

# MANAGEMENT REPORT

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January - June 2024

Quarterly Report according to IFRS  
Report Date: 30 June 2024

Company:  
Antibiotice S.A.

**Registered office:**

Iasi, Strada Valea Lupului nr. 1

**Phone number:**

0232/209 000, Fax 0232/209 633

**VAT Number:**

RO 1973096

**Trade Register Number:**

J22/285/1991

**Regulated market on which the issued securities are traded:**

Bucharest Stock Exchange

**Subscribed and paid up capital:**

67,133,804 LEI

**Main characteristics of the securities issued by the company:**

Nominative shares, nominal value: 0.10 LEI

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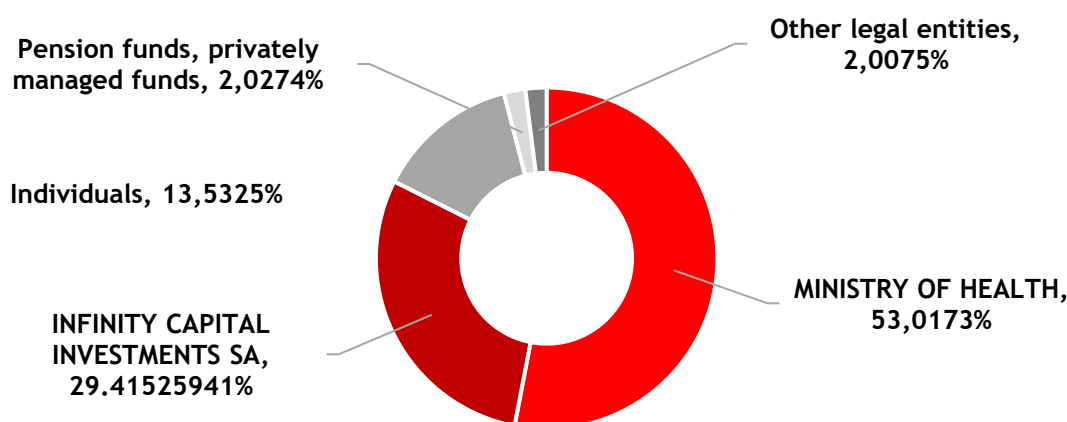
## Antibiotice, a company with a performance-orientated culture

Main income recorded by Antibiotice S.A. in the first half of 2024

- total revenues of 379.96 million lei, 8% higher compared to the same period in 2023;
- gross profit cumulated with the claw-back tax amount consolidates a return on business of 28%;
- 25% higher sales on international markets compared to the first half of the last year;
- consolidated 4th place in terms of consumption expressed in boxes on the generic drugs market with and without prescription in Romania, with a market share of 4.6%, according to Cegedim Sell Out Romania in June;
- maintains its position as the value leader in the hospital segment for generic Rx and OTC products, with a market share of 13.2%, according to Cegedim Sell Out Romania report of June;
- the maximum value of a share was reached in June with a level of 3,3900 lei/share;
- consolidates the net ledger assets, whose value as at 30 June 2024 is 865 million lei, 2% higher than as at 31 December 2023.

Antibiotice S.A. has been listed on the Bucharest Stock Exchange under the symbol ATB, in the Premium category, since 16 April 1997.

### Shareholding structure as of 30 June 2024



Shareholding structure as of 30 June 2024:

- MINISTRY OF HEALTH - 53.02%
- Infinity Capital Investments S.A. - 29.42%
- Legal entities and individuals - 17.56%  
of which:
  - Pension funds, Privately managed funds, Legal entities - 4.03%
  - Individuals - 13.53%

Classes of shareholders:

- Legal entities: 86.4675%
- Individuals: 13.5325%

The shares of Antibiotice S.A. are included in the indices:

- BET-Plus - includes Romanian companies listed on the market of the Bucharest Stock Exchange, which meet the minimum selection criteria regarding financial investment companies
- BET-BK - was established to be used as a benchmark by fund managers and other institutional investors. This reflects the fact that Antibiotice is a solid company, developed on a sound economic foundation.
- BET-XT - reflects the price evolution of the 30 most traded companies on the Regulated Market of the Bucharest Stock Exchange, including financial investment companies (SIFs).
- BET-XT-TR - total return variant of the BET-XT index, which includes the 30 most traded Romanian companies listed on the Bucharest Stock Exchange. The BET-XT-TR index reflects both the price performance of its component companies and the dividends they pay.
- BET-XT-TRN - the net total return variant of the BET-XT index. The BET-XT-TRN index reflects both the price performance of its component companies and the reinvestment of their net dividends.

The maximum value of a share was 3,3900 lei/share and was reached in June.

Antibiotice S.A.'s market capitalisation on 30 June 2024 amounted to 1,980,447,218 lei. During this period, 31,736,133 shares were traded, with a total trading value of 66,059,894.52 lei (13,279,297.11 EURO/14,357,821.47 USD), with an average price of 2.0815 lei/share.

## **Strategic adaptation of human resources**

The main objectives pursued in terms of human resources are: implementation and development of strategies to motivate and retain valuable employees and to attract new employees with skills adapted to the pharmaceutical industry, in line with labour market trends.

### **Implementing modern human resources management by:**

1. Analysis and redefinition of organizational structures within the company, adapted to modern HR principles, correlated with the need for business growth in the perspective of 2025-2030, as well as market trends.

In the first semester of 2024, in order to achieve an optimal internal organisational framework, the following actions were implemented:

- Reorganisation of the Investment and Strategic Projects department into Sustainability, Investment and Strategic Projects Department;
- Reorganisation of the Pharmaceutical Products Division - National Sales Division by establishing the Online Sales structure;
- Reorganisation of the structures within the Business Development and International Sales Division;
- Reorganisation of structures within the Research Development and Portfolio Management Division.

2. Adapting motivational packages to attract and retain valuable employees (key functions) and increase retention rates

- During the first semester of 2024, the Staff Salary and Motivation Policy was updated by analysing all categories of staff and introducing new strategic categories, taking into account the need to stimulate professional performance.

- From the perspective of the tax facilities provided for in the current legislation, the motivational system is grouped by elements as follows:
  - ✓ Limit of 33% of the employee's basic salary - facility granted: private health insurance
  - ✓ Limit of 5% granted for social expenditure of the amount of staff expenditure; facilities granted: provision of transport for staff, social allowances for family events, awards granted on public holidays.

3. The staff retention rate by divisions for the first half of 2024 was 98.67%.

4. Running employee training and skills development programmes

In the first semester of 2024 an average of 15.18 hours of professional training/employee were achieved, including training hours in areas where there are legal training requirements, with internal lecturers, with external providers and on the e-Learning platform.

The annual training plan 2024 for the development of employees' competences with external providers is part of the **Academy a+** Project, and is adapted to the training requests and needs identified per activity structures and employees.

5. Digitisation of the HR activity

In the first semester of 2024, in relation to the HR digitisation plan, 60% of employees with specific rights have been granted access to the integrated HR software and elements of salary calculation and HR administration have been optimised.

6. Academia a+ Platform as a knowledge management tool in the company. Academia a+ has two components: a+ Technical High School and a+ Business School.

Specific actions:

- The collaboration with the academic world materialised in the first semester of 2024 through:
  - running the meetings and workshops laid down in the collaboration and partnership agreement with the “Centre of Excellence in Business Administration” of the Faculty of Economics and Business Administration of “Al. I. Cuza” University. The aim of the partnership is to promote the exchange of information and the development of entrepreneurial skills among students;
  - participation in events organised for the promotion of the company and career guidance of young graduates, within the Faculty of Chemical Engineering and Environmental Protection, Technical University of Iasi, Faculty of Biology and Faculty of Chemistry at “Al.I.Cuza” University, Iasi;
  - organising internships for a number of 45 students from the two mentioned universities and preparing internship agreements for 30 students and 12 residents from the Faculty of Pharmacy, “Gr.T.Popa” University of Medicine and Pharmacy Iasi, internships that will take place in the third quarter.
- Collaboration with the pre-university environment included:
  - meetings with the representatives of 3 technological high schools in order to establish the curricula within the dual education programme to train the necessary skills for the future graduates to be employed in the company, collaboration for the preparation of curricula in local development through internships meant to respond to the changes occurring on the labour market;
  - providing traineeships for students for the qualifications agreed in the partnerships signed within Academia a+;

- supporting teaching activities through study visits for 640 pupils within the “A Different School - Green Week” programme.
- In the a+ Technical High School:
  - The third edition of the multidisciplinary professional identification and training programme, based on an internship contract, was launched (15 people included in this programme).

### **Modernising organisational culture through the following initiatives:**

- participation of 25 employees in community sports competitions;
- the completion of the medical rehabilitation programme as a benefit for 50 employees;
- bringing together employees enrolled in their hobby clubs in two events;
- increasing the number of team-building workshops, at the request of managers, after the positive feedback received for the debut workshops.

## **Strategic adaptation of the product portfolio**

### **Portfolio management**

The expansion of the product portfolio is a major contributor to the development of Antibiotice S.A. on the domestic and international markets. The expansion of the product portfolio is achieved both through our own research and development activity and through business development (in-licensing contracts).

The products in the current portfolio are closely monitored, with actions being taken to adapt them to national requirements and international regulations, by analysing therapeutic trends, medical guidelines, new efficacy and safety studies.

The current portfolio includes 182 products in 11 therapeutic classes and consists of:

- Generic medicines for human use (prescription medicines - RX and over-the-counter medicines - OTCs);
- Food supplements, cosmetics and medical devices;
- Active substances obtained by biosynthesis process by cultivation of the microorganism *Streptomyces noursei*-Nystatin;
- Veterinary medicinal products;
- Biofertilisers.

The RX product portfolio is composed of the following therapeutic classes: anti-infective class - including medicines for the treatment of tuberculosis, cardiovascular class, digestive tract and metabolism class, dermatological class and central nervous system class.

The non-RX portfolio is represented by OTC medicines, food supplements, cosmetics and medical devices. They are intended for health maintenance, prophylaxis or as an adjuvant in certain high-incidence diseases.

Non-Rx products have been grouped into 4 portfolio concepts, mainly defined by their target audience: Nutriensa®, Derm A+, Cold & Flu and Quality of Life - products for Family Health, Women's Health and Men's Health.

## Oral Solid Forms Division

The portfolio of oral solid forms comprises 85 products, with 16 new products assimilated in the first semester:

- 4 RX products -Amoxiplus® tablets 625 mg, Amoxiplus® tablets 1g, Cefuroxime Atb® 500 mg and Cefuroxime Atb® 250 mg - which complete the anti-infective portfolio with line extensions of therapeutically established molecules, thus increasing patients' accessibility to treatments;

- 4 products that complete the non-RX portfolio:

- Urexpert® - food supplement intended for the prophylaxis of UTIs, a complementary product to anti-infective therapy for this pathology;
- Lejer Anti-Gas® - medical device designed to relieve the feeling of abdominal bloating, discomfort associated with excessive accumulation of gas and air in the gastrointestinal tract;
- Tri Oli® - food supplement with a complex formula that provides triple support: cardiovascular health, normal brain function and optimal vision;
- Soriso Luna® - food supplement that completes the Soriso range, a range designed to help adapt to daily stress and relieve sleep disorders. Soriso Luna is a unique combination of active ingredients carefully selected to confer a state of relaxation and calm, facilitating the induction and maintenance of a natural, restful and restorative sleep.

- 8 products from the range of veterinary supplements, under the VetAria+® umbrella brand, recommended in the treatment of the most common medical conditions in dogs and cats. VetAria+® food supplements are OTCs and are used in the treatment of skin disorders, acute urinary tract disorders or infections, improving immunity, restoring and maintaining intestinal flora, joint health, liver function and supporting kidney function.

The main directions on which the analysis of the current portfolio of the **Oral Solid Forms Division** in the first half of 2024 was focused in the first half of 2024 were aimed at identifying ways to make the current portfolio more efficient to capitalize on, through actions to secure projected sales, as well as to identify growth opportunities. The following main types of actions have been identified:

- line extensions, other new product proposals (in the context of promoting a complete range per indication);
- actions with a positive impact on profitability (price repositioning, change of the packaging manner, repositioning in terms of commercial policy);
- analysing markets to identify opportunities for assimilation of new products (class consolidations according to the development directions);
- actions to increase sales (projects);
- assessment of the potential for internationalisation of products.

Alignment with legislative requirements has led to analyses of compliance with the limits set for nitrosamine concentrations.

## Topical Products Division

The Topical Products Division's portfolio comprises 55 products: medicines for human use, medicines for veterinary use and dermatocosmetic products. Medicinal products for human use are prescription-based (RX) (significant share) and non-prescription (non-RX), covering the following therapeutic classes: dermatological disorders, muscular and osteoarticular disorders, venous disorders, eye disorders, genitourinary disorders, digestive tract disorders, analgesic-antipyretic products.

This division's product portfolio also includes ointment-type veterinary medicines used in the most common infectious pathologies.

Of the 55 products in the Topical Products Division's portfolio, 3 new products were launched in the first half of 2024:

- Siloderm® - silicone-based medical device for the prevention and treatment of hypertrophic and keloid scars;
- Tinero® TT Drop Moisturising Cream and Tinero® TT Pure Purifying Mask - two cosmetics, part of a line of products designed to care for acne-prone skin.

The portfolio of the Topical Products Division has two main development directions:

- maximising the potential of products from the current portfolio on international markets, identifying opportunities for securisation and growth on the domestic market;
- identifying and analysing the opportunities for assimilation of new products, on attractive markets in terms of business potential, in line with the development directions of the portfolio and positive impact in maintaining the status of market leader in the ointments segment in Romania, but also ensuring an optimal level of profitability.

Non-RX products are aimed at strengthening the main concepts of portfolios such as Derma+, Quality of Life - Women's Health and Family Health, in order to ensure a product structure adapted to the new consumer trends, on different target audiences.

