

Project for developing the online sales channel - setting up our own e-commerce platform (online store)

Market data

In 2024, the online sales of pharmaceuticals in Romania were estimated to be 10 % higher than those recorded in 2023, reflecting the continued growth of the e-commerce pharmaceutical market (data source: <https://www.forbes.ro/sectorul-de-e-commerce-din-romania-evaluat-la-7-miliarde-de-euro-in-2023-391221>). Several factors contribute to this development, including the increase in the number of consumers who prefer online shopping for convenience and affordability, as well as the expansion of product offers available on the online platforms.

Key positive forecast drivers

! Broader reimbursement coverage:

- ✓ the financing of reimbursed medicines, as well as the novel, high-cost specialty treatments (National Health Programs) increased in the first 6 months of 2024 vs same period of 2023 by 22%
- ✓ **22 new molecules** were added to the **reimbursement lists** in 2024 vs only 6 new molecules in 2023

! Price increase as of August 1st 2023 for medicines cheaper than 50 lei

! Changes in the market structure at the product mix level:

- ✓ the moderate increase DOT despite a small drop in volume was accompanied by a significant increase in the average price per unit, driven largely by a change in product mix, as cheaper products were gradually withdrawn from the market and were replaced by more expensive substitutes

! Retail OTC&FS will continue its “over-push” strategy despite small volume corrections in 2024, benefiting from:

- ✓ a favorable regulatory framework and an increasing self-medication and self-care trend
- ✓ an increase in OTC&FS prices due to high inflation and rising energy costs as a result of the ongoing Russia-Ukraine conflict
- ✓ the consolidation of online sales channel favored by restricted mobility during the pandemic, price policy, and convenience in the post-pandemic period
- ✓ enhanced advertising resources directed into this channel by pharma manufacturers and retailers (online and offline)

! The expansion of the private health market as the economy and the disposable income of some population segments have grown in the past few years, as an alternative to the dysfunctions of the public system



The project premises

The growth of the e-commerce market:

- Uptrend: The e-commerce market has experienced significant growth in recent years, with an accelerated pace of online purchases, especially in the context of the COVID-19 pandemic.
- Accessibility and Convenience: Consumers increasingly prefer online shopping due to the convenience and quick access to a wide range of products.

- Strengthening the Antibiotice brand in the online environment, increasing the consumers' loyalty and their access to detailed and professional information about the purchased products and efficiently optimizing the profitability of the products sold (taking into account the concentration trends of the distribution market and pharmacy chains).

Diversifying the sales channels for:

- an Additional Revenue Channel: Online sales will represent a new revenue channel, complementary to the existing ones (hospital, national pharmacy chains, small pharmacy chains and independent pharmacies);
- expanding the Client Base: Possibility of attracting customers from other geographic regions and expanding market coverage.

Conclusions

- Request for approval to open an online store, with its own sales platform (for the following products: food supplements, cosmetics and dermatocosmetics, medical devices, biofertilizers, disinfectants), based on the legislation in force.
- Request for extending the CAEN code 4791 - Retail trade through order houses or the Internet;
- Request for approving the project-related budget.

National Sales Executive Director,
Ovidiu Băţagă

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