – Manufacturing Manager
Date from which she holds the position within Biofarm S.A.: 01.06.1998

Petruța Stoicescu started her career at Biofarm S.A. in 1990. Since 2008, she has been promoted to the role of Manager of the Production Department, and since 2012 she has also taken over the coordination of the Procurement Department. Starting with 2023 Petruta's activity is focused on the production flows of the two Biofarm manufacturing sites. Petruta Stoicescu attended the Faculty of Chemical Technology at the University of Bucharest, Macromolecular Compounds Technology section.

Cristina DIACONESCU - Quality Manager & Qualified Person
Date from which she holds the position within Biofarm S.A.: 10.10.2022

Cristina Diaconescu coordinates the Quality Department, respectively the Quality Assurance and Quality Control activities. With over 30 years of experience in the pharma industry, in manufacturing, marketing and sales, research, development and quality, together with the team she coordinates, she is concerned about the development and implementation of quality standards and requirements, in all the company processes. Cristina is a chemical engineer. She graduated from the Faculty of Industrial Chemistry of the "Gh. Asachi" Technical University of Iași and holds an MBA degree at the "Gh. Asachi" Technical University of Iași.

Mariana BOGDE - Human Resources Manager
Date from which she holds the position within Biofarm S.A.: 02.04.2018

Mariana leads the HR Department within Biofarm S.A. since April 2018 where, together with her team, contributes to the improvement of HR processes and policies, to the identification of new talents within the teams from the company, development of programs that help retain and motivate employees, but also other HR projects that help performance and development. Licensed in Sociology – Psychology and having a Master's Degree in Human Resources Management, Mariana Bogde began her career in HR since 2006, working in different business fields, the last 7 years before Biofarm being in the Pharma field.

Valentin Daniel CONSTANTIN – Manager of Legal Department and Relationship with Investors
Date from which he holds the position within Biofarm S.A.: 19.08.2019

Daniel Constantin coordinates the Legal Department and Relationship with Investors of Biofarm S.A. since August 2019. He has a degree in Law and is a member of the College of Legal Advisers in Bucharest.
He has been active in the legal field since 2004, and since 2013 and until now, in the pharma market, a period in which he was exposed to various situations, specific to this industry (especially in the following areas: legal, compliance, data protection, competition, corporate affairs).
His role within the company is to coordinate the main areas of activity of the department (commercial, personal data protection, corporate governance, intellectual property), thus contributing to the Biofarm S.A. business sustainability.

Valentina Alina COVACI – Regulatory Affairs & Medical & Pharmacovigilance Manager
Date from which she holds the position within Biofarm S.A.:01.12.2020

Alina Covaci coordinates the Regulatory Affairs & Medical & Pharmacovigilance Department since December 2020. She started her collaboration with Biofarm in August 2019 and currently, together

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

with her team, contributes to the improvement of the processes related to her area of expertise, RA, Pharmacovigilance and Medical.

Alina is a senior clinical pharmacist. She graduated from the "Carol Davila" University of Medicine and Pharmacy of Bucharest, Faculty of Pharmacy in 2000 and until now she was permanently concerned about her professional development, taking classes and certifications in her field of activity which contributed to the performance of the activities of Regulatory affairs, Pharmacovigilance, GMP and GDP, in the companies where Biofarm previously worked.

Diana Maria VIZITIU - Controlling & Reporting Department Manager
Date from which she holds the position within Biofarm S.A.:15.10.2018

Diana coordinates the Controlling & Reporting department since October 2018, where, together with her team, she builds and manages Biofarm's internal financial reporting with particular attention to accuracy and the interpretation of financial data that is the basis for the company's business decisions. The constant development of the way of use, as well as the automation of data processing are part of the department's daily activity and objectives.

Holding a degree in Accounting and Financial Audit and having graduated a Master in Financial Analysis and Evaluation from ASE Bucharest, Diana started her career in 2006 and previously worked for Biofarm in areas such as: financial consulting and audit services and clinical studies.

Tatiana PATOI – Export Department Manager
Date from which she holds the position within Biofarm S.A.: 01.09.2007

Tatiana Patoi has been active in the pharmaceutical field since 2004. She started her career at Biofarm S.A. in 2005. Since 2007, she has been in charge of the Export Department, holding the position of Export Manager and coordinating the export activity of Biofarm S.A. products on foreign markets.
Tatiana Patoi attended the courses of the Faculty of International Relations and Political Sciences within the State University of the Republic of Moldova, and, in 2004, she graduated with a Master's degree in Political Sciences at the National University of Political Studies and Public Administration, Bucharest.

Florin TALOI – IT Department Manager
Date from which she holds the position within Biofarm S.A.:15.03.2017

Florin Taloi has been coordinating the IT Department since 2017. He started his activity in Biofarm in 2010. Currently, together with his team, he manages the IT infrastructure of Biofarm, solving any situation addressed to the IT department.
Florin Taloi attended the courses of the Faculty of Electronics and Telecommunications of the "Politehnica" University and has 26 years of experience in the IT field.

Gheorghe PACEA – Technical Manager
Date from which he holds the position within Biofarm S.A.: 01.10.2023

With over 30 years of experience in industrial maintenance, especially in the pharmaceutical industry, Gheorghe Pacea coordinates the activity of the Technical Unit within Biofarm starting with October 2023. His expertise contributes significantly to ensuring the continuous and compliant operation of critical equipment, optimizing energy consumption and implementing strategic

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

technical projects, thus supporting the company's operational and development objectives. Gheorghe Pacea attended the Faculty of Mechanics and a Master's Degree in Quality Management at the Faculty of Energy, within the Politehnica University of Bucharest.

The members of the executive management have skills and responsibilities according to the job description. All persons who are part of the company's executive management are employed with continuous contracts of employment, except for the General Manager, Cătălin Constantin Vicol, Deputy General Manager – Rachid El Lakis, Chief Financial Officer, Mihai Zoescu, and Industrial Operations Director, Mirel Florica who have concluded a mandate contract.

The affiliated parties with which the company carried out its activity are presented in Note 28 to the Financial Statements.

The number of shares held by the members of the executive management and of the Board of Directors of Biofarm S.A. as of 30 June 2025 is presented in the following table:

Andrei Hrebenciuc – B.D. Chairman	5,000
Mirel Florica – Industrial Operations Director	5,000

The persons being part of the executive management, or the Board of Directors of the company were not involved in disputes or administrative procedures in relation with their activity within the issuer.

6.2. Rights of Shareholders

Shareholders will participate in the profits and losses of the Company depending on the participation to the share capital. The shareholder has the right to dividends, proportionally with the shares held and calculated based on the net profit achieved.

The distribution of dividends and any other decisions on the allocation of the net profit shall be decided by the Ordinary General Meeting of Shareholders.

Shares are indivisible in relation with the Company which only recognizes one owner for each share.

Shareholders are entitled to participate to the increase of the share capital. The share capital of the Company can be increased by the decision of the General Meeting of Shareholders or of the Board of Directors of the Company within the limits established by the General Meeting of Shareholders.

Increasing the share capital with contribution in cash is realized by the issuance of new shares that are offered for subscription:

a. the owners of the preference right, belonging to the existent shareholders on the registration date who did not alienate them during their trading period, if necessary or which were acquired during their trading period. In order to cast the preference right, a period of 30 days from the publication of the decision to increase the share capital in the Official Gazette shall be granted.
b. the investing public, given that the new shares were not fully subscribed during the period of exercising the preference right, if the issuer does not decide in the Extraordinary General Meeting of Shareholders their cancellation.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

The Extraordinary General Meeting of Shareholders may decide the trading of preference rights under the law and the F.S.A. (former R.N.S.C. *(National Securities Commission)*) regulations.

The increase of the share capital can be also done by other means provided by the law in compliance with the shareholders' rights.

Shareholders can request the following documents for information and for exercising control:

a. published periodical and annual financial results;
b. income and expenditure budget;
c. current reports made by B.S.E./ F.S.A. (former R.N.S.C.);
d. decisions of the Ordinary and Extraordinary General Meetings.

For the information of shareholders on the company website there is information posted in the <<Corporate Governance/Relationship with Investors>> section regarding:

- General information
- Contact persons for the relationship with shareholders, and their contact data
- Financial calendar
- Current reports
- Communiqués
- Non-financial reporting/ESG
- Financial statements and Presentations for investors
- General Meetings of Shareholders (convenings, G.M.S. materials, G.M.S. decisions, forms of special powers of attorney, forms of vote by mail, results of expressed votes, draft resolutions etc.)
- Dividends distribution procedures
- Coverage by analysts
- Updated Articles of Incorporation
- Code of Ethics and Organizational Conduct
- Policies
- Regulations and Regulations of advisory committees
- Declaration of conformity
- BD presentation and Executive management
- Transactions of persons with management responsibilities and persons in tight relations
- Shareholders' information note regarding personal data protection
- BSE information
- Price of shares
- Frequently asked Questions

B.D. CHAIRMAN
Andrei Hrebenciuc

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

INDIVIDUAL FINANCIAL STATEMENTS
For the 6-month period ending on 30 June 2025

Prepared in compliance with the Order of the Ministry of Public Finance No. 2844/2016 for the approval of the Accounting Regulations, in accordance with the International Financial Reporting Standards

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

STATEMENT OF INDIVIDUAL COMPREHENSIVE INCOME
for the 6-month period concluded on 30 June 2025
(all amounts are expressed in LEI, unless otherwise mentioned)

Statement of Individual Comprehensive Income		**For the 6-month period ending on**	
	NOTE	**30 June 25**	**30 June 24**
Income from sales	**4**	**162,908,450**	**141,164,596**
Other operating income		449,386	322,341
Changes in inventories		550,581	2,838,215
Raw materials, consumables and goods	**5**	(24,398,766)	(24,772,957)
Personnel expenses	**6**	(28,350,211)	(26,386,313)
Depreciation		(8,620,539)	(8,430,453)
Other operating expenses	**7**	(49,477,008)	(38,841,041)
Operating profit/(loss)		**53,061,893**	***45,894,388***
Financial income	**8**	3,767,501	3,208,260
Financial costs	**8**	-	-
Profit/(loss) before tax		**56,829,394**	***49,102,648***
Corporate tax expenses	**9**	(8,018,915)	(7,111,681)
Profit/(Loss)		***48,810,479***	***41,990,967***
Other comprehensive income elements			
Reassessment of tangible assets		**-**	-
Deferred tax related to reassessment		**-**	-
Total comprehensive income		***48,810,479***	***41,990,967***
Earnings per share attributable to ordinary shareholders:			
Basic	**10**	0.0495	0.0426

Explanatory notes numbered from 1 to 29 are an integral part of the financial statements.

