**PharmaCorp**

**Form 10-K**

**For the Fiscal Year Ended December 31, 2021**

**Cover Page**

* **Company Name:** PharmaCorp
* **Report Title:** Form 10-K Annual Report
* **Fiscal Year Ended:** December 31, 2021
* **Address:** 1234 Pharma Street, PharmaCity, PC 56789
* **Contact Information:** (555) 123-4567

**Part I**

**Item 1: Business**

**Overview**

PharmaCorp is a leading pharmaceutical company dedicated to the development, manufacturing, and marketing of innovative medications. Founded in 2005, PharmaCorp has grown into a key player in the pharmaceutical industry, known for its commitment to quality and patient care. Our mission is to improve patient outcomes by providing high-quality, effective, and safe medications. Our products are designed to address significant medical needs in areas such as cardiology, neurology, rheumatology, and endocrinology.

In 2021, PharmaCorp continued to expand its market presence and product portfolio. We launched new drugs, advanced our pipeline, and invested in research and development to bring innovative therapies to market. Despite ongoing challenges posed by the global pandemic, we achieved significant milestones and maintained our focus on long-term growth.

**Primary Therapeutic Areas**

* **Cardiology:** CardioGuard continued to be a leading product in our portfolio, with ongoing sales growth. In 2021, we conducted post-marketing studies to further validate its efficacy and safety. CardioGuard remains a critical part of our cardiology offerings, helping patients manage hypertension effectively.
* **Neurology:** NeuroClear advanced to Phase 3 trials in 2021, showing promising results in reducing cognitive decline in Alzheimer's patients. This product represents a significant breakthrough in the treatment of Alzheimer's disease, offering hope to millions of patients and their families.
* **Rheumatology:** ArthriEase received regulatory approval in multiple new markets, expanding its reach to more patients suffering from rheumatoid arthritis. The product's success in clinical trials has translated into strong market performance, making it a cornerstone of our rheumatology portfolio.
* **Endocrinology:** DiabetAid's formulation was optimized in 2021, resulting in improved efficacy in managing Type 2 diabetes. The drug is now in Phase 3 trials, and initial results are encouraging, showing better glucose control and fewer side effects compared to existing treatments.

**Research and Development**

PharmaCorp's commitment to research and development is unwavering. In 2021, our R&D expenditure increased to $16 million, reflecting our dedication to innovation and advancing medical science. Our investments were allocated as follows:

* **Cardiology:** $6 million
* **Neurology:** $4 million
* **Rheumatology:** $3 million
* **Endocrinology:** $2.5 million
* **General:** $0.5 million

Key R&D projects in 2021 included the development of next-generation drug delivery systems, exploratory research into novel therapeutic targets, and collaboration with academic institutions to leverage cutting-edge technologies.

**Manufacturing and Distribution**

PharmaCorp's manufacturing capabilities were further enhanced in 2021 with the opening of a new state-of-the-art facility in PharmaCity, PC. This new plant increases our production capacity and supports the growing demand for our products. Our manufacturing processes continue to adhere to Good Manufacturing Practices (GMP), ensuring the highest quality standards.

Our distribution network was expanded to include new international markets, ensuring timely delivery of our products to healthcare providers and pharmacies globally. Strategic partnerships with logistics companies and investments in advanced supply chain technologies have improved our distribution efficiency and reliability.

**Marketing and Sales**

Our marketing and sales strategies are designed to maximize the impact of our products. In 2021, we expanded our sales force and launched several targeted marketing campaigns to support new product launches and boost sales of existing products. Digital marketing initiatives, including social media campaigns and virtual events, played a significant role in reaching healthcare professionals and patients.

Key achievements in 2021 included the successful launch of DiabetAid in select markets and increased market penetration for NeuroClear. These efforts contributed to strong sales growth and enhanced brand recognition.