## **Sterile Products Division**

The current portfolio of injectable products includes 42 products for human use, of which: prescription products from the therapeutic class - systemic anti-infectives (from the class of  $\beta$ -lactam penicillins, cephalosporins, carbapenems, polymyxin, tetracycline, glycopeptides) and over-the-counter products - OTC.

The future injectable portfolio, as part of the company's strategy, will include both anti-infective products and products from other therapeutic classes complementing the experience on other pharmaceutical forms and which may present continuity with injectable forms. New products have therapeutic benefits that can be combined with other medicines in therapeutic regimens. The future portfolio will strengthen the leading position on the domestic market in the sale of injectable products. The molecules have addressability for sale to domestic and international markets with experience in medical practice and growing demand, present in emergency therapeutics or health maintenance.

## **Active Substances Division**

In the Active Substances Division, the range of active substances Nystatin is obtained by biosynthesis processes through the cultivation of the microorganism *Streptomyces noursei*. This range contains several varieties such as standard, micronized and compacted.

The active substance Nystatin, produced on the Antibiotice S.A. platform, contains a polymorphic form (polymorph A) as a result of a repeatable, stable and reproducible technological process. This provides advantages in the formation of finished shapes containing nystatin. Product stability provides economic advantage in handling manufacturing, transport and storage conditions. As every year, special attention is paid to this product, with ongoing actions to strengthen its leading position on the world market.



## Promotion activity

A. Communication to healthcare professionals (HCPs) - is achieved through direct promotional visits made by the team of medical representatives and also through participation in national congresses and conferences.

These scientific events are organised by the main professional, academic and scientific societies and associations in Romania. In the first semester, Antibiotice S.A. participated in events for the medical specialities Dermatology, Infectious Diseases and TB, Pneumology, ENT, Urology, Anaesthesiology and Intensive Therapy, Gynaecology, Emergency Medicine, Family Medicine and Pharmacy, with the following objectives: increasing the visibility of the company brand and product brands, launching and promoting products, networking and developing relationships with partners, understanding the market and competition.

For the VetAria+ portfolio, in the first semester of 2024, 4 launch events were held in university centres of veterinary medicine (Iasi, Bucharest, Cluj, Timisoara), with the target audience consisting of veterinarians from clinics, practices, hospitals and veterinary pharmacies. These events were attended by over 400 veterinarians, promoting the range of supplements with addressability for pets.

B. Communication to the general public

- Offline communication: TV
  - TV campaigns - broadcasting video spots: SimbiFlora<sup>®</sup>, Silithor<sup>®</sup>, Clafen<sup>®</sup> and Saliform<sup>®</sup> Forte.
- Online communication: Social Media - Opportunity to promote our products directly to the general public through targeted, creative and interactive messages:
  - Facebook - Active Facebook Pages: Nutriensa<sup>®</sup>, Cutaden<sup>®</sup>, Tintero<sup>®</sup>;
  - Instagram - Active Instagram pages: Nutriensa<sup>®</sup>, Cutaden<sup>®</sup>, Tintero<sup>®</sup>;
  - Product and product range websites: Nutriensa<sup>®</sup>, Cutaden<sup>®</sup>, Tintero<sup>®</sup>, Clafen<sup>®</sup>.

## Research and development activities

For the new product projects included in the 2024 Research Plan, different research milestones were completed in the first semester, as follows:

- for the Topical Products Division - milestones related to 22 products out of the 28 planned at the beginning of the year (6 cosmetic products, 5 medical devices, 1 OTC product, 3 RX products, 7 sterile ophthalmic topicals).

For the Topical Products Division, 6 new product projects (sterile ophthalmic products) will be started in the second half of the year, completing the planned research pipeline for 2024.

- for the Oral Solid Products Division - milestones related to all 10 new product projects (4 RX products, 1 OTC product and 5 food supplements).

During the first semester research actions have been completed for 3 oral solid products (one Rx product and two food supplements).

- for the Sterile Injectable Products Division - milestones related to the 4 planned new product projects (4 RX products - sterile injectables).

For the Sterile Injectable Products Division in the second quarter of the year the research pipeline was completed with two new product projects - sterile injectables.

- for the Active Substances Division - milestones related to an Rx product consisting of an oral suspension

In the first two quarters of 2024, the Centre for Clinical Trials ran clinical trial phases for:

- Oral Solid Products Division - 2 new product projects, both prescription products (RXs).

For one of these two products (modified-release RX), the bioequivalence study that has been carried out during this semester included two phases: a first study under “post prandial” conditions has been completed. Based on the results obtained, a second study was continued, under “fasting” conditions, for which clinical documentation was submitted in June to the National Agency for Medicines and Medical Devices in Romania (NAMMDR) and to the National Bioethics Committee for Medicinal Products and Medical Devices for authorisation.

The second Rx oral product was completed in the second quarter of this year, with the clinical phase of the bioequivalence study, and the analysis of the biological samples collected in the study is currently underway.

- Topical Products Division - one new product project (RX), one product with marketing authorisation in Romania to support its internationalisation process (OTC) and one product with marketing authorisation to support its promotion (RX).

During the first semester clinical trials were completed for two topical products (one OTC and one RX).

For the RX product, the observational study was completed in May this year, thus adding an asset in the promotion of this topical product.

The test laboratories of the Centre for Clinical Studies carried out actions to support the process of internationalisation of the portfolio for 2 topical products and actions were also undertaken to support the portfolio in terms of risk analysis for the development of nitrosamine impurities.

## **Business Development activity**

In order to meet the needs of the Romanian healthcare systems and international markets, Antibiotice S.A. has continued its portfolio development programme through in-licensing projects. In the first semester of 2024, 7 products were contracted, 2 under the Anti-infectives class, 3 under the Genito-urinary system class and 2 under the Cold and Flu concept.

## **Continuous improvement of the Integrated Management System (Quality, Environment, Occupational Health and Safety)**

Ensuring product quality, reducing quality incidents, incidents of any nature with repercussions on people's health, environment, represent the main ethical, moral and professional concerns in our company.

A total of 6 partner audits took place in H1 2024, 3 for the manufacture of parenteral products and 3 for the manufacture of the active substance Nystatin. The audits were carried out in good conditions, as Antibiotice S.A. has continued the initiated partnerships.

In order to develop and support business partnerships, the qualification of strategic suppliers was planned in order to: perform supplier audits (online/onsite/acquiring third party reports), and prepare Quality Agreements / Sales Contracts, respectively. Thus, audits were carried out on suppliers of raw materials/primary packaging materials/finished products, and were concluded without identifying critical non-conformities and they were accepted as approved suppliers for Antibiotice S.A.

A total of 21 contracts/quality agreements have been initiated, evaluated or finalised with manufacturers of active substances, finished products and Nystatin respectively.

With reference to the periodic training on specific GMP topics, in terms of the internal component they took place according to the approved Annual Training Plan, and in terms of the external component the members of the Quality Assurance department attended 5 workshops organised by external suppliers on topical issues specific to the pharmaceutical industry.

### **Environmental responsibility**

During the first half of 2024, the Water Rights Permit No. 20/30 March 2021, issued by the Prut Barlad Water Basin Administration, and the Integrated Environmental Authorization no. 3/29 September 2021, issued by the Iasi Environmental Protection Agency, were maintained, with annual visa no. 481/14 September 2023.

Information on environmental aspects at company level was communicated to the institutions with specific powers in this regard (Iasi Environmental Protection Agency, Romanian Water Management Authority), and all the reports required by the authorisations held were submitted, according to the legal requirements.

In support of the fight against antimicrobial resistance, Antibiotice S.A. has initiated the “Antibiotic Manufacturing Standard” certification - minimising the risk of developing antibiotic resistance and aquatic ecotoxicity in the environment resulting from the manufacture of antibiotics for human use.

The Annual Environmental Report for the year 2023 has been prepared in accordance with the requirements of the Integrated Environmental Authorisation and published on the company's website.

Within the objective “Drilling works for hydrological assessment for the supply of technological water”, the execution works have been started. After completion of the works, the necessary actions will be taken to renew the Water Rights Permit.

In order to make wastewater treatment and sludge recovery more efficient, 2 studies have been launched: “Study for the optimisation of the wastewater treatment plant” and “Study for the evaluation of the possibilities to recover sludge”. The first phase of both studies has now been completed.

The 2.5 MW photovoltaic power plant was commissioned, covering a built area of 31,428 sq. m, with 4,680 photovoltaic panels installed.

### **Quality of environmental factors (water, air, soil, groundwater)**

To monitor the quality of environmental factors, analyses of the quality of the water entering the pre-treatment plant and discharged into the municipal sewage system have been carried out in our own laboratory and by third parties. For emissions/immissions of air pollutants, determinations have been carried out as required by the Integrated Environmental Authorisation. No values exceeding the maximum allowable concentrations set by the Integrated Environmental Authorisation and the Water Rights Permit were recorded.

### **Waste management**

Antibiotice S.A. continuously improves its waste management system to ensure a sustainable and efficient approach. Thus, the completion of the landfill in 2023 has contributed to reducing our environmental impact, promoting more sustainable practices and more efficient resource management.

The specific legal requirements in the field of waste management have been fulfilled, the internal waste audit corresponding to the year 2023 has been carried out, the Programme for prevention and reduction of waste generated from the company's activity is finalised and published on the company's website.

The waste generated is collected separately and managed by authorised operators for recovery or final disposal. Some types of waste can also be disposed of by incineration in your own incinerator.

At the same time, the overall targets for the recovery of packaging waste for products placed on the national market have been met through the extended producer responsibility service contract with an authorised Extended Producer Responsibility (EPR) organisation. The company has no outstanding payments to the Environmental Fund Administration.

## **Occupational Health and Safety**

In order to comply with the legislative provisions regarding the protection of employees' health, in the first semester of 2024, the Prevention and Protection Plan 2024, Annual OHS Training Programme, Annual Programme for Periodic Medical Examination, Annual Hazard Monitoring Exposure Programme were prepared.

The technical, organisational, hygienic and sanitary measures proposed in the Prevention and Protection Plan for 2024 have been implemented.

The periodic training of the staff was carried out according to the Annual OHS Training Programme (monthly, quarterly, half-yearly - depending on the specificity of each activity).

In the period 22 April 2024 - 20 June 2024 the OHS training courses were held. The course was attended by a total of 33 colleagues - managers, technologists, flow coordinators, activity coordinators.

On the basis of the medical recommendations of the screening team that carried out the assessment of the locomotor health of the staff who constantly exert physical effort in the fulfilment of their work duties (carried out in 2023), in 2024, a target group of 50 employees was defined for the first stage of the rehabilitation treatment. In June 2024, the first stage of recovery treatment was completed.

In the first half of the year there were 2 occupational accidents and 1 commuting accident.

## **Performance Management**

In the first half of 2024, Antibiotice recorded sales to patients in the domestic and international market of 401.1 million lei, up 6% compared to the first half of last year.

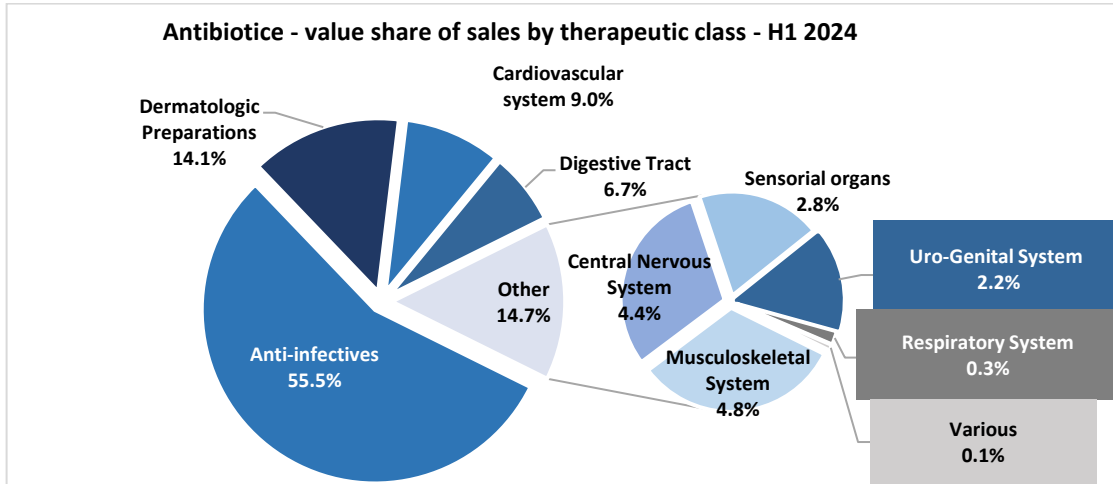
### **Antibiotics in the Romanian pharmaceutical market<sup>1</sup>**

- In the first half of 2024 on the domestic market, Antibiotice company:
- consolidated market sales worth 250.3 million lei;
  - maintains its 4th place (out of 345 companies) in sell-out - boxes in the generic RX and non-RX segment (with a market share of 4.6%);
  - is the quantitative (IU) leader in the total market for the following pharmaceutical forms: ointments (20.1% out of a total of 125 companies), suppositories and vaginal suppositories (32.7% out of a total of 49 companies) and injectable powders (59.9% out of a total of 57 companies);
  - ranks second by number of packs in the total market for the pharmaceutical form of capsules (6.6% out of a total of 190 companies);
  - is the value leader in the generic prescription and OTC segment marketed in hospitals, with a market share of 13.2%, in a market where 227 companies are active.