Approved by the Board of Directors on 8 August 2025

and signed on its behalf by:
B.D. Chairman
Andrei Hrebenciuc

Drafted by:
Chief Accountant
Monica Claudia Dobrisan

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

STATEMENT OF INDIVIDUAL FINANCIAL POSITION
as at 30 June 2025
(all amounts are expressed in LEI, unless otherwise mentioned)

Statement of Individual Financial Position

Assets	**NOTE**	**30 June 25**	**31 December 24**
Tangible assets	**11**	197,525,198	199,170,107
Investment property	**12**	12,804,572	12,777,700
Intangible assets	**13**	1,430,595	1,218,765
Other fixed assets		9,095	9,095
Deferred tax	**18**	12,315,674	13,829,393
Non-current assets		**224,085,134**	**227,005,060**
Inventories	**14**	49,093,716	53,171,622
Trade receivables and similar	**15**	129,187,063	151,460,706
Term bank deposits	**16**	-	62,000,000
Cash and cash equivalents	**16**	186,576,280	61,843,963
Current assets		**364,857,059**	**328,476,291**
TOTAL ASSETS		**588,942,193**	**555,481,351**
Debts			
Trade and other payables	**17**	86,588,326	69,363,224
Contractual debts	**17**	-	1,130,308
Subsidies for short-term investments	**17**	51,875	51,875
Other provisions	**19**	4,219,495	5,091,352
Current debts		**90,859,696**	**75,636,759**
Long-term debts	**17**	1,012,510	1,012,510
Subsidies for long-term investments	**17**	544,687	570,625
Long-term debts		**1,557,197**	**1,583,135**
TOTAL DEBTS		**92,416,893**	**77,219,894**
NET ASSETS		**496,525,300**	**478,261,457**

Explanatory notes numbered from 1 to 29 are an integral part of the financial statements.

Approved by the Board of Directors on 8 August 2025

and signed on its behalf by:
B.D. Chairman
Andrei Hrebenciuc

Drafted by:
Chief Accountant
Monica Claudia Dobrisan

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

STATEMENT OF INDIVIDUAL FINANCIAL POSITION
as at 31 March 2025
(all amounts are expressed in LEI, unless otherwise mentioned)

Share capital and reserves	**NOTE**	**30 June 25**	**31 December 24**
Share capital	**20**	98,537,535	98,537,535
Own shares	**21**	(813)	(813)
Premiums related to the issuance/redemption of own shares		(173,154)	(173,154)
Revaluation reserves	**22**	10,622,424	10,622,424
Reserves	**22**	23,350,438	23,350,438
Retained earnings	**23**	315,378,391	271,528,060
Current result		48,810,479	74,396,967
Profit Distribution	**24**	-	-
TOTAL CAPITALS		**496,525,300**	**478,261,457**

Explanatory notes numbered from 1 to 29 are an integral part of the financial statements.

Approved by the Board of Directors on 8 August 2025:

and signed on its behalf by:
B.D. Chairman
Andrei Hrebenciuc

Drafted by:
Chief Accountant
Monica Claudia Dobrisan

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

STATEMENT OF INDIVIDUAL CASH FLOWS
for the 6-month period concluded as at 30 June 2025
(all amounts are expressed in LEI, unless otherwise mentioned)

Individual Cash Flows Statement

	For the 6-month period ending on	
Flows from operating activities	**30 June 25**	**30 June 24**
Profit before tax	**56,829,394**	**49,102,648**
Adjustments for:		
Receivables adjustment	-	-
Adjustment of inventories	-	-
Depreciation and provisions	8,620,539	8,430,453
Assets revaluation adjustments	-	-
Modification of the Investment Property value	-	-
Loss/(profit) from the disposal of assets	(426,998)	(144,873)
Decrease/(increase) in other provisions	(871,858)	(440,711)
Interest income	(3,767,501)	(3,208,260)
Profit before modifying the working capital	**60,383,576**	**53,739,257**
Decrease/(increase) of receivables	22,702,694	(11,017,521)
Decrease/(increase) of inventories	4,077,906	1,646,088
Increase/(decrease) of debts	(14,389,846)	(9,224,117)
Cash from operating activities	**72,774,330**	**35,143,707**
Paid financial costs		
Paid profit tax	(6,934,247)	(2,615,687)
Net cash from operating activities	**65,840,083**	**32,528,020**
Flows from investments activities		
Term deposits	62,000,000	32,000,000
Purchases of fixed assets	(7,240,270)	(15,427,190)
Collections from subsidies	-	-
Proceeds from the sale of fixed assets	426,998	149,594
Collected interest	3,767,501	3,208,260
Net flows from investment activities	**58,954,229**	**19,930,664**
Flows from financing activities		
Paid dividends	(61,995)	(43,865)
Net flows from financing activities	**(61,995)**	***(43,865)***
Cash net increase/(decrease)	**124,732,317**	***52,414,819***
Cash and cash equivalents opening balance	***61,843,963***	***20,660,190***
Cash and cash equivalents closing balance	**186,576,280**	***73,075,009***

Explanatory notes numbered from 1 to 29 are an integral part of the financial statements.

Approved by the Board of Directors on 8 August 2025

and signed on its behalf by:
B.D. Chairman
Andrei Hrebenciuc

Drafted by:
Chief Accountant
Monica Claudia Dobrisan

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Individual Statement of Changes in Equities

	Subscribed capital	Own shares	Premiums related to the issuance/repurchase of own shares	Revaluation Reserves	Reserves	Retained earnings	Current earnings	TOTAL
31 December 2023	**98,537,535**	**(813)**	**(173,154)**	**10,622,424**	**23,350,438**	**225,061,798**	**77,012,898**	**434,411,126**
Retained earnings	-	-	-	-	-	77,012,898	(77,012,898)	-
Current comprehensive result	-	-	-	-	-	-	74,396,967	74,396,967
Allocations of other revaluation reserves	-	-	-	-	-	-	-	-
Deferred tax allocations revaluation	-	-	-	-	-	-	-	-
Total comprehensive result	-	-	-	-	-	**77,012,898**	**(2.615.931)**	**74,396,967**
Distributed dividends *	-	-	-	-	-	(30,546,636)	-	(30,546,636)
31 December 2024	**98,537,535**	**(813)**	**(173,154)**	**10,622,424**	**23,350,438**	**271,528,060**	**74.396.967**	**478,261,457**
Retained earnings	-	-	-	-	-	74,396,967	(74,396,967)	-
Current comprehensive result	-	-	-	-	-	-	48,810,479	48,810,479
Allocations of other revaluation reserves	-	-	-	-	-	-	-	-
Deferred tax allocations revaluation	-	-	-	-	-	-	-	-
Total comprehensive result	**-**	**-**	**-**	**-**	**-**	**74,396,967**	**(25,586,488)**	**48,810,479**
Distributed dividends *	-	-	-	-	-	(30,546,636)	-	(30,546,636)
30 June 2025	**98,537,535**	**(813)**	**(173,154)**	**10,622,424**	**23,350,438**	**315,378,391**	**48,810,479**	**496,525,300**

*In 2025, the dividends that shall be distributed by share are of lei 0.031 for 2024, and in 2024, the dividends distributed per share were of lei 0.031 for 2023.
Explanatory notes numbered from 1 to 29 are an integral part of the financial statements.

Approved by the Board of Directors on 8 August 2025

and signed on its behalf by:
B.D. Chairman
Andrei Hrebenciuc

Drafted by:
Chief Accountant
Monica Claudia Dobrisan

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

Explanatory notes to the individual financial statements:

1. GENERAL INFORMATION

1.1. General Information

BIOFARM S.A. has the registered office in Bucharest, No. 99 Logofătul Tăutu Street, 3rd District and has as main object of activity the production and marketing of medicines for human use, NACE code 2120 "Manufacture of pharmaceutical preparations".

On 30 June 2025, the company had the following workpoints:

- Bucharest, No. 99 Logofătul Tăutu street, 3rd District, registered office;
- Bucharest, No. 42-44 Iancu de Hunedoara Boulevard, 1st District, tax identification number 14008268;
- Bucharest, No. 202-232 Drumul Gura Bădicului Street, 3rd District, tax identification number 30037915.

The shareholding structure on 30.06.2025 was the following:

Shareholder	**Shares**	**Percentage (%)**
LONGSHIELD INVESTMENT GROUP S.A., BUCHAREST	509,229,185	51.6787
LION CAPITAL S.A., ARAD	362,096,587	36.7470
Natural Persons	102,560,501	10.4083
Legal Persons	11,489,077	1.1660
Total	**985,375,350**	**100**

1.2. Corporate Governance Structures

The Company elaborated a Corporate Governance Regulation which is posted on the company website www.biofarm.ro at the Corporate Governance/Investors Relationship section – Regulations and Regulations of advisory committees subsection. The purpose of adopting Corporate Governance Regulation is to ensure transparency, the rights of shareholders and of third parties as well as company's credibility.

The members of the Board of Directors of BIOFARM S.A.:

- The Board of Directors of BIOFARM S.A. during the period 01.01.2025 – 30.06.2025 was composed of:
  - Andrei HREBENCIUC – B.D. Chairman, non-executive, independent
  - Bogdan Alexandru DRĂGOI– B.D. Member, non-executive, non-independent
  - Nicușor Marian BUICĂ – B.D. Member, non-executive, independent
  - Cătălin Constantin VICOL – B.D. Member, executive, non-independent
  - Rachid EL LAKIS – B.D. Member, executive, non-independent

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

1. GENERAL INFORMATION (CONTINUATION)

On 30 June 2025, the management team of the company was provided by the following persons:

- ✓ Cătălin Constantin VICOL - General Manager
- ✓ Rachid EL LAKIS – Deputy General Manager
- ✓ Mihai ZOESCU – Chief Financial Officer
- ✓ Mirel FLORICA – Industrial Operations Director
- ✓ Ioana GORĂNESCU - Marketing Manager
- ✓ Dragoș MOISE – Trade Manager
- ✓ Dănuț Cristinel IORGA – Field Force Manager
- ✓ Monica Claudia DOBRISAN – Chief Accountant
- ✓ Cristina DIACONESCU - Quality Manager & Qualified Person
- ✓ Petruța STOICESCU – Manufacturing Manager
- ✓ Mariana BOGDE – Human Resources Manager
- ✓ Valentin Daniel CONSTANTIN – Manager of Legal Department and Relationship with Investors
- ✓ Alina Valentina COVACI – Regulatory Affairs & Medical & Pharmacovigilance Manager
- ✓ Maria Diana VIZITIU - Controlling & Reporting Department Manager
- ✓ Tatiana PATOI – Export Department Manager
- ✓ Florin TALOI – IT Department Manager
- ✓ Gheorghe PACEA – Technical Manager.

The members of the executive management have powers and responsibilities according to the job description/contract concluded with the Company.

All the persons who are part of the executive management of the company are employed with a contract for an indefinite period, except for the General Manager, Cătălin Constantin Vicol, Deputy General Manager – Rachid El Lakis, the Chief Financial Officer - Mihai Zoescu and the Industrial Operations Manager - Mirel Florica who have concluded mandate contracts.

There are no agreements, deals or family ties between the persons in the executive management of the company and another person due to which the person in the executive management was appointed as a member of the executive management.