**Item 1A: Risk Factors**

PharmaCorp operates in a highly regulated and competitive environment that involves significant risks. Understanding these risks is crucial for investors. The following are some of the key risk factors:

**Industry Risks**

* **Regulatory Changes:** The pharmaceutical industry is subject to stringent regulations by health authorities such as the FDA, EMA, and other international agencies. Changes in regulations can impact our ability to develop and market new drugs. For example, new guidelines on clinical trial protocols or drug labeling requirements can delay product approvals and increase development costs. In 2021, we closely monitored regulatory developments and adjusted our strategies accordingly to mitigate potential impacts.
* **Patent Expirations:** The expiration of key patents can lead to increased competition from generic drugs, potentially reducing our market share and profitability. To mitigate this risk, we invest in developing new formulations and securing patent extensions where possible. In 2021, we successfully extended the patent for NeuroClear, protecting its market position for an additional five years.
* **Product Liability Claims:** The nature of our business exposes us to potential product liability claims. Adverse reactions or unforeseen side effects of our drugs can result in lawsuits, significant financial liabilities, and damage to our reputation. In 2021, we faced several legal challenges but are committed to defending our products and maintaining the highest safety standards.

**Business Risks**

* **Research and Development:** R&D is inherently risky and expensive. There is no guarantee that our investments will result in successful products. Failure to achieve clinical trial endpoints or obtain regulatory approval can negatively impact our business. Despite these challenges, our commitment to innovation drives our R&D strategy. In 2021, we faced setbacks in the development of a new formulation for DiabetAid but remain optimistic about its potential.
* **Supply Chain Disruptions:** Our operations depend on a complex supply chain, including raw materials, manufacturing, and distribution. Disruptions due to natural disasters, geopolitical events, or supplier issues can affect our ability to deliver products to market. The global pandemic in 2021 continued to test our supply chain resilience, but our proactive measures ensured minimal disruption.
* **Market Competition:** We face intense competition from other pharmaceutical companies, including those developing generic versions of our products. Competitors with larger R&D budgets or more established market presence can impact our sales and market share. In 2021, we intensified our competitive intelligence efforts to stay ahead of market trends and competitor activities.

**Legal and Regulatory Risks**

* **Compliance:** Ensuring compliance with regulations is critical. Non-compliance can result in fines, sanctions, or product recalls. We have robust compliance programs in place to mitigate this risk. In 2021, we conducted comprehensive internal audits and enhanced our training programs to reinforce regulatory compliance across the organization.
* **Intellectual Property:** Protecting our intellectual property is essential for maintaining our competitive advantage. Patent infringements or challenges can affect our ability to market and sell our products. In 2021, we successfully defended several patents and continued to build a strong IP portfolio to safeguard our innovations.

**Financial Risks**

* **Currency Fluctuations:** As a global company, we are exposed to risks related to currency exchange rate fluctuations. These fluctuations can impact our financial results, particularly as we expand into new international markets. In 2021, we implemented hedging strategies to mitigate currency risk and protect our financial stability.
* **Access to Capital:** Our ability to raise capital is essential for ongoing operations and growth. Market conditions can affect our access to funding, potentially limiting our ability to invest in new opportunities. Despite the economic uncertainty in 2021, we maintained strong relationships with investors and secured additional funding to support our strategic initiatives.

**Item 1B: Unresolved Staff Comments**

As of December 31, 2021, there were no unresolved comments from the staff of the Securities and Exchange Commission.

**Item 2: Properties**

**Facilities**

PharmaCorp operates several key facilities for research, manufacturing, and distribution:

* **Headquarters:** Located at 1234 Pharma Street, PharmaCity, PC, our headquarters house our executive offices and central administrative functions. This facility includes state-of-the-art meeting rooms, collaborative workspaces, and advanced IT infrastructure to support our global operations.
* **Manufacturing Plants:** Our primary manufacturing plant is located at 5678 Industry Road, PharmaCity, PC. This facility is equipped with advanced production technologies and adheres to GMP standards. In 2021, we expanded this plant to increase production capacity and improve efficiency.
* **Research Centers:** Our main research center is located at 9101 Innovation Drive, PharmaCity, PC. This center focuses on drug discovery, preclinical research, and clinical trial management. It is equipped with cutting-edge laboratories and technology platforms to accelerate our R&D efforts.

**Locations**

Our facilities are strategically located to optimize operations and ensure efficient distribution of our products. We continuously evaluate and enhance our infrastructure to support our growth and operational needs. In 2021, we opened a new regional office in Asia to better serve our international markets and strengthen our global presence.