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<sup>1</sup> Data source: Cegedim

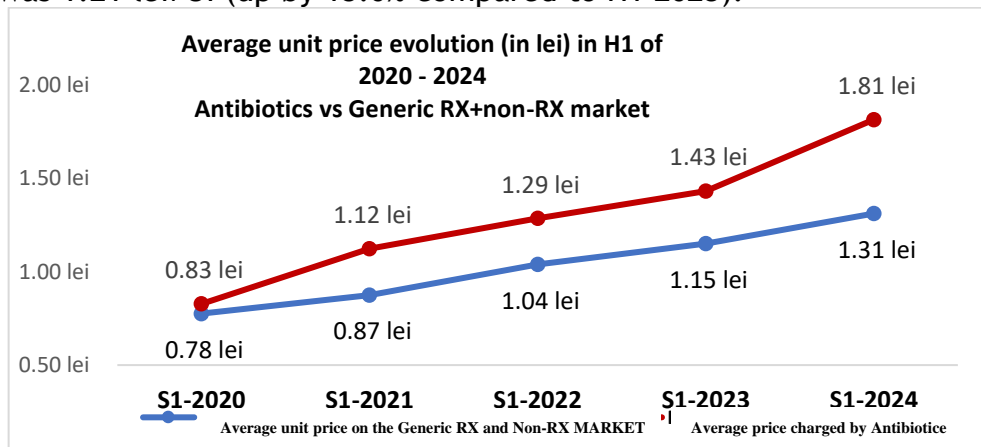
Antibiotice has consolidated its sales for the portfolio of anti-infectives for systemic use, developing at the same time the therapeutic classes where it holds important positions in the domestic market: dermatological preparations, cardiovascular system, genitourinary system, central nervous system and digestive tract. The expansion of the portfolio of anti-infectives with critical molecules recommended by national and international guidelines in various types of infections was achieved in the first half of 2024 through the assimilation of four new products: Amoxiplus® cpr 875mg/125mg, Amoxiplus® cpr 500mg/125mg, Cefuroxima Antibiotice cpr 500 mg and Cefuroxima Antibiotice cpr 500 mg.



In the first half of 2024, Antibiotice's promotional activities led to increased sales of Zifex complex® and Zifex Duo® (vaginal suppositories under the genito-urinary class), the Simbiflora® range of symbiotics, as well as newly launched products such as Zinba®, Remiflu® or Faguria® range.

### Price as a strategic element of market adaptation

The average market price of generic RX and non-RX drugs in the first half of 2024 was 1.31 lei/IU, up by 14.0% compared to the same period of the previous year (1.15 lei/IU). In terms of sales channels, the price structure is as follows: for the hospital channel - 6.51 lei/IU (up by 17.2% compared to H1 2023), of which injectable products recorded a price of 10.81 lei/IU, up by 21.3% compared to the same period of the previous year. For the segment of independent pharmacies and small-chain pharmacies (IPSCP), the price was 1.22 lei/UI (up by 12.4% compared to H1 2023), while for national chains the price was 1.21 lei/UI (up by 15.0% compared to H1 2023).



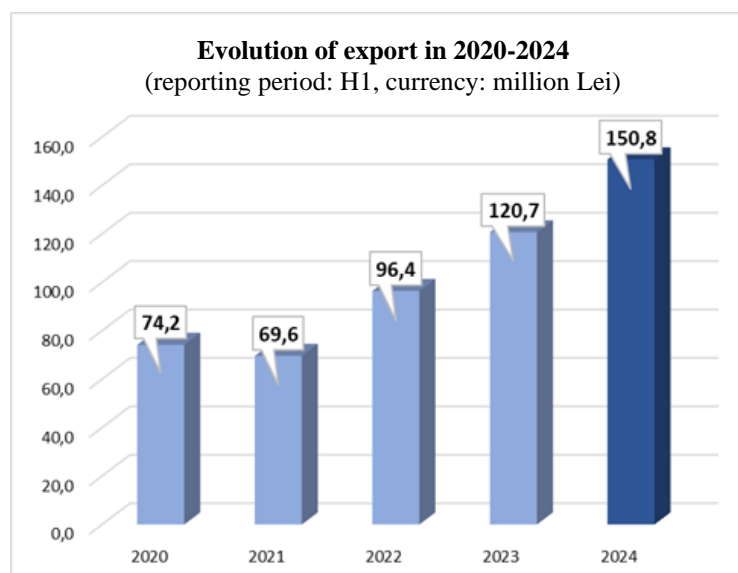
The average unit price of the Antibiotice portfolio in the first half of 2024 was 1.81 lei/IU, up 26.7% compared to H1 2023 (1.43 lei/IU).

In terms of sales channels, the price structure of the Antibiotice portfolio in the first half of 2024 was as follows: in the hospital channel - 5.53 lei/IU (up 13.3% compared to H1 2023), of which injectable products recorded a price of 9.67 lei/IU (up 2.2% compared to H1 2023). For the segment of independent pharmacies and small-chain pharmacies (IPSCP), the price was 1.47 lei/UI (up by 23.8% compared to H1 2023), while for chain pharmacies the price was 1.18 lei/UI (up by 21.5% compared to H1 2023).

In the retail segment, the focus on brand development projects for non-RX products in the Nutriensa® concept generated a 2.1% increase in the average unit price compared to H1 2023, from 0.98 lei/UI in H1 2023 to 1.00 lei/UI in H1 2024.

## Antibiotice company on the international market

In H1 2024, revenues from sales on the international market totalled **150.8 million lei** (30.3 million euro), an **increase of 25%** compared to the same period of 2023 (120.7 million lei).



### Export of finished products

Revenues from the sale of finished products totalled **95.4 million lei**, an **increase of 35%** compared to the period January - June 2023 (70.8 million lei). The upward trend in the evolution of drug exports recorded in the first half of 2024 compared to the first half of 2023 is the result of the continuation of Antibiotice's development strategies, established by the "Territorial Expansion Plan".

Starting this year, we started selling injectable products in Italy, Poland, France, Bulgaria. In June the first delivery was made to the United Arab Emirates market. We are planning to register new products to increase our presence in this market.

### Export of non-micronized and micronized Nystatin-based active substances

The activity in H1 2024 was in line with the trend of recent years and with the strategy of consolidating the leading position on the world market for the 2025-2030 period, with the Nystatin Antibiotice range of active substance being sold in all the major markets, at global level.

Presence in the main markets (USA, Europe, Asia) has been maintained and increased and important progress has been made on development projects in North

America and Latin America, laying the foundation for expanding export markets for this range of active substance.

## Economic and financial performance

### Management of financial flows and operational expenses

The effect of all activities during the first 6 months of the current year are summarized in the Interim Financial Statements prepared in accordance with IAS 34 “Interim Financial Reporting” revised. The main indicators reflecting the financial performance of the activity in H1 2024 compared to the amount achieved in H1 2023 are presented in the following table:

Indicators	30/06/2024	30/06/2023	30/06/2024 / 30/06/2023
<b>A. Total revenue, of which:</b>	<b>379,960,152</b>	<b>352,544,169</b>	7.78%
<b>1. Operating income</b>	<b>376,657,524</b>	<b>347,134,262</b>	8.50%
1.1 Revenue from contracts with customers (turnover), of which:	<b>350,850,074</b>	<b>315,870,916</b>	11.07%
Income from the sale of products manufactured on own sites	284,367,384	259,529,965	9.57%
Income from the sale of products manufactured on partner sites	65,922,420	55,726,977	18.30%
Income from the provision of services	560,270	613,974	-8.75%
1.2 Other operating income	1,952,844	665,863	193.28%
1.3 Subsidy income	180,767	135,453	33.45%
1.4 Changes in stocks of finished goods and work in progress	17,988,910	23,879,385	-24.67%
1.5 Income from capital projects	5,684,929	6,582,645	-13.64%
<b>2. Financial income</b>	<b>3,302,628</b>	<b>5,409,907</b>	-38.95%
Foreign exchange gains	3,301,434	5,408,524	-38.96%
Income from bank interest	1,194	1,383	-13.67%
<b>B. Total expenditure, of which:</b>	<b>301,530,317</b>	<b>279,970,898</b>	7.70%
<b>1. Operational expenses</b>	<b>297,073,489</b>	<b>271,941,763</b>	9.24%
Expenditures on raw materials and consumables	88,978,235	89,107,015	-0.14%
Expenditure on finished products manufactured at partner sites	38,502,399	27,435,209	40.34%
Electricity expenses	4,516,717	8,157,363	-44.63%
Gas expenses	3,211,681	5,835,481	-44.96%
Expenses on drinking water and sewerage	1,103,994	1,156,649	-4.55%
Staff expenditure	75,648,348	73,414,155	3.04%
Other operating expenses (*)	63,523,881	53,396,256	18.97%
Depreciation and adjustments for impairment of fixed assets, net	21,588,234	13,439,635	60.63%
<b>2. Financial expenses</b>	<b>4,456,828</b>	<b>8,029,135</b>	-44.49%
Foreign exchange losses	2,475,015	5,990,895	-58.69%
Expenses on bank interest	1,981,813	2,115,643	-6.33%
Other financial expenses	0	(77,403)	
<b>Operational result</b>	<b>79,584,035</b>	<b>75,192,498</b>	5.84%
<b>Financial result</b>	<b>(1,154,200)</b>	<b>(2,619,228)</b>	-55.93%
<b>Gross profit</b>	<b>78,429,835</b>	<b>72,573,270</b>	8.07%
Expenses relating to the corporate income tax and deferred tax	4,235,805	10,570,957	-59.93%
<b>Net profit</b>	<b>74,194,030</b>	<b>62,002,313</b>	19.66%

The responsible and rigorous execution of the activities in the first semester of 2024, constantly monitoring the impact in achieving the objectives of The Future Together

Business Plan, led to **total revenues** amounting to 379.96 million lei, 7.78% higher than the value recorded in the same period of the previous year.

The increase in total income is the positive effect of:

- expanding the presence of Antibiotice S.A. in new territories with products that define the strategic portfolio;
- increase of sales value in the hospital segment;
- increase of sales value in an optimal structure in the retail segment;
- strengthening the sale of active substance derived from streptomyces noursei biotechnologies for pharmaceutical use and maintaining the position as world leader.

The effort made to achieve the total income, expressed by **total expenses** is in the amount of 301.53 million lei with 7.7% higher compared to the value recorded in the previous year, and is in correlation with the structure of the products manufactured and sold.

**The gross profit** obtained by combining the level of total income and total expenses totalled 78.43 million lei, 8.07% higher than the value for the same period last year.

According to their nature, the situation of income, expenditure and implicitly the result recorded is as follows:

- **operating income**, amounting to 376.66 million lei, higher by 8.5% compared to the amount of 347.13 million lei achieved on 30 June 2023, due to the increase in the value of product sales made on own and partner sites.

In the structure of **operating income**, the situation of indicators is as follows:

- **Net turnover** (income from contracts with customers) achieved in the first 6 months of 2024 is 350.85 million lei. Compared to the same period last year, net turnover is 11.07% higher, of which:
  - ✓ **The net turnover achieved on the on the Romanian market** amounts to 201.84 million lei, 2.94% above the level achieved in the same period of the previous year, as a result of redefining the way of working with distributors and national chains in Romania; here, the main objectives were to closely correlate the market share of each product sold with the sales potential of each product in relation to the hospital, chain pharmacies and independent pharmacies and small-chain pharmacies (IPSCP) market segments;
  - ✓ **The net turnover achieved on the international market** amounts to 149.01 million lei, 25% higher than in the same period of the previous year, a positive effect of Antibiotice SA's territorial expansion strategy.
- **Income from capita projects** in the amount of 5.68 million lei, lower by 13.64% compared to the same period of the previous year, which is in correlation with the R&D projects that have reached the development stage.
- **Income from the change in stocks of finished products and work in progress** totalled 17.99 million lei, the combined effect of the production and sales structure.
  - **Operating expenses:** 297.07 million lei higher compared to the same period of the previous year (271.94 million lei), which is correlated with the increasing level of revenues.
- **Expenditures on raw materials and consumables** of 88.98 million lei, lower by 0.14% compared to the same period of the previous year, are influenced by the more favourable manufacturing structure;
- **Expenditures with products manufactured on other sites** in the amount of 38.50 million lei are 40.34% higher than in the same period last year (27.44 million lei), are correlated with the sales structure of products manufactured on partner sites.
- **Expenses on electricity, natural gas, drinking water** recorded in the first 6 months of 2024 are 8.83 million lei, below the level achieved as of 30 June 2023 of 15.15 million lei. The variation of 6.32 million lei is due to the optimization of specific technological processes that resulted in a lower-than-planned consumption of utilities than the one on 30 June 2023, with an influence in terms of amount of 1.21 million



lei. The level of utility rates, lower than those paid in the same period of the previous year, determined a decrease in the amount of these expenses by 5.11 million lei.