The persons that are part of the executive management or of the Board of Directors of the company have not been involved in disputes or administrative procedures in relation to their activity within the issuer.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT

These financial statements were elaborated in conformity with the International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively referred to as "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS").

The individual financial statements have been prepared pursuant to the International Financial Reporting Standards ("IFRS Accounting Standards"). The Company has prepared these individual financial statements to meet the requirements of Order No. 2844/2016 on the application of International Financial Reporting Standards by commercial companies whose securities are admitted to trading on a regulated market.

The company does not own subsidiaries and does not issue consolidated financial statements.

The individual financial statements have been approved by the Board of Directors during the meeting of 8 August 2025.
The main accounting policies applied upon the elaboration of financial statements are established below.

Elaborating the financial statements in compliance with the adopted IFRS require the use of certain significant accounting estimates. Company management approves any modification of the accounting policies. The fields in which decisions were made, and significant accounting estimates were carried out in the elaboration of financial statements and their effect are shown in the following paragraphs.

The policies were applied consistently in all presented periods, in the individual financial statements prepared by the Company.

The Company also adopted the document "Presentation of accounting policies (Amendments to IAS 1 and Statement 2 regarding IFRS practice)" starting from 1 January 2023.

Although the amendments did not lead to changes in the accounting policies themselves, they had an impact, in some cases, on the information regarding the accounting policies presented in the financial statements.

The amendments provide for the presentation of accounting policies "with a material impact", rather than "significant" accounting policies. The amendments also provide guidance on the application of the concept of "material" in the presentation of accounting policies.

Management has reviewed the accounting policies and, in some cases, updated the information presented in Note 2 Accounting policies with a material impact (2022: Significant accounting policies) in accordance with the amendments.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2.ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

2.1. Bases of Assessment

The individual financial statements are drafted based on the convention of the historic / amortized cost, except for the lands and buildings presented at a revalued cost by the use of the fair value and of the elements presented at their fair value, respectively the financial assets and debts at the fair value by the profit and loss account and the investment property, except for those for which the fair value cannot be reliably established.

2.2. Functional and Presentation Currency

Company management considers that the functional currency, as defined by IAS 21 "Effects of exchange rate variation", is the Romanian Leu (LEI). Individual financial statements are presented in LEI.

The transactions performed by the Company in a currency other than the functional currency are recorded at the rates in force on the date on which transactions took place. Assets and monetary debts in foreign currency are converted at the rates in force at the reporting date.

2.3. Significant Accounting Valuations and Estimates

As a result of the uncertainties corresponding to business activities, certain elements from the financial statements cannot be accurately assessed, but they can only be estimated. Estimation implies judgments based on the latest available, credible information. Using reasonable estimates is an essential part of the elaboration of financial statements and does not undermine their credibility.

An estimate may require revision if changes take place regarding the circumstances on which this estimate was based or following some new information or subsequent experiences. By its nature, the revision of an estimate is not related to prior periods and does not represent the correction of an error during the current period. If there is, the effect on future periods is recognized as income or expense in those future periods.

The company performs certain estimates and hypotheses regarding the future. Estimates and judgments are continually assessed based on the historical experience and on other factors, including the forecasting of future events considered to be reasonable in the existing situations. In the future, actual experience may differ from these estimates and hypotheses.
Further on, assessment, estimation and presumptions examples applied within the company are presented:

(a)Assessment of Land and Buildings Owned

The company obtains assessments conducted by external evaluators to determine the fair value of Investment Property and of buildings owned. These assessments are based on hypotheses that include future income from rentals, anticipated maintenance costs, future development costs and the appropriate discount rate. Evaluators also refer to the information on the market related to transaction prices with similar properties.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2.ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

(b)Adjustments for Depreciation of Receivables

The assessment for doubtful debts is performed individually and is based on the best estimation of management on the present value of cash flows that is expected to be received. For the estimation of these cash flows, management makes certain estimations with regard to the financial statement of partners. Considering the reduced number of clients, the evaluation of value adjustments on trade receivables is made individually, on each customer.

(c)Judicial Procedures

The company reviews the outstanding legal cases following the assessments within the legal proceedings and the existent situation at each reporting date, to assess the provisions and the presentations from its financial statements. Among the factors taken into consideration in the moment of taking the decisions related to provisions are the nature of the litigation or of claims and the potential level of damages in the jurisdiction in which the litigation is disputed, case progress (including the progress after the date of financial statements, but before the respective statements are issued), the views or opinions of legal advisers, the experience in similar cases and any decision of Company management related to the manner in which it will answer to the litigation, claim or assessment.
The Company sets up provisions for unfavourable Court sentences/decisions and, as a result of these decisions, one can estimate a financial impact in a reasonable manner.

(d) Other Accounting Estimates

There are objective situations in which until the closing date of fiscal periods or until the closing date of a financial year, the exact values of expenditures employed by the company are not known (for ex.: marketing campaigns – products promotion sales and stimulation of sales). For this category of expenditures preliminary expenses shall be done, which will be corrected within the following periods when cash outflows will also be produced. Expenditure estimates, on each category of expense, shall be performed by people with experience in the type of activity generating that expense.

(e) Taxation

The taxation system in Romania is in a phase of consolidation and harmonization with the European legislation. However, there are still different interpretations of the fiscal legislation. In certain situations, fiscal authorities may treat differently certain aspects, proceeding to the calculation of additional taxes and fees and of afferent delay penalties. The Company Management considers that tax liabilities included in the financial statements are appropriate.

2.4. Presentation of Financial Statements

The Company adopted a presentation based on liquidity for the assets and based on exigible liabilities within the statement of the financial position and a presentation of income and expenses depending on their nature within the comprehensive income statement, considering that these presentation methods offer information that are credible and more relevant than those that would have been presented based on other methods allowed by IAS 1 "Presentation of Financial

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Statements".

2.5. Going Concern Principle

The period of six months concluded as at 30 June 2025 continued in line with the expectations of Biofarm SA management, so that, on the date of financial statements, the company's management team does not consider that there is any aspect that would affect going concern principle, the volume of sales, cash flows and profitability. On the date of these financial statements, Biofarm SA has sufficient liquidity to meet its obligations at maturity and, therefore, applies the going concern principle as a basis for the preparation of financial statements.

2.6. Intangible Assets

The record of intangible assets is performed according to IAS 38 "Intangible assets" and IAS 36 "Impairment of Assets". Externally acquired intangible assets are initially recognized at cost and subsequently amortized linearly during their useful economic duration.

Expenses related to the acquisition of patents, copyrights, licenses, trademarks or factory marks and other intangible assets recognized for accounting purposes, except for the formation expenses, the goodwill, the intangible assets with indefinite useful life, thus classified according to the accounting regulations, are recovered through straight-line depreciation deduction during the contract period or the duration of use, if appropriate. Expenses related to the purchase or production of computer programs are recovered through straight-line depreciation deductions on a period of 3 years.

2.7. Tangible Assets

Tangible assets are tangible elements that:

a) are held for use in the production or supply of goods or services, in order to be rented to the third parties or to be used for administrative purposes; and

b) are expected to be used during more than one period.

Recognition:

The cost of an item of tangible assets must be recognized as an asset only if:
a) generation of future economic benefits afferent to the asset is probable for an entity; and
b) the cost of the asset can be credibly assessed.

Assessment after Recognition

After recognition as an asset, an item of non-current tangible assets (other than land and buildings) is accounted for its cost minus any accumulated depreciation and any losses accumulated from depreciation.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

After recognition as an asset, buildings whose fair values can be measured reliably are accounted for at a revalued amount.

The fair value of land is generally determined based on the comparative values on the market, through an assessment performed by qualified professional assessors. The fair value of land items is generally their value on the market determined by assessment.

Reassessments are performed with sufficient regularity to make sure that the book value does not significantly differ from what would have been determined by using the fair value at the end of the reporting period.

When an item of tangible assets is reassessed, any accumulated depreciation at the reassessment date is eliminated from the gross book value of the asset, and the net value is recalculated at the asset's reassessed amount.

If an item of tangible assets is reassessed, then the entire class of tangible assets from which that element is part is reassessed.

If the book value of a tangible asset is increased after revaluation, then then the increase is recognized in other comprehensive income elements and accumulated in equity as a reassessment surplus. However, the increase shall be recognized in profit or loss to the extent that it compensates with a decrease from the reassessment of the same asset previously recognized in the profit or loss account.

If the book value of an asset is decreased after a reassessment, this decrease shall be recognized in profit or loss. However, the reduction should be recognized in other comprehensive income elements to the extent that the reassessment surplus presents a credit balance for that asset. The reduction recognized in other comprehensive income elements reduces the amount accumulated in equity as a reassessment surplus.

The reassessment surplus included in equities afferent to an item of tangible assets is directly transferred in the result reported when the asset is derecognized. Transfers from reassessment surplus in the comprehensive income are not performed through the profit or loss account.

If there are any, the effects of taxes on the comprehensive income from the reassessment of tangible assets are recognized and presented in accordance with IAS 12 Tax income.

Amortization

The amortizable value of an asset is systematically allocated to its useful life duration. Amortization of an asset begins when it is available for use, that is, when it is in the location and condition necessary, to operate in the manner intended by the management.

The amortization method used reflects the expected pattern of consumption of future economic benefits of the asset by the entity.

The owned land is not amortized and is presented at the estimated fair value based on the trading

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

values of comparable assets (IFRS 13 - Level 2). The fair value of buildings was determined using the net replacement cost method (IFRS 13 - Level 3).

For amortizable fixed assets, the company uses, in terms of accounting, the straight-line amortization method. Payback periods are determined by a specialty internal commission according to the company's internal procedures. You will find below a short presentation of useful lives of fixed assets on important categories of assets:

Category	Lifespan
Buildings and constructions	8-40 years
Equipment and facilities	7-24 years
Means of transportation	4-6 years
Computer technology	2-15 years
Office furniture and equipment	3-15 years

Depreciation
In order to determine whether an element of tangible assets is depreciated, the company applies IAS 36 Depreciation of assets. At the end of each reporting period, the entity estimates whether there is evidence of depreciation of assets. In case such evidence is identified, the entity estimates the recoverable amount of the asset.

Only if the recoverable amount of an asset is smaller than its carrying amount, the carrying amount of the asset shall be reduced in order to be equal to the recoverable amount. Such reduction represents a depreciation loss. An impairment loss is recognised immediately in the profit or loss of the period, except for the situations in which the asset is considered to the reassessed amount, in accordance with the provisions of another Standard (for example, in accordance with the reassessment model from the IAS 16 Tangible assets). Any impairment loss in the case of a reassessed asset is considered as being a decrease generated by reassessment.

2.8. Investment property – IAS 40

An investment property is recognized as an asset if, and only if:

a. it is probable that the future economic benefits associated with the investment property will flow to the entity;

b. the cost of investing real estate can be assessed reliably.

The company classifies as investment property land owned for future use not yet determined.