**Item 3: Legal Proceedings**

PharmaCorp is involved in various legal proceedings as part of its regular business operations. Significant legal matters include:

* **Pending Lawsuits:** Several lawsuits are pending regarding product liability claims related to our medications. For example, the case of Sarah Johnson vs. PharmaCorp (Case Number: 2022-CV-006) involves allegations of failure to warn about the risk of severe side effects associated with one of our products. We are vigorously defending this case and believe we have meritorious defenses.
* **Settled Cases:** In 2021, we settled several lawsuits involving allegations of inadequate warnings about potential side effects of our drugs. For instance, the case of James Brown vs. PharmaCorp (Case Number: 2021-CV-002) was settled out of court with a payment of $600,000 and updated warning labels for NeuroClear. These settlements allow us to focus on our core business and continue to prioritize patient safety.

**Item 4: Mine Safety Disclosures**

Not applicable.

**Part II**

**Item 5: Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

**Market Information**

PharmaCorp's common stock is listed on the Pharmaceutical Stock Exchange (PSE) under the ticker symbol "PHC." Throughout 2021, our stock demonstrated steady performance, reflecting investor confidence in our business strategy and financial health. Our stock price ranged from $35.60 to $75.28 during the year, closing at $74.99 on December 31, 2021.

**Dividends**

In 2021, PharmaCorp declared and paid dividends totaling $1.8 million. Our dividend policy aims to provide a stable return to shareholders while retaining sufficient funds for growth and development. We review our dividend policy regularly to ensure it aligns with our financial performance and strategic objectives.

**Stockholder Information**

As of December 31, 2021, PharmaCorp had approximately 12,000 stockholders of record. We are committed to maintaining transparent and open communication with our stockholders through regular updates and annual meetings. In 2021, we enhanced our investor relations program by launching a new investor relations website, hosting virtual investor events, and increasing our engagement with institutional investors.

**Item 6: Selected Financial Data**

**Key Financial Metrics**

* **Revenue:** $170 million
* **Net Income:** $22 million
* **Total Assets:** $520 million
* **Total Liabilities:** $210 million
* **Shareholders' Equity:** $310 million

**Historical Data**

| **Metric** | **2021** | **2020** | **2019** | **2018** | **2017** |
| --- | --- | --- | --- | --- | --- |
| Revenue | $170 million | $150 million | $136 million | $125 million | $118 million |
| Net Income | $22 million | $20 million | $18 million | $15 million | $13 million |
| Total Assets | $520 million | $500 million | $480 million | $450 million | $420 million |
| Total Liabilities | $210 million | $200 million | $190 million | $180 million | $170 million |
| Shareholders' Equity | $310 million | $300 million | $290 million | $270 million | $250 million |

**Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations**

**Overview**

PharmaCorp achieved significant milestones in 2021, despite the ongoing challenges posed by the global pandemic. Our commitment to innovation and operational excellence drove strong financial performance and market growth. The successful launch of DiabetAid and the continued strong performance of CardioGuard, NeuroClear, and ArthriEase contributed to our revenue growth and profitability.

**Results of Operations**

**Revenue Growth:** Revenue increased by 13% compared to 2020, driven by strong sales of our cardiology, neurology, and endocrinology products. The launch of DiabetAid in select markets contributed significantly to our revenue growth. CardioGuard, NeuroClear, and ArthriEase also performed well, maintaining their market positions and driving sales growth.

**Net Income:** Net income for 2021 was $22 million, reflecting a 10% increase from the previous year. This improvement was due to effective cost management, increased sales, and a focus on high-margin products. Our net income margin improved to 12.9%, up from 12.5% in 2020.

**R&D Investment:** We continued to invest in R&D, with a focus on developing new therapies in our primary therapeutic areas. Our total R&D expenditure for the year was $16 million, representing 9.4% of our total revenue. Key projects included the advancement of DiabetAid, NeuroClear, and exploratory research into new drug formulations.

**Operating Expenses:** Operating expenses were managed effectively, resulting in improved profitability. We implemented cost-saving measures and optimized our supply chain to reduce expenses. Our operating expenses as a percentage of revenue decreased to 67%, down from 68% in 2020.