Indicators	- Lei -		
	30/06/2024	30/06/2023	30/06/2024 / 30/06/2023
Transport expenses	2,260,094	2,352,216	-3.92%
Expenses on repairs	541,558	870,649	-37.80%
Expenses on other taxes and charges	27,291,637	23,427,769	16.49%
Expenses on insurance premiums	1,713,455	1,461,688	17.22%
Consultancy expenses	269,979	0	0.00%
Expenditure on services performed by third parties, business entertainment and promotion	22,285,785	15,005,103	48.52%
<b>Other overhead costs, of which:</b>	<b>6,180,418</b>	<b>2,013,937</b>	<b>206.88%</b>
Expenses on professional training	453,377	443,956	2.12%
Expenses on representation in territories	369,672	568,659	-34.99%
Expenses on bank fees	267,592	278,366	-3.87%
Environmental protection expenses	608,264	722,957	-15.86%
Other operating expenses	4,481,513	0	0.00%
Rental costs	168,839	146,723	15.07%
Travelling costs	1,138,480	899,156	26.62%
Expenditure on postal charges and telecommunications	370,864	275,522	34.60%
Expenditure on sponsorship and donations	287,514	389,822	-26.24%
Expenditure on compensation, fines and penalties	331,216	4,140	7900.39%
Expenditure on net current assets value adjustment	684,042	6,549,531	-89.56%
<b>Total</b>	<b>63,523,881</b>	<b>53,396,256</b>	<b>18.97%</b>

- **Other operating expenses** - the amount of these expenses is 63.52 million lei, 18.9% higher compared to the level achieved in the similar period of the previous year. At 30 June 2024, the category of other operating expenses includes the following types of expenses:

- ✓ **Expenses on transport of goods and services** are in the amount of 2.26 million lei, incurred for the transport at destination with postage paid of finished products sold on the domestic and international markets;
- ✓ **Expenses on maintenance and repairs** are worth 0.54 million lei, and were needed to maintain production equipment in optimal condition, to strengthen some buildings, to maintain and repair the vehicle fleet;
- ✓ **Claw back expenses** amount to 21.15 million lei, above the level recorded on 30 June 2023 of 18.52 million lei, and are correlated with the increased level of sales of medicines on the Romanian market. According to GEO No. 77/2011 establishing contributions for the financing of health expenditures, for prescription drugs, included in the national health programmes, with or without personal contribution, used in outpatient treatment with prescription drugs through open circuit pharmacies as well as for those used in hospital treatment, paid from the Single National Health Insurance Fund and from the budget of the Ministry of Health, a clawback tax is paid quarterly to the State Budget;
- ✓ **Expenses for services performed by third parties, business entertainment and promotion** include services to support sales, serialisation of medicines, market research in the pharmaceutical field, qualification and maintenance of equipment, customs services, physico-chemical analyses, advertising and

publicity expenses (including media expenses, expenses related to projects for product shelf positioning, scientific promotion and participation in congresses, promotional materials). Their value as at 30 June 2024 is 22.29 million lei above the level achieved as at 30 June 2023 of 15 million lei. The approval of expenditure on services performed by third parties was made only on condition that they were obligatory and their effects were well determined, and the protocol, advertising and publicity expenses were in line with the strategy of the promotion policies;

- ✓ **Expenses on insurance premiums** amount to 1.7 million lei, their increase is correlated with the level of insured claims on the domestic and international market; the increase in the value of claims is closely related to the increase in turnover;
- ✓ **Expenses on professional training** - maintenance and development of employees' professional competences, through continuing training, determined a value of 0.45 million lei of these expenses, close to the level achieved in the similar period of the previous year.
- ✓ **Representation expenses in the territories** in the period between January and June 2024 amounted to 0.37 million lei, lower than the level achieved in the previous year. Selling products in the territories of Antibiotice SA involves entering into agreements with partners in the respective areas to manage product registration with the authorities and to broker sales in the market;
- ✓ **Expenses with bank fees and commissions**, paid for the current operations of collections and payments, in lei and currency and for the renewal of the contract for the financing of operational activities, amounted to 0.27 million lei;
- ✓ **Travel expenses** are 1.14 million lei, higher than the level recorded in the same period in 2023 (0.9 million lei). The diversity of the activities carried out at the company level, with specific legal regulations, involves travelling to the authorities, to business partners both in the country and abroad for the consolidation and development of new partnerships, participation in international conferences and events in the pharmaceutical field and training courses;
- ✓ **Expenses on inventory write-downs according to IAS 36** in the amount of 0.6858 million lei, set up for finished products and finished products manufactured on other sites according to accounting policies based on the shelf life of the items in stock;
- ✓ **Income from the write-off of doubtful receivables (IFRS 9)** amounting to 0.0017 million lei are set up for specific receivables;
- **Income from the reversal/cancellation of provisions** recognised under IAS 36 amounting to 3 million lei for the variable remuneration of the members of the Board of Directors for 2023 as a result of the achievement of the performance indicators, paid in 2024.
- **Staff expenditure** in the amount of 75.65 million lei are higher than the amount achieved as at 30 June 2023 (73.41 million lei) due to the impact of the update of the remuneration and motivation systems for employees applied from September 2023.
  - **Operating result** - the operating income achieved in the reporting period, in conjunction with the operating expenses incurred, as presented above, generated an operating profit of 79.58 million lei, higher than the amount recorded in the same period of the previous year (75.19 million lei).

From the financial activity, as of 30 June 2024, the company achieved a **financial income** in the amount of 3.3 million lei represented by foreign exchange gains and interest gains and **financial expenses** in the amount of 4.46 million lei (represented by expenses from foreign exchange losses and interest costs), which resulted in a negative financial result of 1.15 million lei, below the level achieved as of 30 June 2023 (-2.62 million lei).

The decrease in the amount of **foreign exchange losses** compared to June 2023 is mainly influenced by the change in exchange rates (**average euro exchange rate on 30 June 2024: 4.9743 lei, average euro exchange rate on 30 June 2023: 4.9335 lei, average dollar exchange rate on 30 June 2024: 4.6008 lei, average dollar exchange rate on 30 June 2023: 4.5637 lei**), the payments and receipts in foreign currency and the evolution of the balance of external receivables and payables.

## Statement of financial position

Indicators	30/06/2024 (revised)	31/12/2023 (audited)	30/06/2024 / 31/12/2023
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	706,655,110	692,361,541	2.06%
Intangible assets	46,064,328	45,526,698	1.18%
<b>Total fixed assets</b>	<b>752,719,438</b>	<b>737,888,239</b>	<b>2.01%</b>
<b>Current assets</b>			
Inventory	174,875,681	160,214,484	9.15%
Trade and similar receivables	272,927,754	235,771,990	15.76%
Advance payments	3,710,783	3,489,615	6.34%
Cash and cash equivalents	60,754,738	1,807,930	3260.46%
<b>Total current assets</b>	<b>512,268,956</b>	<b>401,284,019</b>	<b>27.66%</b>
<b>Total assets</b>	<b>1,264,988,394</b>	<b>1,139,172,258</b>	<b>11.04%</b>
<b>Equity and payables</b>			
<b>Equity</b>			
Subscribed capital	67,133,804	67,133,804	0.00%
Revaluation reserves	219,669,638	225,417,959	-2.55%
Legal reserves and other reserves	333,685,459	324,877,598	2.71%
Profit/Loss carried forward	244,999,985	229,534,759	6.74%
<b>Total equity</b>	<b>865,488,886</b>	<b>846,964,120</b>	<b>2.19%</b>
<b>Non-current liabilities</b>			
Loans and bank debts	91,104,412	36,750,203	147.90%
Subsidies for investments - non-current portion	5,614,768	1,586,415	253.93%
Deferred tax liabilities	62,625,245	63,401,227	-1.22%
<b>Total non-current liabilities</b>	<b>159,344,425</b>	<b>101,737,845</b>	<b>56.62%</b>
<b>Current liabilities</b>			
Trade and similar payables	198,698,889	150,780,362	31.78%
Bank loans	27,329,038	29,552,092	-7.52%
Other liabilities	13,820,867	9,831,550	40.58%
Subsidies for investments - current portion	306,289	306,289	0.00%
<b>Total current liabilities</b>	<b>240,155,083</b>	<b>190,470,293</b>	<b>26.09%</b>
<b>Total liabilities</b>	<b>399,499,508</b>	<b>292,208,138</b>	<b>36.72%</b>
<b>Total equity and liabilities</b>	<b>1,264,988,394</b>	<b>1,139,172,258</b>	<b>11.04%</b>

## Analysis of fixed assets

One of the priority objectives of “*The Future Together*” Business Plan is to make investments in order to develop and consolidate the business.

As of the beginning of 2024, the inflows of tangible and intangible fixed assets above the depreciation and amortisation expenses resulted in a level of net fixed assets as of 30 June 2024 of 752.7 million lei, 2.01% higher compared to the beginning of 2024.

On 30 June 2024, the net ledger value of tangible fixed assets of Antibiotice SA's assets totalled 706.66 million lei, 2.06% higher than at the beginning of 2024.

**Intangible fixed assets**, represented by know-how, research and development projects that have reached the development stage, software licences, amount to 46.06 million lei, 1.18% higher than on 31 December 2023.

## Analysis of current assets

Current assets increased as at 30 June 2024 compared to the beginning of the year by 110.98 million lei (+27.66%) mainly as a result of the increase in trade receivables, which are correlated with the volume of sales, with the average collection period of receivables on the domestic market being 155 days, 12 days lower than the level recorded at the beginning of the year. As at 30 June 2024, the collection period for receivables on the international market is 54 days.

As at 30 June 2024, the level of stocks is 174.88 million lei higher by 9.15% compared to the beginning of the year. The main categories of stocks are:

- raw materials and materials (totalling 58.57 million lei). They have an optimal level correlated with the production processes and with the supply rhythms on the domestic and international market;
- finished products manufactured on own sites and on partner sites (in the amount of 112.29 million lei), in accordance with the sales plans on the domestic and international market and with the delivery terms.

The share of receivables in total current assets is 53.28%, 5.48% lower than at the beginning of the year, which leads to a decrease in the liquidity of current assets.

In order to counter commercial risks, the company has taken out insurance policies for receivables on the domestic and international markets.

The amount of cash and cash equivalents increased as a result of the receipt in June 2024 of the financing from the European Investment Bank (59.73 million lei), to support the investment project "Production capacity, packaging and storage of sterile products, solutions and topicals".

## Analysis of current and non-current liabilities

**Current liabilities** as at 30 June 2024 amounted to 240.16 lei million, 26.09% higher than at the beginning of 2024. Their structure includes:

- Short-term loans are 7.52% lower than at the beginning of the year;
- Trade and similar payables include:
  - Payables to suppliers of raw materials, materials, services, falling due, amounting to 84.2 million lei, up by 10% compared to the beginning of the year (76.5 million lei), an increase correlated with the dynamics of turnover;
  - Payables to suppliers of fixed assets, falling due, amounting to 30.09 million lei, are lower by 25.5% compared to the beginning of the year (40.41 million lei);
  - The contributions and taxes related to salaries pending settlement at the end of June 2024, due on 25 July 2024;
  - Dividends payable distributed from 2023 profits, pending settlement at the end of June 2024;
- Liabilities from current taxes and duties are represented by the amounts owed to the State Budget due on 25 July 2024 - corporate income tax (2.8 million lei), the contribution to the Solidarity Fund regulated by Law No. 448/2006 on the protection and promotion of the rights of persons with disabilities (0.16 million lei) and 25 August 2024 - clawback tax, the amount pending settlement is 10.85 million lei.

The company has no outstanding obligations to the State budget.

The cash flow, prepared using the indirect method, was determined on the basis of gross profit, adjusted for the effects of non-cash transactions (depreciation of fixed assets, adjustment of current assets) and changes in current capital items. Its analysis shows the company's ability to generate cash from operating activities.

Subsidies for short-term investments in the amount of 306 thousand lei are represented by the amounts recorded as income with the amortisation of investments, namely:

- Subsidies for investments in environmental protection for the treatment plant;
- European funds for the POIM SMIS COD 2014-109717 project “Intelligent energy consumption monitoring system”.

As of 30 June 2024, the balance of the provisions account of 13.37 million lei, lower compared to the level from the beginning of the year, is due to the cancellation of provisions, in accordance with the legal regulations.

In the long run, the company aims to consolidate its net ledger assets, as at 30 June 2024, which amounts to 865.49 million lei, higher by 2.19% compared to the value as at 31 December 2023, as an effect of the positive economic and financial results recorded in the first 6 months of 2024.

### Applying business consolidation principles

The summary of the main diagnostic indicators recorded highlights the financial balance and the continuous concern for business efficiency.

#### INTERIM BALANCES OF ADMINISTRATION

Item No.	Indicators	30/06/2024	30/06/2023	- Lei -
				30/06/2024 / 30/06/2023
1	Revenue from contracts with customers, turnover	350,850,074	315,870,916	11.07%
2	Gross margin	247,043,279	229,790,721	7.51%
3	Gross margin (%)	65.96%	66.35%	-0.58%
4	Added value	208,371,191	191,616,234	8.74%
5	Operating result (EBIT)	79,584,035	75,192,498	5.84%
6	Gross result	78,429,835	72,573,270	8.07%
7	Gross profit profitability (EBT margin)	22.35%	22.98%	-2.70%
8	Claw back tax	21,152,298	18,520,768	14.21%
9	Gross profit profitability + claw-back tax	28.38%	28.84%	-1.58%
10	Net result	74,194,030	62,002,313	19.66%
11	Net profit profitability	21.15%	19.63%	7.73%
12	Earnings before interest, taxes, depreciation, and amortisation (EBITDA) for 12 months	136,948,928	118,570,147	15.50%
13	Current assets	448,945,932	406,651,353	10.40%
14	Short-term bank debts	27,329,038	41,861,422	-34.72%
15	Total bank debts	122,523,683	87,668,188	39.76%
16	Net ledger assets (equity)	865,488,886	707,891,416	22.26%
17	Current liquidity (Current assets/Short-term bank liabilities)	16.43	9.71	69.11%
18	Total bank debt/EBITDA	0.89	0.74	21.00%
19	Total bank debt/Equity	0.14	0.12	14.31%
20	Total liabilities	399,499,508	245,453,214	62.76%
21	Total assets	1,264,988,394	953,344,630	32.69%
22	Level of indebtedness (Total liabilities/Total assets)	31.58%	25.75%	22.66%

The gross margin indicator reflects the company's sales and production performance. This is similar to the previous year due to the efficient correlation of production, sales and stock levels, as well as the rationalisation of raw material and material purchases.

The value-added indicator reflects what the company adds to the economic circuit through its own activity. The activity carried out during the period under review resulted in a higher value by 8.74% compared to the value as at 30 June 2023.

The EBIT indicator (operating result) shows an increase of 5.84 % compared to the previous year.

The gross result is 78.43 million lei, higher than the similar period of 2023 (72.57 million lei).

EBITDA, which reflects earnings before interest, taxes, depreciation, amortisation and depreciation, is on an upward trend.