An investment property must initially be valued at cost. Transaction costs shall be included in the initial assessment. The cost of a purchased investment property includes its purchase price and any directly attributable expenses. Directly attributable expenses include, for example, professional fees for legal services, fees for the transfer of ownership and other transaction costs.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Investment property is then presented on the balance sheet at fair value, estimated by reference to the transaction values of comparable assets (IFRS 13 - Level 2).

The fair value of an investment property is determined by a valuation by a certified independent valuer who has relevant experience in valuing similar real estate.

After initial recognition, an entity that chooses the fair value model shall measure all of its investment property at fair value.

A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss in the period in which it arises.

An entity determines fair value without deducting transaction costs that it may incur in connection with the sale or other disposal.

The fair value of a property shall reflect market conditions at the end of the reporting period.

Non-current assets in the category of Investment Property, owned by the company are disclosed in Note 12 to the financial statements.

2.9. Inventories

According to the provisions of IAS 2, the inventories are assets:

a. owned for sale during the normal course of the activity;
b. in the process of production for such sale; or
c. in the form of materials and other consumables to be used in the production process or for the supply of services.

Assessment of Inventories:

Inventories are assessed at the smallest value between the cost and the net realizable value.

Cost of Inventories

The cost of inventories contains all acquisition costs, conversion costs, as well as other costs borne in order to bring the inventories in the state and place where they are currently found.
Inventories of raw materials, materials and goods are recorded at acquisition value. The disposal of these inventories is done using the FIFO method.
The stocks of products in progress are assessed at the value of the raw materials and materials incorporated therein.

The stock of finished goods is recorded at production cost. The stock of finished goods is disposed of using the CMP method.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Adjustments for Depreciation of Inventories

The assessment for depreciation of inventories is performed individually and is based on the best estimation of management on the present value of cash flows that are expected to be received. For the estimation of these flows, the management makes certain estimations regarding the utility value of the inventory, taking into account the expiry date, the possibility of use in the company's current activity and of other factors specific for each inventory category. Each depreciated asset is individually analysed. The accuracy of adjustments depends on future cash flows estimations.

2.10. Financial Assets

Classification of financial assets

IFRS 9 provides an approach to the classification and measurement of financial assets that reflects the business model within which the financial assets are managed, and the cash flows characteristics.

The business model used by the Company to manage its financial assets is the one that involves the collection of contractual cash flows.

The financial assets that are held under this business model are managed to obtain cash flows by collecting contractual payments over the life of the instrument. This means that the Company manages the assets held in the portfolio to collect those contractual cash flows (rather than managing the overall return of the portfolio by both holding and selling the assets).

The assets held within this business model are not necessarily held until they reach maturity, sales are also possible with a "rare frequency", when the credit risk of the respective instruments has increased.

Analysis of cash flow characteristics (SPPI test)

The SPPI test is the analysis of the contractual terms of the financial assets to identify whether the cash flows represent only payments of principal and interest corresponding to the principal.

IFRS 9 includes three categories for the classification of financial assets: measured at amortized cost, measured at fair value through comprehensive income and measured at fair value through profit or loss.

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test (please see financial assets sections of note 3).

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

The company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is measured and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Initial assessment of financial assets

Financial assets are recognized on the date the Company becomes a party to the contractual and the terms of that instrument.

The company recognizes cash and cash equivalents, cash deposits and receivables at transaction cost.

Subsequent measuring of financial assets

The company measures its financial assets (i.e. trade receivables and bank deposits) at amortized cost.

The amortized cost of an asset is the value at which the asset is measured upon initial recognition, less principal payments, to which is added or subtracted accumulated depreciation up to that point of using the effective interest method, less reductions for impairment losses.

After initial recognition, a financial asset is classified as measured at amortized cost, only if two conditions are simultaneously met:

- the asset is held within a business model whose objective is to preserve financial assets to collect contractual cash flows;

- the contractual terms of the financial asset give rise, on specified dates, to cash flows representing exclusively principal and interest payments.

Other financial assets

Other financial assets at amortized cost are bank deposits with an original maturity of more than 3 months, cash and bank accounts.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Receivables

Receivables represent financial assets held within a business model whose objective is to keep those assets in order to collect contractual cash flows and whose contractual terms give rise, on specified dates, to cash flows representing exclusively principal and interest payments.

Receivables include trade receivables and other receivables. They consist mainly of customers and assimilated accounts that include invoices issued at nominal value and estimated receivables related to the services provided, but invoiced in the period after the end of the period.

Final losses may vary from current estimates. Due to the inherent lack of information related to the financial position of clients and the lack of legal collection mechanisms, estimates of probable losses are uncertain. However, the management of the Company made the best estimate of the losses and considers that this estimate is reasonable under the given circumstances. In estimating the losses, the Company also took into account previous experience, with a view to both individual and collective estimates, as presented in Note 3.

Trade receivables are recorded at the invoiced value. Subsequently, the Company recognizes the expected credit losses, according to the provisions of IFRS 9 and are classified as being measured at amortized cost.

Identification and measuring of the expected credit loss

The carrying amount of an asset may be reduced by the Company by using an allowance account for any expected credit losses. Expected credit losses are recognized in the profit or loss account.

Measuring

For trade receivables, the Company uses the simplified method to measure ECLs. Thus, the estimates and assumptions associated with these estimates are based on historical experience, as well as on other factors considered reasonable in the context of these estimates. The results of these estimates and assumptions form the basis of judgements regarding the book values of assets that cannot be obtained from other sources of information.

The company has a small number of active clients and performs an individual analysis regarding the recovery of commercial and other receivables.

Individual analysis

The company performs individual analyses of the degree of recovery of trade receivables and other receivables, based on the delays reported to maturity according to invoices/other documents and the stage of the litigation (if there is such a case). A provision of 100% of the gross value is recorded for all customers in litigation and for debts outstanding for more than 120 days.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Expected credit loss is the difference between all contractual cash flows that are owed to the Company and all cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition
The company derecognizes an amortization of receivables previously registered when it is recovered entirely or proportionally.

The company derecognizes a financial asset when the contractual rights to the cash flows generated by the asset expire, or when the rights to collect the contractual cash flows of the financial asset are transferred, through a transaction whereby the risks and rewards of ownership of the financial asset are transferred significantly.

2.11. Financial Debts

Financial debts are recognized on the date the Company becomes a party to the contractual provisions of the instrument (transaction date). Financial debts are valued at the time of initial recognition at fair value, minus, in the case of financial debts that are not at fair value through profit or loss, the transaction costs directly attributable to the acquisition of the respective financial debts.
Subsequently to initial recognition, these financial liabilities are measured at amortized cost.

Debts to suppliers and other debts, initially recorded at fair value and later evaluated using the effective interest method, include the counter value of invoices issued by suppliers of products, works performed and services rendered.

Compensations

Financial assets and liabilities are offset, and the net result is presented in the statement of financial position only when there is a legal right to offset and if there is the intention to settle them on a net basis or if the Company intends to realize the asset and settle the debt simultaneously.

Derecognition

An entity derecognizes a financial liability (or part of a financial liability) from the statement of financial position when and only when it is settled, that is, when the obligation specified in the contract is extinguished or cancelled or expires.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

2.12. Recognition of Income and Expenses

2.12.1. Recognition of Income

IFRS 15 Revenue from Contracts with Customers establishes a five steps model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

In accordance with IFRS 15, the revenue is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

The Company recognizes the revenue when the goods are shipped to our customers from our warehouse based on ex-works incoterms.

The revenues are recognized net of any trade discounts offered to customers.

Other operating income includes income/gains from all other operating activities which are not related to the ordinary activities of the Company, such as gains/losses from sales of assets.

2.12.2. Recognition of Expenses

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

2.13. Provisions – IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The provision is assessed at the best estimation of necessary expenditures for settling the obligation at the reporting date, updated at a pre-taxation rate reflecting the current market assessments of money value over time and the risks specific to the debt.

According to IAS 37 "Provisions, contingent debts and contingent assets", a provision must be recognised in the case in which:

a. the Company has a current obligation (legal or constructive) generated by a past event;
b. it is possible that for obligation settlement to be necessary an outflow of resources incorporating economic benefits; and
c. a credible estimation of obligation value can be performed.

Provisions are grouped in accounting on categories and are constituted for:

- litigations;
- employees benefits;
- other provisions.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Provisions for disputes are estimated based on Court decisions while provisions for employees' benefits are estimated in line with contractual terms and management decision to grant- certain benefits.

Provisions previously constituted are periodically analysed and updated.

2.14. Employees Benefits – IAS 19 Employees Benefits

Current benefits granted to employees

Short-term benefits granted to employees include indemnities, salaries and social security contributions. These benefits are recognized as expenses together with service delivery.

Benefits after Conclusion of Employment Contract

Both the Company and its employees have the legal obligation to contribute to social security contributions constituted at the National Pension Fund administered by the National House of Pensions (contributions plan founded based on the principle "paying along the way").

For this reason, the Company does not have any legal or implicit obligation of paying future contributions. Its obligation is only to pay contributions when they become due. If the Company hires persons who are contributing to the financing plan of the National House of Pensions, it shall not have any obligation for the payment of benefits earned by its own employees in previous years. The contributions of the Company to the contributions plan are presented as expenditures in the year to which they refer.

Pensions and other Benefits subsequent to Retirement

The Company had provided in the Collective bargaining agreement at company level a wage benefit for employees who retire (age limit, early retirement, disability pension). They receive an indemnity equal to two main salaries had in the retirement month. The Company shall attribute part from the cost of benefits in favour of the employee, during the work period of the employee in the enterprise. This benefit will be granted in what follows, even if, at the end of the year, the Company had failed to conclude a formal agreement with the employees' representatives.

The Company contracts a certified actuary to perform a statistical-actuarial calculation yearly and has as its purpose the recognition of expenses with benefits during the period in which the employee contributed to the realization of company income. The liability is split between short-term and long-term based on the actuary report.

2.15. Deferred Tax - IAS 12

In the calculation of the deferred tax, the company will consider provisions of IAS 12.

The assets and debts on the deferred tax are recognized when the book value of an asset or debt from the statement of financial position differs from the fiscal base.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

The recognition of assets on deferred tax is limited to those moments in which it is possible for the taxable profit of the following period to be available. The active deferred tax corresponding to the depreciation at fair value of listed securities was not recognized.

The amount of the asset or liability is determined by using tax rates that were adopted or widely adopted until the reporting date and is expected to be applied when debts/(assets) on deferred tax are settled/(recovered).

The Company compensates receivables and debts regarding the deferred tax only if:

a. it has the legal right to compensate receivables regarding the current tax; and

b. receivables and debts on the deferred tax are afferent to profit taxes charged by the same tax authority.

2.16. Dividends

The profit share that is paid, according to the law to each shareholder, constitutes a dividend. The dividends distributed to shareholders, proposed, or declared after the reporting period, as well as the other similar distributions performed from the profit determined based on the IFRS and contained in the annual financial statements, are not recognized as a debt at the end of the reporting period. Upon the accounting of dividends, the provisions of IAS 10 are considered.