**Liquidity and Capital Resources**

**Cash Flow:** Our operating activities generated $32 million in cash flow, reflecting robust business operations. This cash flow was used to fund R&D, capital expenditures, and dividend payments. We maintained a strong cash position, with $55 million in cash and cash equivalents as of December 31, 2021.

**Capital Expenditures:** We invested $12 million in capital expenditures, primarily for upgrading our manufacturing facilities and expanding our research center. These investments are expected to enhance our production capacity and support future growth.

**Debt Management:** We maintained a healthy debt-to-equity ratio, ensuring financial stability and flexibility. Our total debt as of December 31, 2021, was $55 million, with a debt-to-equity ratio of 0.18. We continue to manage our debt prudently to support our strategic initiatives and maintain financial health.

**Off-Balance Sheet Arrangements**

PharmaCorp has no significant off-balance sheet arrangements that could impact our financial condition. We have reviewed our contractual obligations and ensured that all commitments are adequately disclosed and managed.

**Contractual Obligations**

| **Contractual Obligation** | **Total Amount** | **Due in 2022** | **Due in 2023** | **Due in 2024** | **Due in 2025** | **Due in 2026 and beyond** |
| --- | --- | --- | --- | --- | --- | --- |
| Long-term debt | $55 million | $5 million | $10 million | $15 million | $10 million | $15 million |
| Operating leases | $22 million | $4 million | $4 million | $4 million | $4 million | $6 million |
| Purchase commitments | $12 million | $2 million | $2 million | $2 million | $2 million | $4 million |
| Total | $89 million | $11 million | $16 million | $21 million | $16 million | $25 million |

**Item 8: Financial Statements and Supplementary Data**

**Balance Sheets**

PharmaCorp

Consolidated Balance Sheets

As of December 31, 2021 and 2020

(In thousands, except share and per share data)

2021 2020

Assets

Current assets:

Cash and cash equivalents $ 55,000 $ 50,000

Accounts receivable, net 32,000 30,000

Inventories 22,000 20,000

Prepaid expenses and other current assets 11,000 10,000

Total current assets 120,000 110,000

Property, plant, and equipment, net 95,000 90,000

Intangible assets, net 65,000 60,000

Goodwill 42,000 40,000

Other assets 8,000 8,000

Total assets $330,000 $308,000

Liabilities and shareholders' equity

Current liabilities:

Accounts payable $ 22,000 $ 20,000

Accrued expenses 16,000 15,000

Short-term debt 6,000 5,000

Total current liabilities 44,000 40,000

Long-term debt 49,000 45,000

Deferred tax liabilities 6,000 5,000

Other long-term liabilities 12,000 10,000

Total liabilities 111,000 100,000

Shareholders' equity:

Common stock, $0.01 par value; 100,000,000 shares authorized;

10,500,000 shares issued and outstanding at December 31, 2021

and December 31, 2020 105 100

Additional paid-in capital 160,000 150,000

Retained earnings 58,895 58,000

Total shareholders' equity 219,000 208,100

Total liabilities and shareholders' equity $330,000 $308,000

**Income Statements**

PharmaCorp

Consolidated Statements of Income

For the Years Ended December 31, 2021 and 2020

(In thousands, except share and per share data)

2021 2020

Revenue $170,000 $150,000

Cost of revenue 85,000 80,000

Gross profit 85,000 70,000

Operating expenses:

Research and development 16,000 14,700

Sales and marketing 22,000 20,000

General and administrative 17,300 15,300

Total operating expenses 55,300 50,000

Operating income 29,700 20,000

Interest income 2,200 2,000

Interest expense (2,700) (2,500)

Other income, net 1,100 1,000

Income before income taxes 30,300 20,500

Provision for income taxes 7,500 5,000

Net income $22,800 $15,500

Earnings per share:

Basic and diluted $2.17 $1.55

Weighted average shares outstanding:

Basic and diluted 10,500,000 10,000,000

**Cash Flow Statements**

PharmaCorp

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

(In thousands)

2021 2020

Cash flows from operating activities:

Net income $ 22,800 $ 15,500

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation and amortization 5,500 5,000

Stock-based compensation 3,500 3,000

Deferred income taxes 600 500

Changes in operating assets and liabilities:

Accounts receivable (2,500) (2,000)

Inventories (2,500) (2,000)

Prepaid expenses and other current assets (1,500) (1,000)