The current liquidity, determined as the ratio between current assets and short-term bank liabilities, has a level of 16.43 (above the level of 1.2 agreed by banking institutions) and indicates the maintenance of the short-term financial balance, and is on the rise compared to the level recorded in the same period of the previous year. The company has the capacity to honour its current bank obligations out of liquid assets. The total bank debt-to-EBITDA ratio stands at 0.89, which is within the parameters accepted by financial institutions (maximum admitted level of 3.5). Also, the total bank debt-to-equity ratio registers a level of 0.14, which is within the parameters accepted by financial institutions (maximum accepted level of 1).

The **investment plan** achieved, worth **40.96 million lei**, includes two main axes:

#### **I. Investments for strategic development - supporting turnover growth**

For the development of the product portfolio, investments were made in the first 6 months of 7.83 million lei, of which:

- Developing the product portfolio through own research: 5.23 million lei;
- Product development by in-licensing: 0.44 million lei;
- Modernisation of the research laboratory: 2.16 million lei.

#### **II. Investment to strengthen the business - contributes to continuity of production according to industry standards**

Priority investments for the consolidation of the business, in 2024, aim at the commissioning of a 3.7 MWh solar energy production capacity that will provide 35% of the company's energy consumption (in relation to the consumption recorded in 2021), the digitalisation, modelling and automation of specific processes, as well as the modernisation of existing production capacities.

1. Investments in information technology, telecommunications and digitisation of processes, amounting to 1.97 million lei. Antibiotice, as part of its digitisation and computerisation plan, prioritised the purchase of equipment, software and the implementation of an ERP system.

2. Adapting to the development trends of the industrial platform, supply and utilities distribution infrastructure, storage of raw materials and finished products, transport and connection to the national road system, amounting to 23.13 million lei.

Our plan is to continue the projects to reduce energy consumption (thermal and electrical) started in 2023.

In the first half of the year, the investment target of 2.5 MWh of solar energy production was put into operation.

3. Investments in the Integrated Management System (Quality, Environment, Sustainability, Occupational Health and Safety), in the amount of 0.44 million lei.

Investments in equipment are foreseen in order to maintain the quality standards of the manufactured products and to fulfil the legal requirements for the protection of the environment and employees.

4. Investments in modernising existing sites and equipment, worth 7.59 million lei.

In order to upgrade the drug manufacturing flows in the four divisions, the purchase of equipment, plant, fittings and laboratory equipment is planned for 2024.

## Improving Corporate Governance Systems

In the first six months of 2024, the company organised:

- Three Ordinary General Assembly meetings and two Extraordinary General Assembly meetings. The agenda, the materials presented, the presence of the shareholders and the resolutions adopted can be consulted on the company's website;
- Ten meetings of the Board of Directors, the agenda and materials of which are kept at the board's secretariat and accessible to the directors, in accordance with good corporate governance rules;
- Two investor conference calls to present preliminary 2023 and Q1 2024 financial results.

15 press releases were sent to the Bucharest Stock Exchange in order to communicate to the capital market relevant information regarding the company.

### Risk management

Within Antibiotice, risk management complies with the legal and regulatory requirements in force for risk identification, assessment, management and reporting.

Through its operations, the company is exposed to the following **financial risks**:

- Commercial (non-payment) risk;
- Interest rate risk;
- Foreign currency risk;
- Liquidity risk.

The **commercial (non-payment) risk** control is achieved by: monitoring the customers' creditworthiness, asking for guarantees, securing receivables, developing a loyal relationship with the customers. For external customers the same is achieved through advance payments, letters of credit, billing collection operations and debt insurance.

The company's approach to **interest rate risk** is to optimise the amounts utilised from operating loans in order to cover the temporary gap between receipts and payments, the use of foreign currency loans in the currency in which payments are made.

In order to reduce the **foreign currency risk** exposure within the company, a series of measures have been taken such as: synchronisation of import activity with export activity, by correlating payment and collection terms and correlating the weight of currencies; anticipation of collections, correlation of payments with collections, monitoring the evolution of the currencies in which payments are made, use of operating credits for the amounts in foreign currency in which payments are made, without making currency exchange.

In order to manage the **liquidity risk**, the aim is to optimise the rotation speed of the distribution stocks ensuring the demand for the products in the Antibiotice S.A. portfolio and to improve the term of collection of receivables from distributors, to organise a rigorous cost management at the company level in order to identify measures for their optimisation and reduction, and to monitor daily the collections and payments.

The company has no outstanding obligations to the State budget.

Antibiotice S.A. performs permanent monitoring of **operational risks** (personnel, technology and information security, cyber, integrity) in order to take steps to maintain them at an acceptable level that does not threaten its financial stability, the interests of creditors, shareholders, employees and partners.

In the first half of 2024, 23 system procedures were implemented, which regulate the company's way of working and ensure **cybersecurity** in accordance with the requirements of the National Cyber Security and Incident Response Team, the national authority responsible for monitoring the implementation of Law No. 362 of 28 December 2018 on ensuring a high common level of network and information systems security (“NIS Law”).

No **integrity incidents** were recorded in the first six months of 2024. Also, no whistleblower reports on possible breaches of the law have been recorded and no incidents of discrimination of any kind against the company's employees have been registered.

Other risks identified and monitored by Antibiotice S.A. are: business risks (economic, legislative, generated by partners); operational risks (personnel risks related to occupational health and safety); environmental risks; climate change risks.

The directors' report as at 30 June 2024 has been prepared on the basis of the interim individual financial statements.

General Manager,  
Ioan NANI, Economist

Chief Financial Officer,  
Paula COMAN, Economist



**ANTIBIOTICE S.A.**

**INTERIM FINANCIAL STATEMENTS**

**Prepared in accordance with IAS 34 "Interim Financial Reporting"**

**ANTIBIOTICE S.A.**  
**INTERIM FINANCIAL STATEMENTS**  
**Prepared in accordance with IAS 34 "Interim Financial Reporting"**  
**(all amounts are expressed in Lei ("RON"), unless otherwise specified)**

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## REPORT ON THE REVIEW OF SIMPLIFIED INTERIM FINANCIAL STATEMENTS

To the shareholders of  
ANTIBIOTICE S.A.

### **Introduction**

We reviewed the attached simplified interim financial statements of ANTIBIOTICE S.A. (the "Company") for the period between January 1, 2024 and June 30, 2024. The simplified interim financial statements include (i) the simplified interim statement of the financial position on June 30, 2024, (ii) the simplified statement of profit and loss and other elements of the comprehensive income, the simplified interim statement of changes in equity and the simplified interim statement of cash flows, each for the period from January 1, 2024 to June 30, 2024 and the comparative information for the period from January 1, 2023 to June 30, 2023, and (iii) other explanatory notes.

The management is responsible for the preparation and presentation of these simplified interim financial statements prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016 with subsequent amendments.

Our responsibility is to express an opinion on these simplified interim financial statements based on our review.

### **The scope of the review**

We conducted the review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements by an Independent Auditor of the Entity." A review of the interim financial statements consists of conducting investigations, in particular of the people responsible for the financial - accounting situation and applying analytical procedures, as well as other review procedures.

The scope of a review is significantly narrower than that of an audit conducted in accordance with the International Standards on Auditing and therefore we cannot provide the assurance that we will address all significant matters that may be identified within an audit. Therefore, we do not express an audit opinion.

### **Conclusion**

Based on the review performed, nothing has come to our attention that causes us to believe that the attached simplified interim financial statements do not give a true and fair view in all significant respects of the financial position of the entity as on June 30, 2024 and of the financial performance and cash flows for the six-month period ended on this date in accordance with the Order of the Minister of Public Finance no. 2844/2016 with subsequent amendments.

## *Other aspects*

We draw attention to the fact that we have not audited or reviewed the interim simplified statements of profit or loss and the comprehensive income for the three-month periods ended June 30, 2024 and June 30, 2023 and, accordingly, we do not express an opinion or conclusion thereon.

This report is addressed exclusively to the shareholders of the Company as a whole. Our review was conducted in order to report to the Company's shareholders those matters that we are required to report in a review report, and for no other purpose. To the extent permitted by law, we do not accept or assume responsibility except to the Company and its shareholders, as a whole, for our review, for this report or the conclusion reached.

On behalf of:  
Deloitte Audit S.R.L.

Alina Ioana Mirea

Bucharest, Romania  
August 8, 2024

**ANTIBIOTICE S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS OF 30 JUNE 2024**  
(all amounts are expressed in Lei (“RON”), unless otherwise specified)

	Note	6-month period ending 30 June 2024	6-month period ending 30 June 2023
		(revised)	(revised)
<b>Revenue from contracts with customers, of which:</b>		<b>350,850,074</b>	<b>315,870,916</b>
<i>Income from the sale of finished products</i>	3	284,367,384	259,529,965
<i>Income from the sale of products made at other manufacturing sites</i>	3	65,922,420	55,726,977
<i>Income from the provision of services</i>	3	560,270	613,974
Other operating income		1,952,844	665,863
Revenues from subventions		180,767	135,453
Changes in stocks of finished goods and work in progress		17,988,910	23,879,385
Income from capital projects		5,684,929	6,582,645
Expenditure on raw materials, consumables used and products made on other manufacturing sites	5	(127,480,634)	(116,542,224)
Expenditure on employee benefits		(75,648,348)	(73,414,155)
Transport expenses		(2,260,094)	(2,352,216)
Utility expenses		(8,832,393)	(15,149,493)
Depreciation and adjustments for impairment of fixed assets, net		(21,588,234)	(13,439,635)
Impairment adjustments on current assets, net		(684,042)	(6,549,531)
Sponsorship, donations		(287,514)	(389,822)
Other costs	6	(60,292,230)	(44,104,688)
<b>Operational result</b>		<b>79,584,035</b>	<b>75,192,498</b>
Exchange rate differences, net		826,419	(582,371)
Expenses on interest, net		(1,980,619)	(2,114,260)
Other financial expenses		-	77,403
<b>Financial result</b>		<b>(1,154,200)</b>	<b>(2,619,228)</b>
<b>Profit before tax</b>		<b>78,429,835</b>	<b>72,573,270</b>
Expenses on corporate tax	4	(4,235,805)	(10,570,957)
<b>Profit for the financial year</b>		<b>74,194,030</b>	<b>62,002,313</b>

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,  
Economist Ioan NANI**

**Chief Financial Officer,  
Economist Paula COMAN**

**ANTIBIOTICE S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS OF 30 JUNE 2024**  
(all amounts are expressed in Lei (“RON”), unless otherwise specified)

	3-month period ending 31 March 2024	3-month period ending 31 March 2023
	(unaudited and revised)	(unaudited and revised)
<b>Revenue from contracts with customers, of which:</b>	<b>168,003,464</b>	<b>136,695,404</b>
<i>Income from the sale of finished products</i>	135,252,917	118,006,101
<i>Income from the sale of products made at other manufacturing sites</i>	32,678,236	18,525,000
<i>Income from the provision of services</i>	72,311	164,303
Other operating income	1,803,143	582,839
Subsidy income	110,162	67,726
Changes in stocks of finished goods and work in progress	12,604,692	37,504,177
Income from capital projects	2,749,313	3,520,125
Expenditure on raw materials, consumables used and products made on other manufacturing sites	(58,160,907)	(53,757,785)
Expenditure on employee benefits	(40,895,663)	(41,040,270)
Transport expenses	(1,122,570)	(1,207,487)
Utility expenses	(2,024,890)	(6,342,170)
Depreciation and adjustments for impairment of fixed assets, net	(11,057,753)	(6,400,863)
Impairment adjustments on current assets, net	(684,042)	102,663
Sponsorship, donations	(194,207)	(217,391)
Other costs	(31,357,219)	(21,133,452)
<b>Operational result</b>	<b>39,773,523</b>	<b>48,373,516</b>
Exchange rate differences, net	627,734	(307,208)
Expenses on interest, net	(1,094,551)	(1,249,015)
<b>Financial result</b>	<b>(466,817)</b>	<b>(1,556,223)</b>
<b>Profit before tax</b>	<b>39,306,706</b>	<b>46,817,293</b>
Expenses on corporate tax	(2,427,394)	(7,018,390)
<b>Profit for the financial year</b>	<b>36,879,312</b>	<b>39,798,903</b>

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,  
Economist Ioan NANI**

**Chief Financial Officer,  
Economist Paula COMAN**

**ANTIBIOTICE S.A.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
(all amounts are expressed in Lei (“RON”), unless otherwise specified)

	Note	Financial year ended as of 30 June 2024	Financial year ended as of 31 December 2023
		(revised)	(audited)
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	7	706,655,110	692,361,541
Intangible assets	8	46,064,328	45,526,698
<b>Total fixed assets</b>		<b>752,719,438</b>	<b>737,888,239</b>
<b>Current assets</b>			
Inventory	9	174,875,681	160,214,484
Trade and similar receivables	10	272,927,754	235,771,990
Advance payments		3,710,783	3,489,615
Cash and cash equivalents	11	60,754,738	1,807,930
<b>Total current assets</b>		<b>512,268,956</b>	<b>401,284,019</b>
<b>Total assets</b>		<b>1,264,988,394</b>	<b>1,139,172,258</b>
<b>Equity and payables</b>			
Equity			
Subscribed capital		67,133,804	67,133,804
Revaluation reserves		219,669,638	225,417,959
Legal reserves and other reserves		333,685,459	324,877,598
Profit/Loss carried forward		244,999,985	229,534,759
<b>Total equity</b>		<b>865,488,886</b>	<b>846,964,120</b>
<b>Non-current liabilities</b>			
Loans and bank debts	13	91,104,412	36,750,203
Subsidies for investments - non-current portion	14	5,614,768	1,586,415
Deferred tax liabilities		62,625,245	63,401,227
<b>Total non-current liabilities</b>		<b>159,344,425</b>	<b>101,737,845</b>
<b>Current liabilities</b>			
Trade and similar payables	12	198,698,889	150,780,362
Bank loans	13	27,329,038	29,552,092
Other liabilities	12	13,820,867	9,831,550
Subsidies for investments - current portion	14	306,289	306,289
<b>Total current liabilities</b>		<b>240,155,083</b>	<b>190,470,293</b>
<b>Total liabilities</b>		<b>399,499,508</b>	<b>292,208,138</b>
<b>Total equity and liabilities</b>		<b>1,264,988,394</b>	<b>1,139,172,258</b>

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,**  
Economist Ioan NANI

**Chief Financial Officer,**  
Economist Paula COMAN

**ANTIBIOTICE S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
(all amounts are expressed in Lei ("RON"), unless otherwise specified)

31/12/2023	Share capital	Legal reserves and other reserves	Revaluation reserves	Profits brought forward	Total equity
<b>Balance at 01 January 2023 reported</b>	<b>67,133,804</b>	<b>305,594,766</b>	<b>111,164,239</b>	<b>157,537,792</b>	<b>641,430,601</b>
Prior period corrections	-	-	86,594,381	12,958,610	99,552,991
<b>Balance at 01 January 2023 restated*</b>	<b>67,133,804</b>	<b>305,594,766</b>	<b>197,758,620</b>	<b>170,496,402</b>	<b>740,983,592</b>
Result for the year	-	-	-	81,088,596	81,088,596
Other comprehensive income	-	-	30,210,432	-	30,210,432
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>30,210,432</b>	<b>81,088,596</b>	<b>111,299,028</b>
Reserves representing surplus from revaluation reserves	-	-	(2,551,093)	2,551,093	-
Dividends paid in 2023	-	-	-	(5,318,500)	(5,318,500)
Transfer from retained earnings to other reserves	-	19,282,832	-	(19,282,832)	-
<b>Balance as of 31/12/2023</b>	<b>67,133,804</b>	<b>324,877,598</b>	<b>225,417,959</b>	<b>229,534,759</b>	<b>846,964,120</b>

The dividends related to the year 2022 were distributed as follows  
Ministry of Health- 2.819.724  
Other legal entities and individuals – 2.498.776

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,  
Economist Ioan NANI**

**Chief Financial Officer,  
Economist Paula COMAN**

The Notes attached form an integral part of the Financial Statements.