2.17. Capital and Reserves

Capital and reserves (equities) represent the right of shareholders on the assets of an entity, after the deduction of all debts. The equity includes: share capital, own shares, share premiums, revaluation reserves, reserves, retained earnings, result of the financial year.

The entity was established under the Government Decision No. 1224/1990 on the establishment of joint-stock companies in industry and it operates pursuant to the Companies Law No. 31/1990, republished.

In the first set of financial statements elaborated according to the IFRS, the company applied the IAS 29 – "Financial reporting in hyperinflationary economies" for the contributions to shareholders obtained before 01 January 2004, and namely, they were adjusted with the appropriate inflation index.

2.18. Financing Costs

An entity must capitalize the loan costs that are attributable directly to the acquisition, construction or production of an asset with a long production cycle as part of the cost for the respective asset. An entity must recognize other loan costs as expenses in the period during which it bears them.

The Company did not finance the construction of long-term assets from loans.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

2.19. Earnings per Share

The Company presents the basic earnings per share and diluted for common shares. The result per basic share is determined by dividing the profit or loss attributable to ordinary shareholders of the Company at the weighted average number of ordinary shares afferent to the reporting period. The diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and to the weighted average number of ordinary shares with dilution effects generated by potential ordinary shares.

2.20. Affiliated Parties

A person or a close family member of that person is considered an affiliate of a Company if that person:

(i) has control or joint control over the Company;
(ii) has a significant influence on the Company; or
(iii) is a member of the key staff in the management.

The management key-personnel are represented by the General Manager and by the members of the Board of Directors Transactions with key personnel exclude the salary benefits granted to them, as they are presented in Note 6 "Personnel expenses".

An entity is affiliated to the Company if it meets any of the following conditions:

(i) The Entity and the Company are members of the same group (which means that each parent company, subsidiary and subsidiary of the same group is linked to the others);

(ii) An entity is an associated entity or a joint venture of the other entity (or entity or a joint venture of a member of the group of which the other entity is part);

(iii) Both entities are joint ventures of the same third party;

(iv) An entity is a joint venture of a third party, and the other is an associated entity of the third party;

(v) The Entity is a plan of post-employment benefits in the benefit of employees of the reporting entity or of an affiliated entity of the reporting entity. In the case in which the reporting entity represents itself such a plan, sponsor employers are also affiliated of the reporting entity;

(vi) The Entity is controlled or jointly controlled by an affiliated person;

(vii) An affiliated person that has the control significantly influences the entity or is a member of the key personnel from the entity management (or of the parent company of the entity).

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

2.21. Segment Reporting

A segment is a part of the company that engages in segment of activity from which it can obtain income and record expenses (including income and expenses corresponding to transactions with other parts of the same entity), whose operational results are regularly monitored by the company's management in order to make decisions regarding the resources to be allocated to the segment and to evaluate its performance and for which separate financial information is available. The company does not have significant geographic or activity segments according to IFRS 8, "Operations segments" and does not have an internal management and reporting structure divided into segments.

The main income described in Note 4 is all related to the main objects of activity of the Company (the income from the sale of finished products and goods represents the main activity of the Company and is analysed together by its management).

2.22. Modifications brought to the Accounting Policies

In the first six months of 2025, Biofarm SA applied a series of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union that entered into force for the reporting period beginning on or after 1 January 2025. Their adoption did not have a significant impact on the disclosures nor on the amounts reported in these financial statements.

Standard	Title	Date of entry into force established by IASB
Amendments to IAS 21	Lack of convertibility	1 January 2025

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

Currently, IFRS, as adopted by the EU do not differ significantly from the IFRS as adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which have not been adopted by the EU as of 30.06.2025:

Standard	Title	EU adoption status
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments (effective date set by the IASB: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 9 and IFRS 7	Contracts referring to electricity dependent on natural conditions	Not yet adopted by the EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11 (effective date set by the IASB: 1 January 2026)	Not yet adopted by the EU
IFRS 18	Presentation and disclosure of information in financial statements (effective date set by the IASB: 1 January 2027)	Not yet adopted by the EU
IFRS 19	Non-public subsidiaries: information to be provided (effective date set by the IASB: 1 January 2027)	Not yet adopted by the EU
IFRS 14	Deferral accounts related to regulated activities (effective date set at: 1 January 2016)	The European Commission has decided not to start the approval process of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures and subsequent amendments (effective date has been deferred indefinitely by the IASB, but early application is permitted)	The approval process has been postponed indefinitely until the research project on the equivalence method is completed.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

Biofarm S.A. does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of Biofarm SA in the future.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the estimates of Biofarm SA, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39: Financial Instruments: Recognition and Measurement** would not significantly impact the financial statements, if applied as at the balance sheet date.

ANNEX: BRIEF DESCRIPTION OF NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

- **IFRS 18 Presentation and information to be provided in the financial statements** issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. The standard introduces three sets of new requirements to help companies improve their reporting of financial performance and to give investors a better basis for analysing and comparing companies. The main changes in the new standard as compared to IAS 1 relate to: (a) the introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregations and disaggregations; (c) the introduction of information on Management Performance Measures (MPMs) in the notes to the financial statements.

- **IFRS 19 Subsidiaries without public liability: information to be provided** issued by the IASB on 9 May 2024. The standard allows subsidiaries to provide limited disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that choose to apply it.

- **Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback** issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease.

- **Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current** issued by IASB on 23 January 2020 and **Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants** issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements** issued by IASB on 25 May 2023. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates – Lack of convertibility** issued by IASB on 15 August 2023. The amendments provide guidance for entities to disclose when a currency is convertible and how to determine the exchange rate when it is not convertible.

- **Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments** issued by IASB on 30 May 2024. The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date on which a financial asset or liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent features.

- **Amendments to IFRS 9 and IFRS 7 – Contracts referring to electricity dependent on natural conditions** issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors that an entity must consider when applying IFRS 9:2.4 to contracts for the purchase and delivery of electricity from renewable sources for which the source of electricity generation depends on natural conditions. The hedge accounting provisions in IFRS 9 are amended to allow an entity that applies a renewable electricity contract that depends on natural conditions, specified as a hedging item, to designate a variable volume of forecast electricity transactions as the hedged item if certain criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging item. The amendments to IFRS 7 and IFRS 19 will introduce disclosure requirements for electricity contracts that depend on natural conditions with certain specified characteristics.

- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 -** Annual Improvements to IFRS Accounting Standards – Volume 11 issued by the IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting adopted by a first-time adopter (IFRS 1); (b) gain or loss on disposal (IFRS 7); (c) presentation of the deferred difference between fair value and transaction price (IFRS 7); (d) introduction and disclosures of information about credit risk (IFRS 7); (e) derecognition of lease liabilities by the lessee (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a "de facto representative" (IFRS 10); (h) cost method (IAS 7).

- **IFRS 14 Regulatory Deferral Accounts** issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognize regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

2. ACCOUNTING POLICIES WITH SIGNIFICANT IMPACT (continuation)

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

Such as all the other activities, the Company is exposed to risks that occur from the use of financial instruments. This note describes the objectives, policies, and processes of the Company for the management of these risks and methods used in order to assess them. Additional quantitative information in relation to these risks is presented in these financial statements.

There were no major modifications in the exposure of the Company to risks regarding financial instruments, objectives, policies and its processes for the management of these risks or the methods used in order to assess them compared with the previous periods except for the case in which it is otherwise stated in this note.

Main Financial Instruments

The main financial instruments used by the Company, from which the risk on financial instruments occurs, are as follows:

- Trade receivables and other receivables
- Term bank deposits
- Cash and cash equivalents
- Trade payables and other payables

A summary of financial instruments owned by categories is provided below:

		Loans and Receivables
ASSETS	**30 June 25**	**31 December 24**
Commercial and assimilated receivables	110,681,478	131,976,511
Term bank deposits	-	62,000,000
Cash and cash equivalents	186,576,280	61,843,963
Total	**297,257,758**	**255,820,473**

		At an amortised cost
DEBTS	**30 June 25**	**31 December 24**
Commercial and similar debts	44,633,913	58,170,277
Long-term debts	42,006,289	12,375,130
Total	**86,640,202**	**70,545,407**

The general objective of the management is that of establishing policies that try to reduce the risk as much as possible without unduly affecting Company competitiveness and flexibility.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT (continuation)

The additional details on these policies are established below:

Credit Risk

The credit risk is the financial loss risk for the Company that occurs if a client or counterparty at a financial instrument does not fulfil its contractual obligations. The Company is mainly exposed to the credit risk occurred from sales to clients.

The company applies specific policies to ensure that the sale of products is carried out in such a way that the commercial credit granted is appropriate and continuously monitors the ageing of receivables. In this regard, there were taken measures to verify the creditworthiness of clients and the Company's exposure to credit risk, as well as to insure claims with specialized companies. At the level of the Company there is a Trade Policy approved by the Board of Directors. In this trade policy, the sales trade conditions are clearly presented and there are conditions imposed in the selection of clients.

Biofarm works only with distributors with national coverage in the pharmaceutical market and in direct sale to pharmacies, the payment is made upon delivery. In export sales, in all situations possible, the sale is contracted with pre-payment.

The period for the collection of net receivables is in average at 110 days. Biofarm SA managed to permanently ensure the necessary of liquidities and high solvency and will try to continue to maintain the positive trend of the periods for the collection of receivables.

Receivables ageing distribution could be found in Note 15.

The Company considers the following to be an event of default for the purposes of internal credit risk management because historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable:

- When there is a breach of financial agreements by the debtor;
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (disregarding any security held by the Company), e.g. when the debtor was put into liquidation or became insolvent.

Regardless of the above analysis, the Company considers default to have occurred when a financial asset is more than 120 days past due, unless the Company has reasonable and sustainable information to demonstrate that the risk of default is not significant.

Allowance for financial assets may still be subject to enforcement activities according to the Company's recovery procedures, considering legal advice, where appropriate. Any recoveries made are recognized in profit or loss.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT (continuation)

Cash and cash equivalents are placed only at first-ranked banking institutions, considered to have high solvency.

Credit Risk Exposure

The book value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	30 June 25	31 December 24
Gross trade receivables	123,498,346	144,781,948
Expected credit losses for receivables	(12,816,868)	(12,805,438)
Net trade receivables	**110,681,478**	**131,976,511**
Other receivables	18,505,585	19,484,195
Term bank deposits	-	62,000,000
Cash & cash equivalents	186,576,280	61,843,963
	315,763,343	**275,304,669**

Liquidity Risk

Liquidity risk is the risk that Biofarm S.A. will encounter difficulties in meeting the obligations associated with financial debts that are settled in cash. The Company's approach to liquidity risk is to ensure, to the extent possible, that all times it holds sufficient liquidity to meet its debts when they become due, both under normal and difficult circumstances, without incurring significant losses or endanger the Company's reputation.