Accounts payable 2,500 2,000

Accrued expenses 1,500 1,000

Net cash provided by operating activities 29,900 22,000

Cash flows from investing activities:

Purchases of property, plant, and equipment (7,000) (5,000)

Purchases of intangible assets (3,000) (2,000)

Net cash used in investing activities (10,000) (7,000)

Cash flows from financing activities:

Repayments of long-term debt (5,000) (5,000)

Proceeds from issuance of common stock 6,000 5,000

Dividends paid (1,800) (1,500)

Net cash used in financing activities (800) (1,500)

Net increase in cash and cash equivalents 19,100 13,500

Cash and cash equivalents at beginning of year 55,000 36,500

Cash and cash equivalents at end of year $55,000 $50,000

**Notes to Financial Statements**

1. **Summary of Significant Accounting Policies**

**Basis of Presentation:** The consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States.

**Principles of Consolidation:** The consolidated financial statements include the accounts of PharmaCorp and its subsidiaries. All intercompany transactions and balances have been eliminated.

**Use of Estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

**Revenue Recognition:** Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

1. **Accounts Receivable:** Accounts receivable are stated at their net realizable value. We maintain allowances for doubtful accounts based on the estimated collectibility of receivables.
2. **Inventories:** Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.
3. **Property, Plant, and Equipment:** Property, plant, and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.
4. **Intangible Assets:** Intangible assets, including patents and licenses, are amortized over their estimated useful lives, generally 10 to 20 years.
5. **Goodwill:** Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
6. **Income Taxes:** We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.
7. **Stock-Based Compensation:** We recognize compensation expense for stock options and other equity-based compensation based on the fair value of the awards at the grant date.
8. **Long-Term Debt:** Long-term debt is carried at amortized cost. Interest expense is recognized on the effective interest method.
9. **Commitments and Contingencies:** We are involved in various legal proceedings and claims that arise in the ordinary course of business. We recognize liabilities for contingencies when it is probable that a liability has been incurred and the amount can be reasonably estimated.

**Part III**

**Item 10: Directors, Executive Officers and Corporate Governance**

**Board of Directors**

* **John Smith:** Chairman and Chief Executive Officer. John has over 30 years of experience in the pharmaceutical industry and has been with PharmaCorp since its inception.
* **Jane Doe:** Chief Financial Officer. Jane has over 20 years of experience in finance and joined PharmaCorp in 2010.
* **Dr. Emily Chen:** Chief Scientific Officer. Emily leads our R&D efforts and has a strong background in medical research and drug development.
* **Michael Patel:** Independent Director. Michael has extensive experience in healthcare management and serves on several boards of healthcare companies.
* **Sarah Johnson:** Independent Director. Sarah is an expert in regulatory affairs and has worked with various pharmaceutical companies on compliance and regulatory strategies.

**Executive Officers**

* **John Smith:** Chairman and Chief Executive Officer
* **Jane Doe:** Chief Financial Officer
* **Dr. Emily Chen:** Chief Scientific Officer
* **David Lee:** Chief Operating Officer
* **Rachel Martinez:** Chief Marketing Officer

**Corporate Governance Policies**

PharmaCorp is committed to maintaining high standards of corporate governance. Our policies ensure accountability, transparency, and integrity in all aspects of our business operations. Key governance practices include:

* **Board Independence:** A majority of our board members are independent, ensuring unbiased oversight.
* **Audit Committee:** An independent audit committee oversees our financial reporting and internal controls.
* **Compensation Committee:** This committee is responsible for setting executive compensation and ensuring alignment with performance.
* **Corporate Ethics:** We have a comprehensive code of ethics that all employees and directors are required to adhere to. Regular training and monitoring are conducted to ensure compliance.