**ANTIBIOTICE S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
**(all amounts are expressed in Lei ("RON"), unless otherwise specified)**

30/06/2024	Share capital	Legal reserves and other reserves	Revaluation reserves	Profits brought forward	Total equity
<b>Balance at 01 January 2024 (audited)</b>	<b>67,133,804</b>	<b>324,877,598</b>	<b>225,417,959</b>	<b>229,534,759</b>	<b>846,964,120</b>
Result for the year	-	-	-	74,194,030	74,194,030
Other comprehensive income	-	-	(5,748,321)	5,748,321	-
<b>Total comprehensive income</b>	-	-	<b>(5,748,321)</b>	<b>79,942,351</b>	<b>74,194,030</b>
Reserves representing surplus from revaluation reserves	-	-	-	-	-
Dividends recorded in the first half of 2024 related to 2023	-	-	-	(55,669,264)	(55,669,264)
Transfer from retained earnings to other reserves	-	8,807,861	-	(8,807,861)	-
<b>Balance as of 30/06/2024 (revised)</b>	<b>67,133,804</b>	<b>333,685,459</b>	<b>219,669,638</b>	<b>244,999,985</b>	<b>865,488,886</b>

The dividends related to the year 2023 were distributed as follows  
Ministry of Health- 29.514.327  
Other legal entities and individuals – 26.154.937

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,  
Economist Ioan NANI**

**Chief Financial Officer,  
Economist Paula COMAN**

The Notes attached form an integral part of the Financial Statements.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
**(all amounts are expressed in Lei (“RON”), unless otherwise specified)**

Indirect method	Period ending 30 June 2024 (revised)	Period ending 30 June 2023 (revised)
<b>Pre-tax profit</b>	<b>78,429,835</b>	<b>73,688,251</b>
<b>Adjustments for:</b>		
Depreciation of intangible assets	1,728,589	1,032,312
Depreciation of tangible assets	19,859,645	12,407,324
Expenses related to stock provisions	685,777	(9,983,591)
(Income) related to customer provisions and similar accounts	(1,736)	4,893,834
Expenses/(Income) related to provisions for risks and charges	3,004,477	5,117,881
Net loss from the exit of tangible assets	(44,733)	-
Subsidy income	(4,028,353)	(135,453)
Interest expenses	1,981,813	2,115,643
Interest income	(1,194)	(1,383)
<b>Cash flow from operating activities before changes in working capital</b>	<b>101,614,120</b>	<b>89,114,818</b>
(Increases) in stocks	(15,346,974)	(17,305,310)
(Increase)/Decrease in receivables	(34,585,742)	(50,161,511)
(Increases) in advance payments	(221,168)	(314,815)
(Increases)/(Decreases) in liabilities	26,610,469	18,772,433
(Increases)/(Decreases) in deferred income	(4,028,353)	(135,454)
Paid interest	(1,981,813)	(2,115,643)
Collected interest	1,194	1,383
Paid corporate tax	(2,198,627)	(4,492,631)
<b>Net cash from operating activities</b>	<b>71,844,919</b>	<b>33,363,270</b>
<b>Cash flows from investment activities</b>		
Acquisitions of tangible assets	(52,765,510)	(20,047,807)
Purchases of intangible assets	(8,681,982)	(14,143,246)
<b>Net cash from investment activity</b>	<b>(61,447,492)</b>	<b>(34,191,053)</b>
<b>Cash flows from financing activities</b>		
(Repayment)/Utilization of credit line	(2,223,054)	7,974,683
(Repayment) of long-term loan	54,354,209	(5,148,640)
Dividends paid	(1,599,961)	(3,356,453)
Paid interest	(1,981,813)	
<b>Net cash from financing activities</b>	<b>48,549,382</b>	<b>(530,410)</b>
Net (decrease)/increase in cash and cash equivalents	58,946,808	(1,358,192)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,807,930</b>	<b>1,727,453</b>
Exchange rate effect on the movement of cash and cash equivalents		
<b>Cash and cash equivalents at the end of the year</b>	<b>60,754,738</b>	<b>369,261</b>

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,**  
**Economist Ioan NANI**

**Chief Financial Officer,**  
**Economist Paula COMAN**

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
**(all amounts are expressed in Lei (“RON”), unless otherwise specified)**

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**1. GENERAL INFORMATION**

Antibiotice S.A. (“ATB” - symbol of the Bucharest Stock Exchange, “the Company”) is a company established in Romania, with its registered office in 1 Str. Valea Lupului, Iasi. The company is registered with the Trade Register Office under no. J 22/285/1991 and has the unique registration code (VAT Code) 1973096.

Antibiotice S.A. manufactures basic pharmaceutical products, according to the Classification of Activities in National Economy, NACE Class 2110.

These are the individual financial statements of Antibiotice S.A. prepared as at 30 June 2024.

Antibiotice S.A.

- is the most important generics manufacturer in Romania, with entirely Romanian capital;
- is the only Romanian company that produces active substances through biosynthesis processes;
- has been listed on the Bucharest Stock Exchange in the premium category since 1997;
- has a product portfolio that includes finished products, generic medicinal products for human use (Rx drugs and non-Rx products), biotechnology-based active substances derived from streptomycin noursei for pharmaceutical use (in the form of compacted nystatin, micronized nystatin and standard nystatin), biocidal products for surface and hand disinfection, veterinary drugs and biofertilizers. The product portfolio consists of over 160 products belonging to 11 therapeutic classes. Prescription products are mainly grouped into therapeutic classes (ATC1) and are intended for high incidence pathologies and treatment of chronic conditions. Non-RX products are grouped into portfolio concepts for more effective communication to the target audience. The concepts include food supplements, medical devices, cosmetics, OTC medicines and OTX medicines (RX products with OTC behaviour available in pharmacies without a prescription). The products in the current portfolio are closely monitored, with actions being taken to adapt them to national requirements and international regulations, by analysing therapeutic trends, medical guidelines, new efficacy and safety studies. The expansion of the product portfolio is a major contributor to Antibiotice's development on the domestic and international markets, both through its own research and development activity and through the assimilation of new products through business development (in-licensing contracts);
- has a diversified production capacity, organised on 3 production divisions, respectively 8 manufacturing streams producing: penicillin injectable powders; penicillin capsules; non-betalactam capsules; cephalosporin capsules; tablets; ointments, creams, gels; suppositories; vaginal suppositories; active substances obtained by biosynthesis, and 10 partner sites. All production capacities are owned by the company and located at the registered office. The company holds the ownership of all fixed assets recorded in the company's accounts;
- has a modern Research and Development Centre;
- holds internationally recognized certifications and licenses: US Food and Drug Administration (FDA) approval for Nystatin and penicillin injectable products, Certificate of Compliance with the European Pharmacopoeia (COS) for Nystatin, Good Manufacturing Practice (GMP) Certificate for all manufacturing workflows, TÜV Rheinland certification for integrated management (quality, environment, occupational health and safety);
- holds WHO qualification and WHO certification for the range of essential anti-tuberculosis drugs;
- is the world leader in the production of biotechnology-based active substances derived from streptomycin noursei for pharmaceutical use (in the form of compacted nystatin, micronized nystatin and standard nystatin);
- is a traditional supplier of anti-infective drugs to hospitals in the USA, Vietnam and European markets (UK, Denmark, Netherlands, Serbia, Lithuania, Hungary, etc.);
- is the world market leader for the consumption of biotechnology-based active substances derived from streptomycin noursei for pharmaceutical use (in the form of compacted nystatin, micronized nystatin and standard nystatin). The superior quality of this product, recognised by the US authorities (FDA) as an international reference standard, is reflected in a continuous increase in the number of new customers in Europe, South America, North America.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
**(all amounts are expressed in Lei ("RON"), unless otherwise specified)**

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**2. MAIN ACCOUNTING POLICIES**

The simplified interim individual financial statements have been prepared in accordance with the provisions of Order No. 2844/2016 on the approval of IFRS-compliant accounting regulations applicable to companies whose securities are admitted to trading on a regulated market, with subsequent regulations and clarifications. These provisions are in accordance with the International Financial Reporting Standards adopted by the European Union. The simplified interim individual financial statements have been prepared on a going concern basis.

The accounting policies and valuation methods adopted in the preparation of the simplified interim financial statements are consistent with those used in the preparation of the annual financial statements of Antibiotice S.A. as at 31 December 2023.

These simplified interim individual financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all the information required for a full set of IFRS-compliant financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023. However, certain selected explanatory notes are included to explain events and transactions that are material to an understanding of the changes in the company's financial position and performance since the last separate annual financial statements as at and for the financial year ended 30 June 2024.

**2.1 Crucial accounting valuations and estimates**

The Company makes certain estimates and assumptions about the future. Estimates and judgements are continually evaluated on the basis of historical experience and other factors, including forecasts of future events that are believed to be reasonable under the circumstances. In the future, concrete experience may differ from present estimates and assumptions. The following are examples of valuation, estimation, assumptions applied within the company:

- Valuation of investments in land and buildings owned - On the basis of valuations carried out by external valuers, the fair value of real estate investments and buildings owned is determined. These valuations are based on assumptions including future rental income, anticipated maintenance costs, future development costs and discount rate. The valuers also refer to market information on the prices of similar property transactions.
- Impairment adjustments on receivables - A simplified approach is adopted for trade receivables where impairment losses are recognised based on the expected credit losses over the lifetime of the receivables at each reporting date. If there is credit insurance or guarantees for the outstanding balances, the calculation of expected credit losses is based on the insurer's probability of default for the insured portion of the outstanding balance and the amount left uncollateralised will be the counterparty's probability of default. For trade receivables, the simplified model under IFRS 9 is used.
- Inventory Impairment Adjustments - Valuation for inventory impairment is performed on an individual basis and is based on management's best estimate of the present value of the cash flows expected to be received. Each impaired asset is analysed individually. The accuracy of the adjustments depends on estimates of future cash flows. Inventory adjustments are based on the calculation made at the end of the financial year for the specific value adjustment relating to stocks of raw materials, materials and finished products which are no longer of the same quality. The calculation of the general adjustment for stock depreciation is based on the shelf life of the items in stock.
- Legal proceedings - The Company reviews unresolved legal cases by monitoring developments in legal proceedings and the situation at each reporting date to assess the provisions and disclosures in its financial statements. Among the factors considered in making provision decisions are the nature of the litigation or claim and the potential level of damages in the jurisdiction in which the litigation is being litigated, the progress of the case (including progress after the date of the financial statements but before those statements are issued), the opinions or views of legal counsels, experience in similar cases, and any decision by the company's management as to how it will respond to the litigation, claim or assessment.
- Accounting estimates of expenses - There are objective situations in which the exact amounts of certain expenses incurred by the company (e.g.: marketing campaigns - sales promotion campaigns to promote products and stimulate sales) are not known until the closing date of some fiscal periods or until the closing date of a financial year. For this category of expenditure, expenditure estimates will be made, which will be actually recorded in the following periods.
- Tax - the Romanian tax system is at a stage of consolidation and harmonisation with European legislation. There are uncertainties regarding the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Given the diversity of business relationships and the long-standing nature and complexity of existing contractual arrangements, differences that arise between actual results and assumptions made or future changes in those assumptions could require future adjustments to tax revenues and expenses already recognised. In Romania, the tax year remains open for tax verification for a period of 5 years. The company's management considers that the tax obligations included in these financial statements are appropriate.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
(all amounts are expressed in Lei (“RON”), unless otherwise specified)

**3. OPERATING INCOME**

A revenue analysis is presented below:

	Financial year ended as of 30/06/2024	Financial year ended as of 30/06/2023
	(revised)	(revised)
	LEI	LEI
Sale of finished products	322,311,845	302,413,958
Sales of products made on other manufacturing sites	78,524,264	60,640,689
Revenues from other activities	560,270	613,974
Trading allowances granted	(50,546,305)	(47,797,705)
<b>Total</b>	<b>350,850,074</b>	<b>315,870,916</b>