In general, the Company ensures that it has sufficient cash to cover expected operational expenses, including the payment of financial debts. To manage liquidity risk, cash flows are monitored and analysed quarterly and annually to establish the estimated level of net changes in liquidity.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continuation)

Exposure to liquidity risk

The contractual maturities of financial assets and liabilities are as follows:

	Book value	Unadjusted value	Below 1 month	Between 1 and 3 months	Between 3 and 12 months	Above 1 year	No determined maturity
30 June 2025							
Financial Assets							
Cash and cash at banks	6,260,467	6,260,467	6,260,467	-	-	-	-
Deposits placed below 3 months maturity	180,315,813	180,315,813	108,315,813	72,000,000	-	-	-
Deposits placed above 3 months maturity	-	-	-	-	-	-	-
Trade receivables	109,379,282	109,379,282	54,124,961	26,095,277	29,159,044	-	-
Other receivables	19,114,030	19,114,030	-	-	-	-	19,114,030
Interest receivables	693,751	693,751	111,004	582,747	-	-	-
Total financial assets	**315,763,343**	**315,763,343**	**168,812,245**	**98,678,024**	**29,159,044**	**-**	**19,114,030**
Financial Liabilities							
Trade and other debts	44,633,913	44,633,913	11,733,703	22,253,917	9,953,944	692,349	-
Other long-term debts	42,006,289	42,006,289	3,796,608	30,546,636	-	-	7,663,045
Total Financial Liabilities	**86,640,202**	**86,640,202**	**15,530,311**	**52,800,553**	**9,953,944**	**692,349**	**7,663,045**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continuation)

	Book value	Unadjusted value	Below 1 month	Between 1 and 3 months	Between 3 and 12 months	Above 1 year	No determined maturity
31 December 2024							
Financial Assets							
Cash and cash at banks	668,711	668,711	668,711	-	-	-	-
Deposits placed below 3 months maturity	61,175,252	61,175,252	31,175,252	30,000,000	-	-	-
Deposits placed above 3 months maturity	62,000,000	62,000,000	22,000,000	40,000,000	-	-	-
Trade receivables	129,956,492	129,956,492	58,410,628	52,281,789	19,264,075	-	-
Other receivables	20,166,063	20,166,063	-	-	-	-	20,166,063
Interest to be collected	1,338,151	1,338,151	551,294	786,858	-	-	-
Total financial assets	**275,304,669**	**275,304,669**	**112,805,884**	**123,068,647**	**19,264,075**	**-**	**20,166,063**
Financial Debts							
Trade and other debts	58,170,277	58,170,277	11,467,642	35,952,841	10,749,794	-	-
Other debts	12,375,130	12,375,130	3,409,626	-	-	1,240,465	7,725,039
Total financial debts	**70,545,407**	**70,545,407**	**14,877,267**	**35,952,841**	**10,749,794**	**1,240,465**	**7,725,039**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continuation)

Bank Liquidities

A significant amount from Company's cash availabilities is kept in banks as term bank deposits. The banks to which the company has bank accounts and term deposits are periodically analysed by the company management.

Market Risk

The Romanian economy is in continuous development, and there is a lot of uncertainty regarding the possible orientation of politics and economic development in the future. The Company's management cannot foresee the changes that will take place in Romania and their effects on the financial situation, on the operating results and the treasury flows of the company.

Currency Risk

Biofarm SA is exposed to currency exchange risk through its sales, purchases and availability which are denominated in currencies other than the Company's functional currency, however the currency in which most transactions are carried out is RON.

The currencies that expose the Company to this risk are, mainly, EUR. The different results are included in the Statement of the overall result and do not affect the cash flow until the time of liquidation of the debt. As of 30 June 2025, the company has cash, trade receivables and trade liabilities in foreign currency, the rest of the financial assets and financial liabilities are kept in lei.

On 30 June 2025 the Company's net exposure to foreign exchange risk was as follows:

30 June 2025	**EUR (1EUR = 5.0777)**	**USD (1USD=4.3329)**	**GBP (1GBP=5.9329)**	**RON 1 RON**	**TOTAL**
Cash, Cash at Banks and Deposits	60,623,055	3,316,013	323	122,636,889	186,576,280
Trade and other receivables	1,131,378	(1,297)	-	128,056,982	129,187,063
Total financial assets	**61,754,433**	**3,314,716**	**323**	**250,693,871**	**315,763,343**

30 June 2025	**EUR (1EUR = 5.0777)**	**USD (1USD=4.3329)**	**GBP (1GBP=5.9329)**	**RON 1 RON**	**TOTAL**
Trade and other Liabilities	3,805,944	937,150	142	81,896,966	86,640,202
Total financial liabilities	**3,805,944**	**937,150**	**142**	**81,896,966**	**86,640,202**

31 December 2024	**EUR (1EUR = 4.9741)**	**USD (1USD=4.7768)**	**GBP (1GBP=5.9951)**	**RON 1 RON**	**TOTAL**
Cash, Cash at Banks and Deposits	179,948	3,609,890	327	120,053,798	123,843,963
Trade and other receivables	2,125,841	(74)	-	149,334,939	151,460,706
Total financial assets	**2,305,789**	**3,609,816**	**327**	**269,388,737**	**275,304,669**

31 December 2024	**EUR (1EUR = 4.9741)**	**USD (1USD=4.7768)**	**GBP (1GBP=5.9951)**	**RON 1 RON**	**TOTAL**
Trade and other Liabilities	6,926,092	464,410	-	63,154,905	70,545,407
Total financial liabilities	**6,926,092**	**464,410**	**-**	**63,154,905**	**70,545,407**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continuation)

Considering the relatively low exposure to exchange rate fluctuations, it is not expected that reasonable exchange rate fluctuations will produce significant effects in the future financial statements.

Capitals Adequacy

The objectives of the Company in capital management are those to ensure protection and the ability to reward its shareholders, to maintain an optimal capital structure to reduce capital costs.

Company management does not estimate any difficulties in keeping commitments to shareholders and obligations to third parties, the available current and future liquidity being sufficient to cover the payments of the next period.

4. INCOME FROM CONTRACTS WITH CLIENTS

The income from sales includes the following elements:

	For the 6-month period ending on	
Sales income	**30 June 25**	**30 June 24**
Sales of finished goods	240,707,730	208,563,458
Sales of merchandise	10,943,723	11,039,348
Waste sales income	3,353	4,092
Trade discounts	(88,746,356)	(78,442,302)
TOTAL	**162,908,450**	**141,164,596**

	For the 6-month period ending on	
Domestic/foreign revenues	**30 June 25**	**30 June 24**
Domestic sales, net	159,368,768	136,838,557
Foreign sales, net	3,539,682	4,326,039
	162,908,450	**141,164,596**

The turnover is realized mainly from the sale of finished goods directly to pharmaceutical distributors (for the internal market) by the sale point from Drumul Gura Badicului Street nr. 202-232, sector 3, Bucharest. Some of the products sold by Biofarm are produced by third parties and revenues from the sale of these products are classified as "Sales of merchandise".

Net export sales in the first semester of 2025 were of lei 3,539,682 (2024: lei 4,326,039), representing approximately 2.2% from the total net sales of Biofarm S.A.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

5. RAW MATERIALS, CONSUMABLES AND GOODS

Expenses for raw materials, consumables and goods have the following component:

Raw materials, consumables and goods	For the 6-month period ending on 30 June 25	30 June 24
Raw materials	13,221,488	13,080,473
Auxiliary materials	8,691,275	9,059,298
Merchandise	1,893,943	2,145,073
Inventory objects	31,902	41,467
Other consumables	560,158	446,646
TOTAL	**24,398,766**	**24,772,957**

6. PERSONNEL EXPENSES

Personnel expenses have the following structure:

Personnel expenses	For the 6-month period ending on 30 June 25	30 June 24
Salaries	27,951,647	25,539,905
Fees and social contributions	1,299,191	1,177,338
Other benefits	(900,627)	(330,930)
TOTAL	**28,350,211**	**26,386,313**

The Company is managed in a unitary system, under the Companies Law No. 31/1990, company management being ensured by the Board of Directors of SC Biofarm S.A.

Key management personnel is represented by the general manager and Board of Directors.

The remuneration granted to the Board of Directors and to the Executive Management (according to IAS 24 - key personnel) is presented in the following table:

Description	For the 6-month period ending on 30 June 25	30 June 24
Contracts of the Board of Directors and General Manager	1,364,846	1,262,051
TOTAL	**1,364,846**	**1,262,051**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

7. OTHER OPERATING EXPENSES

Other operating expenses include the following:

	For the 6-month period ending on	
Other operating expenses	**30 June 25**	**30 June 24**
Utilities	4,617,422	3,756,581
Repairs	900,912	953,485
Logistics and rental services	387,505	-
Insurance	702,309	607,527
Bank fees	22,557	19,553
Advertising and promotion of products	30,800,042	24,400,045
Travel and transportation	3,185,271	889,991
Post and telecommunications	177,865	175,211
Other services provided by third parties*	4,959,678	4,972,291
Other taxes and duties	1,842,681	2,336,708
Inventory adjustments	-	3
Donations and grants	1,088,448	635,250
Currency exchange expenses	661,852	-
Other operating expenses	7,875	5,139
Litigation provisions	122,591	89,257
TOTAL	**49,477,008**	**38,841,041**

*In the first semester of 2024, in the category "Other services provided by third parties", "Logistics and rental services" were included in the amount of Ron 70,000.

8. NET FINANCIAL INCOME

Net financial income has the following component:

	For the 6-month period ending on	
Net financial income/(costs)	**30 June 25**	**30 June 24**
Interest income	3,767,501	3,208,260
Costs with interests	-	-
TOTAL	**3,767,501**	**3,208,260**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

9. CORPORATE TAX EXPENSES

	For the 6-month period ending on	
Corporate tax expenses	**30 June 25**	**30 June 24**
Current corporate tax expense	6,505,196	4,097,498
Deferred tax expense/(income)	1,513,719	3,014,183
TOTAL	**8,018,915**	**7,111,681**

The profit tax to be paid was calculated considering the non-deductible expenses, respectively taxable income, tax incentives, as well as provisions effects for profit tax. Reconciliation between the accounting profit and the tax profit that was at the basis of profit tax calculation is presented in the following table:

	For the 6-month period ending on	
Name of indicators	**30 June 25**	**30 June 24**
Income and items similar to income	176,147,132	154,566,579
Total expenses (less corporate tax)	(119,317,738)	(105,463,931)
Accounting result	**56,829,394**	**49,102,648**
Deductions (fiscal depreciation)	(9,077,176)	(8,467,212)
Non-deductible expenses/(Non-taxable income)	(315,378)	(11,055,764)
Fiscal result	**47,436,840**	**29,579,672**
Corporate tax (fiscal result x 16%)	7,589,894	4,732,748
Profit tax reductions calculated according to the legislation in force	(1,084,698)	(635,250)
Total corporate tax	**6,505,196**	**4,097,498**
Real tax rate	**14%**	**14%**

Variation of the deferred profit tax, (expense)/income is:

Deferred tax (expense)/income:

Assets	**30 June 25**	**30 June 24**
Salary debts	(150,245)	(75,393)
Adjustments of depreciation for tangible assets	-	-
Adjustments of depreciation for doubtful receivables	-	-
Un-invoiced contractual obligations	(1,053,206)	(3,608,903)
Other debts	(245,471)	677,795
	(1,448,922)	**(3,006,501)**
Debts		
Tangible assets – recognized in the profit or loss account	(64,797)	(7,682)
TOTAL	**(1,513,719)**	**(3,014,183)**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

10. EARNINGS PER SHARE

	For the 6-month period concluded on	
	30 June 25	**30 June 24**
Net profit (A)	48,810,479	41,990,967
Number of ordinary shares (B)	985,375,350	985,375,350
Own shares held (C)	8,126	8,126
Earnings per share (A/(B-C))	**0.0495**	**0.0426**

On 30 June 2025, the company did not have a property title on the land in use from 99 Logofătul Tăutu Street.