**Item 11: Executive Compensation**

**Summary Compensation Table**

| **Name** | **Position** | **Year** | **Salary** | **Bonus** | **Stock Awards** | **Option Awards** | **Non-Equity Incentive Plan Compensation** | **Pension Benefits** | **Total Compensation** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| John Smith | CEO | 2021 | $1,100,000 | $600,000 | $1,200,000 | $600,000 | $300,000 | $120,000 | $3,920,000 |
| Jane Doe | CFO | 2021 | $800,000 | $400,000 | $800,000 | $400,000 | $200,000 | $90,000 | $2,690,000 |
| Dr. Emily Chen | Chief Scientific Officer | 2021 | $700,000 | $350,000 | $700,000 | $350,000 | $175,000 | $70,000 | $2,345,000 |
| David Lee | COO | 2021 | $650,000 | $300,000 | $650,000 | $325,000 | $150,000 | $65,000 | $2,140,000 |
| Rachel Martinez | Chief Marketing Officer | 2021 | $600,000 | $250,000 | $600,000 | $300,000 | $125,000 | $60,000 | $1,935,000 |

**Stock Options**

In 2021, stock options were granted to executives as part of their compensation package. These options are designed to align the interests of our executives with those of our shareholders by providing incentives to enhance long-term shareholder value.

**Pension Benefits**

PharmaCorp provides pension benefits to its executives to support their long-term financial security. The pension plan is designed to reward long-term service and contributions to the company.

**Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

**Security Ownership**

| **Name** | **Position** | **Shares Owned** | **Percentage Ownership** |
| --- | --- | --- | --- |
| John Smith | CEO | 510,000 | 5.1% |
| Jane Doe | CFO | 310,000 | 3.1% |
| Dr. Emily Chen | Chief Scientific Officer | 260,000 | 2.6% |
| David Lee | COO | 210,000 | 2.1% |
| Rachel Martinez | Chief Marketing Officer | 160,000 | 1.6% |
| Michael Patel | Independent Director | 50,000 | 0.5% |
| Sarah Johnson | Independent Director | 45,000 | 0.45% |

**Equity Compensation Plan Information**

PharmaCorp has an equity compensation plan to attract and retain top talent. The plan includes stock options, restricted stock units (RSUs), and performance-based awards. As of December 31, 2021, a total of 1,200,000 shares were reserved for issuance under the plan.

**Summary Compensation Table**

| **Name** | **Position** | **Year** | **Salary** | **Bonus** | **Stock Awards** | **Option Awards** | **Non-Equity Incentive Plan Compensation** | **Pension Benefits** | **Total Compensation** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| John Smith | CEO | 2021 | $1,050,000 | $525,000 | $1,100,000 | $550,000 | $275,000 | $110,000 | $3,610,000 |
| Jane Doe | CFO | 2021 | $725,000 | $315,000 | $750,000 | $375,000 | $190,000 | $80,000 | $2,435,000 |
| Dr. Emily Chen | Chief Scientific Officer | 2021 | $620,000 | $260,000 | $650,000 | $325,000 | $160,000 | $65,000 | $2,080,000 |
| David Lee | COO | 2021 | $570,000 | $215,000 | $600,000 | $300,000 | $135,000 | $60,000 | $1,880,000 |
| Rachel Martinez | Chief Marketing Officer | 2021 | $520,000 | $165,000 | $550,000 | $275,000 | $110,000 | $55,000 | $1,675,000 |

**Item 13: Certain Relationships and Related Transactions, and Director Independence**

**Related Transactions**

PharmaCorp ensures that all related party transactions are conducted at arm's length and in the best interest of the company. In 2021, there were no significant related party transactions that require disclosure.

**Director Independence**

A majority of our board members are independent, ensuring unbiased oversight and decision-making. Independent directors do not have any material relationships with PharmaCorp that could affect their judgment.

**Item 14: Principal Accounting Fees and Services**

**Audit Fees**

In 2021, PharmaCorp paid $1.1 million in audit fees to our principal accounting firm for the audit of our annual financial statements and the review of our quarterly financial statements.

**Audit-Related Fees**

Audit-related fees amounted to $220,000 in 2021, covering services such as audits of our subsidiaries and consultations on financial accounting and reporting standards.

**Tax Fees**

Tax fees paid to our principal accounting firm in 2021 were $160,000. These fees covered tax compliance, tax advice, and tax planning services.

**All Other Fees**

Other fees paid in 2021 totaled $120,000, covering services such as regulatory compliance and risk management consultations.

**Part IV**

**Item 15: Exhibits and Financial Statement Schedules**

(Include a list of exhibits and financial statement schedules)

**Signatures**

(Signature of principal executive officer, principal financial officer, and principal accounting officer)