According to geographical distribution, turnover is structured as follows:

	Financial year ended as of 30/06/2024	Financial year ended as of 30/06/2023
	(revised)	(revised)
	LEI	LEI
On the Romanian market	201,835,491	196,078,548
On external markets	149,014,583	119,792,368
<b>Total</b>	<b>350,850,074</b>	<b>315,870,916</b>

**4. EXPENSES ON CURRENT AND DEFERRED INCOME**

	Financial year ended as of 30 June 2024	Financial year ended as of 30 June 2023
	(revised)	(revised)
	LEI	LEI
Expenses on current corporate tax	5,011,787	11,665,940
The impact of the postponed corporate tax	(775,982)	(1,094,983)
<b>Total</b>	<b>4,235,805</b>	<b>10,570,957</b>

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**4. EXPENSES ON CURRENT AND DEFERRED INCOME (continued)**

	Financial year ended as of 30 June 2024	Financial year ended as of 30 June 2023
	(revised)	(revised)
	LEI	LEI
<b>Accounting profit:</b>	<b>87,381,967</b>	<b>83,376,860</b>
Tax at Romania's 16% corporate tax rate (2023: 16%)	13,981,115	13,340,298
Effect of non-deductible expenses	4,391,836	2,605,857
Effect of tax-free income	(3,155,526)	(1,241,025)
Tax on reinvested profit	(8,702,280)	(1,246,456)
Other tax effects	(2,279,340)	(2,887,717)
<b>Expenses on corporate tax</b>	<b>4,235,805</b>	<b>10,570,957</b>
	Financial year ended as of 30 June 2024	Financial year ended as of 30 June 2023
	(revised)	(revised)
	LEI	LEI
Inventory	2.373.932	2.264.204
Employee benefits	2.138.941	2.619.657
<b>Total deferred tax assets</b>	<b>4.512.873</b>	<b>4.883.864</b>
Intangible assets	(67.138.118)	(68.285.091)
<b>Total deferred tax liabilities</b>	<b>(67.138.118)</b>	<b>(68.285.091)</b>
<b>Net deferred tax liabilities</b>	<b>(62.625.245)</b>	<b>(63.401.227)</b>

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**Modification of deferred tax balances**

	Balance on January 1, 2024	Recognized in the situation of profit or loss	Net on June 30, 2024	Receivables	Liabilities
	RON	RON	RON	RON	RON
Stocks	2.264.204	109.728	2.373.932	2.373.932	-
Employee benefits	2.619.657	(480.716)	2.138.941	2.138.941	-
Tangible fixed assets	(68.285.091)	1.146.973	(67.138.118)	-	(67.138.118)
<b>Debt/receivables related to the deferred tax</b>	<b>(63.401.230)</b>	<b>775.985</b>	<b>(62.625.245)</b>	<b>4.512.872</b>	<b>(67.138.118)</b>

**5. EXPENDITURE ON RAW MATERIALS, CONSUMABLES USED AND PRODUCTS MADE ON OTHER MANUFACTURING SITES**

	Financial year ended as of 30 June 2024	Financial year ended as of 30 June 2023
	(revised)	(revised)
	LEI	LEI
Expenditure on raw materials	80,311,497	81,591,306
Expenditure on consumables	8,658,981	7,498,858
Expenditure on products made at other manufacturing sites	38,502,399	27,435,209
Expenditure on consumed packaging	7,757	16,851
<b>Total</b>	<b>127,480,634</b>	<b>116,542,224</b>

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**6. OTHER COSTS**

	Financial year ended as of 30 June 2024	Financial year ended as of 30 June 2023
	(revised)	(revised)
	LEI	LEI
Expenses on third party services	10,359,913	5,792,617
Expenses on repairs	541,558	870,649
Expenses on other taxes and charges*	27,291,637	23,427,769
Business entertainment, advertising and promotional expenses	11,925,872	9,212,486
Expenses on insurance premiums	1,713,455	1,461,688
Consultancy expenses	269,979	-
Other general expenses	6,180,417	2,013,938
Rental costs	168,839	146,723
Travelling costs	1,138,480	899,156
Expenditure on postal charges and telecommunications	370,864	275,522
Expenditure on compensation, fines and penalties	331,216	4,140
<b>Total</b>	<b>60,292,230</b>	<b>44,104,688</b>

\* Expenses on other taxes and charges

	Financial year ended as of 30 June 2024	Financial year ended as of 30 June 2023
	(revised)	(revised)
	LEI	LEI
Expenses on building tax	1,043,951	761,569
Expenses on land tax	340,820	267,577
Expenses on tax on means of transport	21,282	19,544
Expenses on other taxes and charges	4,692,969	3,831,046
Tax expenses for the registration of licences	-	6,672
Expenses on the environmental fund	34,097	20,593
Expenses with company and advertising fees	6,220	-
Clawback tax expenses	21,152,298	18,520,768
<b>Total</b>	<b>27,291,637</b>	<b>23,427,769</b>



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**7. TANGIBLE ASSETS**

	Freehold land	Buildings	Machinery and equipment, vehicles	Equipment and furniture	Non-current assets in progress	Total
<b>COST</b>						
<b>Balance as of 01/01/2023</b>	<b>203,674,702</b>	<b>267,974,628</b>	<b>261,368,188</b>	<b>9,839,442</b>	<b>9,087,755</b>	<b>751,944,716</b>
Increases:						
Transfers to/from non-current assets in progress	-	-	-	-	83,025,003	83,025,003
Increase / (decrease) from revaluation	1,119,770	21,432,297	27,448,395	560,988	(49,441,679)	-
Assignments and other discounts	-	23,416,021	-	-	-	24,535,791
	-	(52,921)	(2,573,774)	(165,743)	-	(2,792,438)
<b>Balance as of 31/12/2023 (audited)</b>	<b>204,794,472</b>	<b>312,770,025</b>	<b>286,242,809</b>	<b>10,234,687</b>	<b>42,671,079</b>	<b>856,713,072</b>
<b>Balance as of 01/01/2024 (audited)</b>	<b>204,794,472</b>	<b>312,770,025</b>	<b>286,242,809</b>	<b>10,234,687</b>	<b>42,671,079</b>	<b>856,713,072</b>
Increases:						
Transfers to/from non-current assets in progress	-	-	-	-	34,770,533	34,770,533
Assignments and other discounts	-	30,698,166	30,253,877	1,170,261	(62,122,304)	-
	-	(744,161)	(1,626,839)	(19,715)	-	(2,390,715)
<b>Balance as of 30/06/2024 (revised)</b>	<b>204,794,472</b>	<b>342,724,030</b>	<b>314,869,847</b>	<b>11,385,233</b>	<b>15,319,308</b>	<b>889,092,890</b>

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**7. TANGIBLE ASSETS (continued)**

	Freehold land	Buildings	Machinery and equipment, vehicles	Equipment and furniture	Non-current assets in progress	Total
<b>ACCUMULATED AMORTISATION</b>						
<b>Balance as of 01/01/2023</b>	-	-	<b>145,350,343</b>	<b>6,695,462</b>	-	<b>152,045,805</b>
Impairment recorded during the year	-	10,705,925	14,571,307	409,016	-	25,686,248
Assignments and other discounts	-	(52,921)	(2,628,148)	(165,444)	-	(2,846,513)
Accumulated depreciation of revalued tangible fixed assets	-	(10,534,008)	-	-	-	(10,534,008)
<b>Balance as of 31/12/2023 (audited)</b>	-	<b>118,996</b>	<b>157,293,502</b>	<b>6,939,034</b>	-	<b>164,351,532</b>
<b>Balance as of 01/01/2024 (audited)</b>	-	<b>118,996</b>	<b>157,293,502</b>	<b>6,939,034</b>	-	<b>164,351,532</b>
Impairment recorded during the year	-	10,930,066	8,702,911	226,668	-	19,859,645
Assignments and other discounts	-	(126,843)	(1,626,839)	(19,715)	-	(1,773,397)
<b>Balance as of 30/06/2024 (revised)</b>	-	<b>10,922,219</b>	<b>164,369,574</b>	<b>7,145,987</b>	-	<b>182,437,780</b>
<b>NET BOOK VALUE</b>						
<b>Net book value as of 31 December 2023 (audited)</b>	<b>204,794,472</b>	<b>312,651,028</b>	<b>128,949,308</b>	<b>3,295,653</b>	<b>42,671,079</b>	<b>692,361,541</b>
<b>Net book value as of 30 June 2024 (revised)</b>	<b>204,794,472</b>	<b>331,801,811</b>	<b>150,500,273</b>	<b>4,239,246</b>	<b>15,319,308</b>	<b>706,655,110</b>

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**7. TANGIBLE ASSETS (continued)**

The most important investment projects carried out in 2024 are the following:

**1. 2.5 MW photovoltaic power plant**

The investment has been completed and put into operation after obtaining the Technical Connection Approval (TCA).

**2. 1.2 MW photovoltaic power plant**

Works on this investment have been completed. At this stage, a solution study is being elaborated based on the initial feasibility study. On the basis of the solution study, the documentation will be drawn up to obtain the Technical Connection Approval for a 3.7 MW photovoltaic park, which will include both the 2.5 MW and the 1.2 MW photovoltaic power plants. Work is also in progress to realise the Scada system that will serve the 1.2 MW power plant (electrical installations, hardware and software)

**3. Exterior lighting and video surveillance**

The exterior lighting on the Antibiotice S.A. platform has been developed in several stages, always adapting to the changes brought by the demolition of some buildings and cable racks or with the installation of video surveillance cameras.

At present, most of the existing devices have malfunctions and do not ensure an optimal level of light flow, which leads to physical insecurity, the impossibility of perimeter surveillance areas both with human personnel and through video surveillance cameras, inadequate lighting of car and pedestrian areas in the enclosure. Works on this investment objective started in 2023 and will be completed in 2024.

**4. Drinking water supply system**

The modernisation works of the drinking water supply network started in 2017 and consisted in replacing the steel pipes in various stages of wear with polypropylene pipes. So far, sections representing about 50% of the total length of the drinking water supply network have been modernised. The remaining sections to be modernised will be carried out in stages until 2026. The works for the phase scheduled for 2024 have been completed.

**5. Warehouse for finished pharmaceutical products**

This investment responds to Antibiotice S.A.'s need to have a modern and efficient warehouse, able to manage the planned future production. With a storage capacity adapted to the anticipated growth until 2030, this warehouse will serve as an essential hub for the storage and distribution of pharmaceutical products. Construction works began in August 2024. At present, construction and installation works are about 80% completed. Construction works will be completed in September 2024. After completing the construction and installation works, the following will be purchased: shelving system for storage, equipment for transporting and lifting goods, various pieces of equipment.

**6. Other investments**

Modernisation of utilities production and distribution facilities (steam, condensate, electrical, etc.), development of the product portfolio through own research and licensing, upgrading of research and quality control laboratories, information technology, for the integrated management system (quality, environment, sustainability and occupational safety), the modernisation of existing sites and equipment.

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**8. INTANGIBLE ASSETS**

Intangible assets are recognised in accordance with IAS 38 "Intangible Assets" and IAS 36 "Impairment of Assets". Intangible assets acquired externally are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Expenses related to the acquisition of patents, copyrights, licenses, trademarks or trademarks and other intangible assets recognised for accounting purposes, except for the formation expenses, goodwill, intangible assets with indefinite useful life, classified as such according to accounting regulations, are recovered through straight-line depreciation deductions over the contract period or the useful life, as appropriate.

**Internally generated intangible assets**

Research expenditure (or expenditure in the research phase of an internal project) is recognised as an expense in the year to which it relates.

Development expenditure on new product projects is recognised as intangible assets. These are made up of: consumption of raw materials and materials, labour costs related to the hours worked for each project, other fees paid to the pharmaceutical regulatory authorities with the amounts required for authorisation.