The land in use from 99 Logofătul Tăutu Street is not included in the financial statements of S.C. Biofarm S.A., due to the fact that the documents attesting the property were not yet obtained, there being notifications on Law no. 10/2001.

In compliance with provisions of Art. 1 of the Government Decision No. 834/1991, the company requested the obtaining of the attesting certificate regarding the property title for the land, for the lands necessary to carry out the activity according to the activity object.

The value of the land for which the attesting certificate regarding the property title for the land will be obtained, shall be established based on legal provisions. Together with the value of the lands, the share capital of the company will increase as well, and the respective shares will become State property.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

11. TANGIBLE ASSETS

	Lands	Buildings	Technical installations and machines	Other installations, machinery and furniture	Tangible assets under progress	Total
31 December 2023	**10,924,113**	**64,975,381**	**151,261,302**	**3,933,260**	**56,175,497**	**287,269,553**
Purchases	-	-	-	-	22,635,852	22,635,852
Outputs	-	-	(1,739,066)	(154,020)	(479,140)	(2,372,226)
Reassessments	1,669,424	1,690,267	23,853,826	346,922	(27,560,440)	-
31 December 2024	**12,593,537**	**66,665,648**	**173,376,062**	**4,126,162**	**50,771,769**	**307,533,177**
Purchases	-	-	-		6,865,647	6,865,647
Outputs	-	-	(1,762,178)	-		(1,762,178)
Reassessments	-	-	4,837,300	87,608	(4,924,908)	-
30 June 2025	**12,593,537**	**66,665,648**	**176,451,184**	**4,213,770**	**52,712,508**	**312,636,646**
AMORTIZATION AND ADJUSTMENTS						
31 December 2023	**97,715**	**-**	**89,229,274**	**2,376,580**	**794,655**	**92,498,224**
Period cost	40,788	3,785,727	12,573,586	432,804	-	16,832,905
Outputs/Transfers	-	-	(1,739,066)	(149,298)	-	(1,888,364)
Reassessments	-	-	-	-	-	-
31 December 2024	**138,504**	**3,785,727**	**100,063,794**	**2,660,086**	**794,655**	**107,442,765**
Period cost	18,503	1,928,924	6,351,393	211,736	-	8,510,556
Outputs/Transfers	-	-	(1,762,178)	-	-	(1,762,178)
Reassessments	-	-	-	-	-	-
30 June 2025	**157,007**	**5,714,651**	**104,653,009**	**2,871,822**	**794,655**	**114.191.144**
Depreciation adjustment 2022	**-**	(1,747,325)	(774,624)	**-**	(974,539)	(3,496,488)
Depreciation adjustment 2023	**-**	1,747,325	677,263	**-**	16,903	2,441,491
Depreciation adjustment 2024	**-**	**-**	97,361	**-**	37,330	134,692
Total adjustments	**-**	**-**	**-**	**-**	**(920,305)**	**(920,305)**
NET VALUES						
31 December 2023	**10,826,397**	**64,975,381**	**61,934,666**	**1,556,680**	**54,423,206**	**193,716,330**
31 December 2024	**12,455,033**	**62,879,921**	**73,312,268**	**1,466,076**	**49,056,809**	**199,170,107**
30 June 2025	**12,436,530**	**60,950,997**	**71,798,175**	**1,341,948**	**50,997,548**	**197,525,198**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

11. TANGIBLE ASSETS (continuation)

Revaluation of Non-Current Assets

Buildings and land are revalued regularly so that the market value does not differ significantly from the book value. The last assessment was done on 31.12.2023, when land and buildings owned by the company were revalued by an associate member of the National Association of Romanian Valuers (ANEVAR). Land and buildings are presented in the balance sheet at fair value, estimated according to the trading values of comparable assets on the market.

Lands

The land reassessment report was transposed in accounting on 31.12.2023. The result of lands appraisal is presented in the table below:

Description	Reassessed value 31.12.2021	Reassessed value 31.12.2023	Appreciation 2023
Land located in Bucharest 3, 202-232 Drumul Gura Badicului street	7,618,659	9,424,913	1,806,254

The calculation methodologies in the chosen methods are based on the hypothesis that the evaluated subject land is considered free, unoccupied and also on the assumption that the property is unencumbered. The direct comparison method is based on the economic principle of substitution. The value of the land derives from the market records of the transaction prices of similar lands, respectively the market value can be determined following the analysis of the market prices of comparable free lands, from the same market area, which were traded at a date close to evaluation. The analysis of prices or offers for the sale of similar free lands is followed by the performance of corrections of comparable prices.

Land – Investment property

La data de 31.12.2023, Biofarm S.A. revalued the land in No. 40-42 Iancu de Hunedoara Boulevard, 1st District. According to the revaluation report, the land was revalued at a value of Lei 12,161,653, thus, an appreciation of Lei 380,790 was recorded as compared to the revalued value of Lei 11,780,863 on 31.12.2022 and is presented in Note 12, Investment Property.

Buildings

The result of the revaluation report of the buildings owned by Biofarm S.A. was recorded in the financial statements on 31.12.2023 as it presented a significant difference, a fair value of Lei 64,975,431 as compared to the accounting value of Lei 58,602,194.

Amortization of Non-Current Assets

Accounting amortization is calculated by using the linear method. For the new fixed assets, entered in the first semester of 2025 such as installations, cars and measurement and control devices, the useful life durations were established considering:

- the estimated level of use based on the use of asset capacity;
- repair and maintenance program practiced by Biofarm SA on plants and machinery;
- obsolescence caused by possible changes in the production process depending on the structure of products portfolio supplied by the company.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

11. TANGIBLE ASSETS (continuation)

Advances for Non-Current Assets

On the date of the financial statements, Biofarm SA had advances paid for tangible assets under progress in the amount of lei 2,869,197.

Scrapping and Impairment of Non-current Assets

In the first six months of 2025, no additional depreciation was established for fixed assets in the assets of Biofarm SA.

Litigations and Property Rights for Land

Biofarm was set up as a company based on Government Decision No. 1224/1990. Biofarm requested the title of deeds for the land located at 99 Logofătul Tăutu Street, in accordance with Government Decision No. 834/1991.

On 30 June 2025, the company did not hold a property title on the land in use from 99 Logofătul Tăutu Street.

The land in use from 99 Logofătul Tăutu Street is not included in the financial statements of Biofarm SA, due to the fact that documents attesting the property were not yet obtained, there being notifications on Law No. 10/2001.

For the commercial disputes pending before the courts of law in which Biofarm S.A. company is involved, taking into account the sentences of 2024 a provision was established in the amount of lei 1,696,360.

12. INVESTMENT PROPERTY

The land held by Biofarm S.A. in Bucharest, Bd-ul Iancu de Hunedoara, sector 1, a Real Estate Investment, not being used by the company for carrying out the operating activity and kept for capital appreciation. The reassessment method is presented in the accounting policies in NOTE 2.8.

	30 June 25	**31 December 24**
Opening Balance of the period	**12,777.700**	**12,161,653**
Fair value change	26,872	616,047
Closing Balance of the period	**12,804,572**	**12,777,700**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

13. INTANGIBLE ASSETS

Intangible assets mainly include software licenses for various IT applications and marketing rights for products manufactured by third parties. Changes in the acquisition cost and amortization of intangible assets are presented in the following table:

	30 June 25	31 December 24
Cost		
Initial balance	3,211,684	2,684,523
Inputs	347,750	641,832
Outputs	-	114,670
Final balance	**3,559,434**	**3,211,685**
Amortization/adjustments for depreciation		
Initial balance	(1,992,920)	(1,912,714)
Period cost	(135,919)	(194,876)
Outputs	-	(114,670)
Final balance	**(2,128,839)**	**(1,992,920)**
Net value	**1,430,595**	**1,218,765**

14. INVENTORIES

Inventories	**30 June 25**	**31 December 24**
Raw materials and consumables	27,658,896	33,299,667
Adjustments of raw materials and consumables	(1,870,632)	(1,870,632)
Production in progress and semi-finished goods	2,959,231	2,443,448
Adjustments of production under progress	-	-
Finished products	18,575,335	19,162,409
Allowance for finished products	(1,283,037)	(1,903,577)
Merchandise	3,188,794	2,270,965
Allowance for merchandise	(134,871)	(230,658)
TOTAL	**49,093,716**	**53,171,622**

15. TRADE AND OTHER RECEIVABLES

Description	**30 June 25**	**31 December 24**
Trade receivables	121,946,121	142,523,331
Adjustments for trade receivables	(12,566,839)	(12,566,839)
Sundry debtors and other receivables	769,992	843,415
Adjustments for other receivables	(161,548)	(161,548)
Interest to be collected for cash deposits	693,752	1,338,151
Total financial assets other than cash	**110,681,478**	**131,976,511**
Other receivables from the State Budget	14,484,115	16,536,952
Advances	2,383,970	1,974,303
Accrued expenses	1,637,500	972,941
TOTAL	**129,187,063**	**151,460,706**

Fair values of trade receivables and other receivables classified as being credits and receivables do not significantly differ from their book value. The company did not pledge or discount trade receivables.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

15. TRADE AND OTHER RECEIVABLES (CONTINUATION)

Ageing analysis	30 June 25	31 December 24
Receivables not yet due	75,896,138	105,496,475
Adjusted outstanding receivables:		
up to 3 months	34,785,341	26,480,037
between 3 and 6 months	-	-
between 6 and 12 months	-	-
over 12 months	12,728,386	12,728,386
TOTAL	**123,409,865**	**144,704,898**

On 30 June 2025, the company has recorded adjustments for trade receivables representing customers' balance which is unlikely to be received by the company anymore in the amount of lei 12,728,386.

Trade and other receivables adjustments	30 June 25	31 December 24
At the beginning of the period	**12,728,386**	**12,907,131**
Constituted	-	-
Adjustments cancellation	-	(178,745)
At the end of the period	**12,728,386**	**12,728,386**

The company has a small number of active clients and performs an individual analysis for the recovery of trade and other receivables. In the first semester of 2025, Biofarm S.A. insured the company's claims by concluding an insurance policy.