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**8. INTANGIBLE ASSETS**

	Licences, patents and similar rights (externally generated)	Other intangible assets (internally generated)	Other intangible assets (externally generated)	Development expenditure (internally generated)	Development expenditure (externally generated)	Total intangible assets
<b>COST</b>						
<b>Balance as of 01/01/2023 (restated)</b>	<b>12,275,985</b>	<b>9,974,392</b>	<b>4,197,131</b>	<b>29,078,675</b>	<b>1,215,462</b>	<b>56,741,645</b>
Increases	841,177	-	-	13,220,959	950,027	15,012,163
Transfers	-	10,700,896	764,071	(10,471,332)	(993,635)	-
<b>Balance as of 31/12/2023 (audited)</b>	<b>13,117,162</b>	<b>20,675,288</b>	<b>4,961,202</b>	<b>31,828,302</b>	<b>1,171,854</b>	<b>71,753,808</b>
<b>Balance as of 01/01/2024 (audited)</b>	<b>13,117,162</b>	<b>20,675,288</b>	<b>4,961,202</b>	<b>31,828,302</b>	<b>1,171,854</b>	<b>71,753,808</b>
Increases	400,826	-	-	5,674,476	-	6,075,302
Assignments / discounts	(3,037,722)	-	-	(3,809,084)	-	(6,846,806)
Transfers	-	2,606,680	-	(2,507,641)	(99,039)	-
<b>Balance as of 30/06/2024 (revised)</b>	<b>10,480,266</b>	<b>23,281,968</b>	<b>4,961,202</b>	<b>31,186,053</b>	<b>1,072,815</b>	<b>70,982,304</b>

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**8. INTANGIBLE ASSETS (continued)**

	Licences, patents and similar rights (externally generated)	Other intangible assets (internally generated)	Other intangible assets (externally generated)	Development expenditure (internally generated)	Development expenditure (externally generated)	Total intangible assets
<b>Accumulated amortisation</b>						
<b>Balance as of 01/01/2023 (restated)</b>	<b>11,385,762</b>	<b>8,400,531</b>	<b>4,197,131</b>	-	-	<b>23,983,424</b>
Amortisation expense	425,274	1,705,435	112,977	-	-	2,243,686
<b>Balance as of 31/12/2023 (audited)</b>	<b>11,811,036</b>	<b>10,105,966</b>	<b>4,310,108</b>	-	-	<b>26,227,110</b>
<b>Balance as of 01/01/2024 (audited)</b>	<b>11,811,036</b>	<b>10,105,966</b>	<b>4,310,108</b>	-	-	<b>26,227,110</b>
Amortisation expense	291,844	1,360,337	76,407	-	-	1,728,588
Assignments / discounts	(3,037,722)	-	-	-	-	(3,037,722)
<b>Balance as of 30/06/2024 (revised)</b>	<b>9,065,158</b>	<b>11,466,303</b>	<b>4,386,515</b>	-	-	<b>24,917,976</b>
<b>Net book value</b>						
<b>As of 31 December 2023 (audited)</b>	<b>1,306,126</b>	<b>10,569,322</b>	<b>651,094</b>	<b>31,828,302</b>	<b>1,171,854</b>	<b>45,526,698</b>
<b>As of 30 June 2024 (revised)</b>	<b>1,415,108</b>	<b>11,815,665</b>	<b>574,687</b>	<b>31,186,053</b>	<b>1,072,815</b>	<b>46,064,328</b>

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**9. INVENTORY**

	<b>Balance as of</b> <b>30 June 2024</b>	<b>Balance as of</b> <b>31 December 2023</b>
	<b>(revised)</b>	<b>(audited)</b>
	<b>LEI</b>	<b>LEI</b>
Finished products	96,858,966	77,950,369
Raw materials	60,332,936	68,605,059
Products made at other manufacturing sites	28,305,910	21,176,967
Consumables	199,696	223,865
Inventory items	28,538	9,959
Waste products	3,884	3,743
Packaging	46,893	74,492
Products in progress	3,935,929	6,321,323
<b>Inventories - gross value</b>	<b>189,712,752</b>	<b>174,365,777</b>
Value adjustments for raw materials and materials	(1,964,160)	(1,964,160)
Value adjustments for finished products	(9,767,637)	(9,511,394)
Value adjustments for products made at other manufacturing sites	(3,105,274)	(2,675,739)
<b>Total value adjustments</b>	<b>(14,837,071)</b>	<b>(14,151,293)</b>
<b>Total inventories - net value</b>	<b>174,875,681</b>	<b>160,214,484</b>

**10. TRADE AND SIMILAR RECEIVABLES**

	<b>Balance as of</b> <b>30 June 2024</b>	<b>Balance as of</b> <b>31 December 2023</b>
	<b>(revised)</b>	<b>(audited)</b>
	<b>LEI</b>	<b>LEI</b>
<b>Short-term receivables</b>		
Trade receivables	286,741,635	238,897,257
Customers - invoices to be issued	(15,180,433)	(7,528,379)
Trade effects	6,618,575	10,393,167
Advances paid to suppliers of fixed assets	2,096,739	410,546
Advances paid to suppliers of stocks and services	2,531,614	1,451,944
Advances paid to employees	18	126
Other receivables	10,746,743	12,776,201
Additional impairment adjustments	(20,627,137)	(20,628,873)
<b>Balance at the end of the period</b>	<b>272,927,754</b>	<b>235,771,990</b>

**10. TRADE AND SIMILAR RECEIVABLES (continued)**

Changes in impairment adjustments for doubtful receivables.

	<b>Financial year</b> <b>ended as of</b> <b>30/06/2024</b>	<b>Financial year ended as of</b> <b>31 December 2023</b>
	<b>(revised)</b>	<b>(audited)</b>
	<b>LEI</b>	<b>LEI</b>
Balance at the beginning of the period	(20,628,873)	(21,724,353)
Impairment adjustment recognised in the statement of comprehensive income related to trade receivables	1,736	1,095,480
<b>Balance at the end of the period</b>	<b>(20,627,137)</b>	<b>(20,628,873)</b>

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**11. CASH AND CASH EQUIVALENTS**

	Financial year ended as of 30 June 2024	Financial year ended as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
Available in the bank	60,735,038	1,792,024
Cash and cash equivalents	19,700	15,906
<b>Total</b>	<b>60,754,738</b>	<b>1,807,930</b>

The company has open accounts with commercial banks in Romania which are part of European banking groups or State banks.

**12. TRADE AND SIMILAR PAYABLES**

Financial liabilities mainly include trade payables and other short-term financial liabilities (amounts due to personnel, taxes and duties, short-term bank loans, amounts due to sundry creditors) which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

	Balance as of 30 June 2024	Balance as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
Commercial debts	80,139,110	73,656,235
Effects payable	4,090,233	2,883,929
Liabilities from the acquisition of fixed assets	30,091,021	40,406,065
Other current liabilities*	82,693,206	33,405,736
Advances received based on orders	1,685,319	428,397
<b>Total</b>	<b>198,698,889</b>	<b>150,780,362</b>

\* Other current liabilities

	Balance as of 30 June 2024	Balance as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
Salary debts to employees and social insurance debts**	25,028,074	29,726,847
Unclaimed employee rights	34,184	34,184
Other creditors	1,170,805	1,129,950
Interest payable	11,401	96,359
Other taxes payable	-	38,978
Dividends payable	56,448,742	2,379,418
<b>Total</b>	<b>82,693,206</b>	<b>33,405,736</b>

\*\* provisions for untaken holidays were included



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**12. TRADE AND SIMILAR PAYABLES (continued)**

**Liabilities from current taxes and fees**

The **claw-back tax** is regulated by the Government Emergency Ordinance No. 77/2011 establishing contributions for the financing of health expenditures, and is paid quarterly to the State Budget for **prescription drugs**, included in the national health programmes, with or without personal contribution, used in outpatient prescription treatment through open circuit pharmacies, for those used in hospital treatment, paid from the Single National Health Insurance Fund and from the budget of the Ministry of Health.

	<b>Balance as of 30 June 2024 (revised) LEI</b>	<b>Balance as of 31 December 2023 (audited) LEI</b>
Current corporate tax	2,813,160	-
Clawback tax	10,850,000	9,691,498
Other special funds	157,707	140,052
<b>Total</b>	<b>13,820,867</b>	<b>9,831,550</b>

**13. BANK LOANS**

Bank loans at 30 June 2024 and 31 December 2023 are as follows:

Financing bank	Type of funding	Granting date	Balance as of 31 December 2023	Balance as of 30 June 2024	Short-term as of 30 June 2024	Long-term as of 30 June 2024	Period
			(audited)	(revised)	(revised)	(revised)	
Banca Transilvania	credit line - current capital	3/21/2024	-	16,629,690	16,629,690	-	<b>12 MONTHS</b>
Unicredit Bank	credit line - current capital	8/17/2016	29,552,092	-	-	-	<b>84 MONTHS</b>
Unicredit Bank	investment credit	5/3/2018	36,750,203	42,078,560	10,699,348	31,379,212	<b>120 MONTHS</b>
European Investment Bank	investment credit	6/26/2024	-	59,725,200	-	59,725,200	<b>96 MONTHS</b>
<b>TOTAL</b>			<b>66,302,295</b>	<b>118,433,450</b>	<b>27,329,038</b>	<b>91,104,412</b>	

In order to finance its current activity, the company has two ongoing loans in the form of a credit line, multi-currency, used in Ron, Euro and USD, for a total amount of 50,000,000 lei. The amount of 35,000,000 lei is contracted from Banca Transilvania and the amount of 15,000,000 lei is contracted from UniCredit Bank.

In 2018, the company contracted an investment loan from UniCredit Bank for a total amount of 15,406,300 euro to finance the investment in the new topical products site and for the purchase of the equipment necessary to implement the serialisation. Starting from April 2021 the repayment of the principal has started, and the last instalment is scheduled for May 2028.

In order to support the financing of the investment project "Production capacity, packaging and storage of sterile products, solutions and topicals", Antibiotice SA has contracted in November 2023 a financing contract with the European Investment Bank, in the amount of 25,000,000 euro. In June 2024, the Company drew a first instalment of this loan, amounting to 12,000,000 euro.

The credit agreement signed with the European Investment Bank stipulates the following financial covenants that the financing institution monitors: current liquidity must be at least 1.2 (where current liquidity is calculated as the ratio between current assets and short-term bank debt); total bank debt/EBITDA - cannot be higher than 3.5; total bank debt/equity capital must not exceed 1. On date 30 June 2024 The company met these financial covenants.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
**(all amounts are expressed in Lei (“RON”), unless otherwise specified)**

**14. INVESTMENT SUBSIDIES**

	Financial year ended as of 30 June 2024	Financial year ended as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
<b>January 1st</b>	<b>1,892,704</b>	<b>2,163,611</b>
Incoming subsidies	4,209,120	-
Transferred to the statement of comprehensive income	(180,767)	(270,907)
<b>As of 30 June 2024, / 31 December 2023</b>	<b>5,921,057</b>	<b>1,892,704</b>
Current	306,289	306,289
Non-current	5,614,768	1,586,415

In the first semester of the year 2024, Antibiotice S.A. received from the Ministry of Energy through the National Recovery and Resilience Plan the amount of 4,078,620 lei for the financing of the project “Photovoltaic power plant of 2,5MW”.

Subsidies for short-term investments in the amount of 306,289 lei are represented by the amounts recorded as income with amortisation of investments, namely:

- Subsidies for investments in environmental protection for the treatment plant;
- European funds for the POIM SMIS COD 2014-109717 project “Intelligent energy consumption monitoring system”.

**15. The risk management**

The activities carried out by the company can give rise to various risks. The risk management monitors the effect of these risks and events that may have adverse effects on the company's operations.

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

- The credit risk;
- The market risk, which includes the interest rate risk, the currency risk and the instrument price risk;
- The liquidity risk.

Like all other activities, the company is exposed to risks arising from the use of financial instruments. This note describes the company's objectives, policies and processes for managing these risks and the methods used for the assessment thereof.

Additional quantitative information regarding these risks is presented in these individual interim financial statements.

There have been no major changes in the company's exposure to risks regarding financial instruments, its objectives, policies and processes for managing these risks or the methods used to evaluate them compared to previous periods, except as otherwise mentioned in this note.

The company is mainly exposed to risks arising from the use of financial instruments; the main financial instruments used by the company are:

- Trade receivables and other receivables;
- Cash and cash equivalents;
- Trade debts and other debts.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024**  
**(all amounts are expressed in Lei (“RON”), unless otherwise specified)**

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**16. PRESENTATION OF RELATED PARTIES**

**Nature of relationships with related parties**

For the purpose of presentation in the separate financial statements in accordance with IAS 24, the Company monitors its relationships with related entities. During 2022 and 2023, the shareholder Infinity Capital Investments S.A. acquired shares of the Company, increasing its shareholding in the share capital of Antibiotice S.A. from 27.0379% to 29.4153%, thus becoming a related entity with significant influence. The shareholder Infinity Capital Investments S.A. has two members in the Board of Directors of the Company.

**Amounts payable and receivable from related parties**

As of the end of the first half of 2024, the Company had no receivables or payables with the related entity.

**Information on transactions with related parties**

During H1 of 2024, the company did not enter into any commercial transactions with the related entity.

**17. EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

There are no material subsequent events not disclosed in these financial statements.

Approved by the Board of Directors on **8 August 2024**:

**Chief Executive General,**  
**Economist Ioan NANI**

**Chief Financial Officer,**  
**Economist Paula COMAN**

## **Declaration of conformity**

The financial statements are drawn up by the Company in accordance with:

- Accounting Law no. 82 of 1991, with subsequent amendments and additions;
- the provisions of the Order of the Minister of Public Finance no. 2844/2016, for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications.

These individual financial reports have been prepared in accordance with the recognition, measurement and evaluation criteria in accordance with the International Financial Reporting Standards, Interpretations and International Accounting Standards (collectively called "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRSs").

The financial statements for the financial year ended on June 30, 2024 include the statement of the financial position, the statement of the overall result, the statement of cash flows, the statement of changes in equity and explanatory notes.

The main accounting policies applied to the preparation of the financial statements are set out below. The policies were consistently applied to all the years presented, except where otherwise stated.

The preparation of financial statements in accordance with the adopted IFRS requires the use of certain crucial accounting estimates. It also requests the management to use reasoning in the process of applying the accounting policies of the Company. The areas in which significant decisions and estimates were made in the preparation of the financial statements and their effect are shown in the following.

CEO,  
Economist Ioan NANI

Economic manager,  
Economist Paula Luminita COMAN

Report date: **14.08.2024**

Name of issuing company: **Antibiotice SA**

Headquarters: **Iași, 1 Valea Lupului St., postal code 707410, <http://www.antibiotice.ro>**

E-mail: **[relatiicuinvestitorii@antibiotice.ro](mailto:relatiicuinvestitorii@antibiotice.ro)**

Telephone/fax no. **0232.209.000 / 0232.209.633**

Unique registration code in the Trade Register Office: **RO1973096**

Order number in the Trade Register: **J22/285/1991**

Subscribed and paid-up capital: **67.133.804 lei**

Regulated market on which the securities issued are traded: **Bucharest Stock Exchange**

## **Notice of availability - 2024 H1 Report**

*Antibiotice Iași* informs the investors that the **Report at 06/30/2024**, is available through the *Bucharest Stock Exchange Financial Surveillance Authority* as well as through its website: [www.antibiotice.ro](http://www.antibiotice.ro) (Investors/Financial Information / financial-reporting/ 2024 H1 Report).

We mention the fact that the above-mentioned report can also be obtained from our company's headquarters (Investor Relations, fax no. 0372. 065.633, e-mail: [relatiicuinvestitorii@antibiotice.ro](mailto:relatiicuinvestitorii@antibiotice.ro)).

General Director,  
*ec. Ioan NANI*

Financial Director,  
*ec. Paula-Luminița COMAN*