Individual analysis: The company performs individual analyses of the degree of recovery of trade receivables and other receivables, based on the stage of the litigation and the delays reported to maturity according to invoices/other documents. A provision of 100% of the gross value is recorded for all customers in litigation and for debts outstanding for more than 120 days.

According to IFRS 9, the company analysed individually the balances of all customers and decided not to establish any additional depreciation adjustment on 30 June 2025 as compared to 31 December 2024.

16. CASH AND CASH EQUIVALENTS AND BANK TERM DEPOSIT

Bank term deposits include the money in deposits at the banks with a due date over 3 months:

Bank term deposits	30 June 25	31 December 24
Bank term deposits	-	62,000,000
TOTAL	**-**	**62,000,000**

Cash and cash equivalents include cash in bank accounts, cash on hand and demand deposits with banks with original maturity dates of up to three months:

Cash and cash equivalents	30 June 25	31 December 24
Cash in bank	4,101,753	659,926
Cash and cash equivalents	4,808	7,855
Deposits	181,946,850	61,176,182
Bank letters of credit	522,869	-
TOTAL	**186,576,280**	**61,843,963**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

17. TRADE AND OTHER PAYABLES

Trade and similar debts	30 June 25	31 December 24
Trade payables	34,237,944	47,587,826
Suppliers of assets	1,834,983	1,137,096
Corporate tax debt	-	-
Debts in relation to employees	1,114,979	1,063,910
Untaken holiday	2,232,208	1,429,743
Salary bonuses	4,435,304	6,176,796
Benefits granted upon retirement	34,271	34,271
Guarantees of suppliers	692,349	688,760
Subsidies for short-term investments	51,875	51,875
Total debts less loans, classified as measured at an amortized cost	**44,633,913**	**58,170,277**
Taxes and social contributions	1,654,941	1,842,002
Other tax debts	2,141,667	1,677,781
Dividends	38,209,681	7,725,039
TOTAL	**86,640,202**	**69,415,099**
Contractual debts	-	1,130,308
	86,640,202	**70,545,407**

Contractual debts represent the natural rebate debt related to the sales during the reported period. This natural rebate will be granted during the next period.

Long-term debts	30 June 25	31 December 24
Long-term debts *	1,012,510	1,012,510
Subsidies for long-term investments	544,687	570,625
Total	**1,557,197**	**1,583,135**

* The amount presented under "Long-term debt", according to the annual actuarial report, represents only the benefits that will be granted after 12 months from the date of the financial statements, the benefits that will be paid in the following period, up to 12 months, have been reclassified to "Salary rights provisions".

The variation of debts for the benefit granted upon retirement is presented in the following table:

Salary obligations	Total
31 December 24	**1,046,781**
Establishments during the period	-
Uses during the period	-
30 June 25	**1,046,781**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

17. TRADE AND OTHER PAYABLES (CONTINUATION)

Hypotheses	Retirement benefits
Present value of the debt as of 30.06.2025 (RON)	**1,046,781**
Reduction percentage +1%	955,611
Reduction percentage -1%	1,151,055
Salary increase rate +1%	1,150,372
Salary increase rate -1%	954,550
Longevity + 1 year	1,042,330

18. DEFERRED TAX

The variation in deferred corporate tax liabilities is presented in the following table:

Description	30 June 25	31 December 24
Initial balance	**13,829,393**	**12,005,121**
Deferred tax income/(expense)	-	1,824,272
Deferred tax recognized in equity	(1,513,719)	-
Final balance (active)	**12,315,674**	**13,829,393**

The deferred tax refers to the following:

	30 June 25	31 December 24
Assets		
Salary debts	1,234,284	1,384,529
Adjustments of depreciation for Tangible assets	-	-
Adjustments of depreciation for doubtful receivables	198,899	198,899
Uninvoiced contractual obligations	12,934,129	13,987,335
Other debts	2,080,522	2,325,993
	16,447,834	**17,896,756**
Debts		
Tangible assets – recognized in profit and loss	(2.483.519)	(2,418,722)
Tangible assets – recognized in capitals	(1,648,641)	(1,648,641)
	(4,132,160)	**(4,067,363)**
TOTAL	**12,315,674**	**13,829,393**

The deferred tax – debts afferent to tangible assets recognized in the profit and loss account is generated by the temporary difference between the fiscal basis and their book value, as Biofarm SA uses time periods and depreciation methods that are different in the accounting book as compared to the fiscal register of fixed assets. The deferred tax related to tangible assets recognized in capitals was generated by the revaluation differences.

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

19. OTHER PROVISIONS

Other provisions	
31 December 23	**2,537,951**
Establishments during the period	3,083,369
Uses during the period	(529,968)
31 December 24	**5,091,352**
Establishments during the period	2,103,143
Uses during the period	(2,975,000)
30 June 25	**4,219,495**

The amount presented under Other provisions represents provisioned expenses for other benefits and for one pending dispute. For two of the disputes pending before the courts of law in which Biofarm S.A. company is involved, considering the sentences issued until 30 June 2025, a provision in the amount of lei 1,696,360 was established.

20. SHARE CAPITAL

The subscribed share capital of the company on 30 June 2025 is of lei 98,537,535, the nominal value of a share being of lei 0.1/share. The company owns a number of 985,375,350 shares that confer equal rights to company shareholders. Biofarm S.A. did not issue shares that offer preferential rights to holding shareholders.

21. INFORMATION REGARDING THE REPURCHASE OF OWN SHARES

Following the share capital increase by the incorporation of the profit related to 2006, a number of 8,126 shares remained, which could not be distributed according to the allocation rate. These shares were allocated by the Depozitarul Central to the company.

On 30 June 2025, Biofarm S.A. owns 8,126 own shares.

22. RESERVES

Reserves include the following components:

Reserves	**30 June 25**	**31 December 24**
Fixed assets revaluation reserves	10,622,424	10,622,424
Legal reserves	19,707,507	19,707,507
Other reserves	3,642,931	3,642,931
TOTAL	**33,972,862**	**33,972,862**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537,535, fully subscribed and paid-up, RO341563, J1991000199407
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

22. RESERVES (CONTINUATION)

In the following, the nature and purpose of each reserve within the equity is described:

Reserve	Description and purpose
Fixed assets revaluation reserves	If the accounting value of a tangible asset is increased after revaluation, then the increase must be recognized in other comprehensive income elements and cumulated in equity, with title of reassessment surplus. Reassessment reserves cannot be distributed and cannot be used at the share capital increase.
Legal reserves	According to Law 31/1990, each year at maximum 5% is taken from the profit for the formation of the reserve fund, until it reaches maximum of 20% of the share capital. During 2023, no legal reserve was established because the threshold of maximum one fifth of the share capital has been reached. Legal reserves cannot be distributed.
Other reserves	Other reserves include on 30 June 2024 reserves afferent to reinvested profits that can be distributed when fixed assets for which the legal provision was applied will be written off. At the time of distribution, these reserves will be taxed.

23. RETAINED EARNINGS

The retained earnings include the following components:

Description	30 June 25	31 December 24
Retained earnings coming from the adoption for the first time of IAS, less IAS 29	2,363,952	2,363,952
Retained earnings coming from the transition to the IFRS application, less IAS 29	443,006	443,006
Retained earnings coming from the application of IFRS 15	(11,327,184)	(11,327,184)
Retained earnings surplus revaluation reserve	31,752	31,752
Retained earnings coming from the use, on the date of transition to the application of IFRS, of the fair value as deemed cost	14,037,338	14,037,338
Retained earnings	309,829,527	265,979,196
TOTAL	**315,378,391**	**271,528,060**

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; **biofarm.ro**

Share capital of lei 98,537.535, fully subscribed and paid-up, RO341563, 1J199100019640/1991
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

24. CURRENT PROFIT DISTRIBUTION FOR 2025

On 30 June 2025, Biofarm company has a number of 985,375,350 issued shares.
Net profit distribution of Biofarm S.A. shall be approved by the Ordinary General Meeting of Shareholders.

25. CONTINGENT LIABILITIES

There are no significant contingent liabilities on the date of the balance sheet.

26. COMMITMENTS

The company has no debts towards credit institutions.

Biofarm S.A. did not submit guarantees and did not pledge, respectively did not mortgage its own assets for guaranteeing obligations in favour of a third party.

On 30 June 2025, the Company has no significant commitments towards third parties.

27. INFORMATION ON THE AUDIT OF FINANCIAL STATEMENTS

Financial statements on 30 June 2025 were not audited.

28. AFFILIATED PARTIES

In the first semester of 2025, Biofarm SA carried out transactions with Vrancart SA Adjud, which is 76.05% owned by LION CAPITAL S.A. Transactions during this period amounted to lei 238,728 (packaging purchases). On 30 June 2025, Biofarm SA has a debt of lei 159,350 to Vrancart SA.

We have also identified other affiliated parties related to the two significant shareholders (LONGSHIELD INVESTMENT GROUP S.A. and LION CAPITAL S.A.). The Company has not had any transactions with these entities in the last two financial years.

29. SUBSEQUENT EVENTS

Based on the information that we hold until now, no significant events have occurred as a result of the closure of the first financial semester.

Approved by the Board of Directors on 8 August 2025
signed on its behalf by:

	Drafted by:
Andrei Hrebenciuc	Monica Claudia Dobrisan
B.D. Chairman	Chief Accountant

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; biofarm.ro

Share capital of lei 98,537.535, fully subscribed and paid-up, RO341563, 1J199100019640/11991
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch

STATEMENT

pursuant to the provisions of art. 30 of Accounting Law No. 82/1991 on the financial statements prepared on 30 June 2025

The financial statements were prepared as at 30 June 2025 for:

Legal person: **BIOFARM S.A**
County: 40-BUCHAREST MUNICIPALITY
Address: BUCHAREST Locality, No. 99 LOGOFĂTUL TĂUTU Street, tel. 0213010621
Number with the Trade Register: J40/199/1991
Form of property: 34- Joint-stock companies
Predominant activity (NACE code and class name): 2120 - Manufacture of pharmaceutical preparations
Tax Identification Number: RO **341563**

The Chairman of the Board of Directors of S.C. BIOFARM S.A., Mr ANDREI HREBENCIUC, assumes liability for the preparation of the financial statements on 30 June 2025 and confirms that:

a) The accounting policies used to prepare the financial statements are in accordance with the applicable legal regulations and the applicable International Financial Reporting Standards;

b) The financial statements provide a true picture of the financial position, financial performance and other information related to the activity carried out;

c) The legal person carries out its activity under continuity conditions.

B.D. Chairman
Andrei Hrebenciuc

Chief Accountant
Monica Claudia Dobrisan

No. 99 Logofătul Tăutu Street, 3rd District, Bucharest, Romania, 031212
T: +40 21 301 0600; F: +40 21 301 0605; Email: office@biofarm.ro; **biofarm.ro**

Share capital of lei 98,537.535, fully subscribed and paid-up, RO341563, 1J199100019640/1991
Account RO26 BRDE 441 SV 28095 174410 BRD Unirii Branch