

ANTIBIOTICE S.A.

INTERIM FINANCIAL STATEMENTS

Prepared in accordance with IAS 34 "Interim Financial Reporting"

ANTIBIOTICE S.A.
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(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)
Revenue from contracts with customers, of which:		350,850,074	315,870,916
<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)
Operational result		79,584,035	75,192,498
Exchange rate differences, net		826,419	(582,371)
Expenses on interest, net		(1,980,619)	(2,114,260)
Other financial expenses		-	77,403
Financial result		(1,154,200)	(2,619,228)
Profit before tax		78,429,835	72,573,270
Expenses on corporate tax	4	(4,235,805)	(10,570,957)
Profit for the financial year		74,194,030	62,002,313

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)
Revenue from contracts with customers, of which:	168,003,464	136,695,404
<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)
Operational result	39,773,523	48,373,516
Exchange rate differences, net	627,734	(307,208)
Expenses on interest, net	(1,094,551)	(1,249,015)
Financial result	(466,817)	(1,556,223)
Profit before tax	39,306,706	46,817,293
Expenses on corporate tax	(2,427,394)	(7,018,390)
Profit for the financial year	36,879,312	39,798,903

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)
Assets			
Fixed assets			
Tangible assets	7	706,655,110	692,361,541
Intangible assets	8	46,064,328	45,526,698
Total fixed assets		752,719,438	737,888,239
Current assets			
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
Total current assets		512,268,956	401,284,019
Total assets		1,264,988,394	1,139,172,258
Equity and payables			
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
Total equity		865,488,886	846,964,120
Non-current liabilities			
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
Total non-current liabilities		159,344,425	101,737,845
Current liabilities			
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
Total current liabilities		240,155,083	190,470,293
Total liabilities		399,499,508	292,208,138
Total equity and liabilities		1,264,988,394	1,139,172,258

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
Balance at 01 January 2023 reported	67,133,804	305,594,766	111,164,239	157,537,792	641,430,601
Prior period corrections	-	-	86,594,381	12,958,610	99,552,991
Balance at 01 January 2023 restated*	67,133,804	305,594,766	197,758,620	170,496,402	740,983,592
Result for the year	-	-	-	81,088,596	81,088,596
Other comprehensive income	-	-	30,210,432	-	30,210,432
Total comprehensive income	-	-	30,210,432	81,088,596	111,299,028
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)	-
Balance as of 31/12/2023	67,133,804	324,877,598	225,417,959	229,534,759	846,964,120

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
Balance at 01 January 2024 (audited)	67,133,804	324,877,598	225,417,959	229,534,759	846,964,120
Result for the year	-	-	-	74,194,030	74,194,030
Other comprehensive income	-	-	(5,748,321)	5,748,321	-
Total comprehensive income	-	-	(5,748,321)	79,942,351	74,194,030
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)	-
Balance as of 30/06/2024 (revised)	67,133,804	333,685,459	219,669,638	244,999,985	865,488,886

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)
Pre-tax profit	78,429,835	73,688,251
Adjustments for:		
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)
Cash flow from operating activities before changes in working capital	101,614,120	89,114,818
(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)
Net cash from operating activities	71,844,919	33,363,270
Cash flows from investment activities		
Acquisitions of tangible assets	(52,765,510)	(20,047,807)
Purchases of intangible assets	(8,681,982)	(14,143,246)
Net cash from investment activity	(61,447,492)	(34,191,053)
Cash flows from financing activities		
(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)	
Net cash from financing activities	48,549,382	(530,410)
Net (decrease)/increase in cash and cash equivalents	58,946,808	(1,358,192)
Cash and cash equivalents at the beginning of the year	1,807,930	1,727,453
Exchange rate effect on the movement of cash and cash equivalents		
Cash and cash equivalents at the end of the year	60,754,738	369,261

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)

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)

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)
Total	350,850,074	315,870,916

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
Total	350,850,074	315,870,916

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)
Total	4,235,805	10,570,957

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024
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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
Accounting profit:	87,381,967	83,376,860
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)
Expenses on corporate tax	4,235,805	10,570,957
	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
Total deferred tax assets	4.512.873	4.883.864
Intangible assets	(67.138.118)	(68.285.091)
Total deferred tax liabilities	(67.138.118)	(68.285.091)
Net deferred tax liabilities	(62.625.245)	(63.401.227)

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)

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)
Debt/receivables related to the deferred tax	(63.401.230)	775.985	(62.625.245)	4.512.872	(67.138.118)

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
Total	127,480,634	116,542,224

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2024
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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
Total	60,292,230	44,104,688

* 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
Total	27,291,637	23,427,769

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7. TANGIBLE ASSETS

	Freehold land	Buildings	Machinery and equipment, vehicles	Equipment and furniture	Non-current assets in progress	Total
COST						
Balance as of 01/01/2023	203,674,702	267,974,628	261,368,188	9,839,442	9,087,755	751,944,716
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)
Balance as of 31/12/2023 (audited)	204,794,472	312,770,025	286,242,809	10,234,687	42,671,079	856,713,072
Balance as of 01/01/2024 (audited)	204,794,472	312,770,025	286,242,809	10,234,687	42,671,079	856,713,072
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)
Balance as of 30/06/2024 (revised)	204,794,472	342,724,030	314,869,847	11,385,233	15,319,308	889,092,890

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7. TANGIBLE ASSETS (continued)

	Freehold land	Buildings	Machinery and equipment, vehicles	Equipment and furniture	Non-current assets in progress	Total
ACCUMULATED AMORTISATION						
Balance as of 01/01/2023	-	-	145,350,343	6,695,462	-	152,045,805
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)
Balance as of 31/12/2023 (audited)	-	118,996	157,293,502	6,939,034	-	164,351,532
Balance as of 01/01/2024 (audited)	-	118,996	157,293,502	6,939,034	-	164,351,532
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)
Balance as of 30/06/2024 (revised)	-	10,922,219	164,369,574	7,145,987	-	182,437,780
NET BOOK VALUE						
Net book value as of 31 December 2023 (audited)	204,794,472	312,651,028	128,949,308	3,295,653	42,671,079	692,361,541
Net book value as of 30 June 2024 (revised)	204,794,472	331,801,811	150,500,273	4,239,246	15,319,308	706,655,110

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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
COST						
Balance as of 01/01/2023 (restated)	12,275,985	9,974,392	4,197,131	29,078,675	1,215,462	56,741,645
Increases	841,177	-	-	13,220,959	950,027	15,012,163
Transfers	-	10,700,896	764,071	(10,471,332)	(993,635)	-
Balance as of 31/12/2023 (audited)	13,117,162	20,675,288	4,961,202	31,828,302	1,171,854	71,753,808
Balance as of 01/01/2024 (audited)	13,117,162	20,675,288	4,961,202	31,828,302	1,171,854	71,753,808
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)	-
Balance as of 30/06/2024 (revised)	10,480,266	23,281,968	4,961,202	31,186,053	1,072,815	70,982,304

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

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9. INVENTORY

	Balance as of 30 June 2024	Balance as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
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
Inventories - gross value	189,712,752	174,365,777
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)
Total value adjustments	(14,837,071)	(14,151,293)
Total inventories - net value	174,875,681	160,214,484

10. TRADE AND SIMILAR RECEIVABLES

	Balance as of 30 June 2024	Balance as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
Short-term receivables		
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)
Balance at the end of the period	272,927,754	235,771,990

10. TRADE AND SIMILAR RECEIVABLES (continued)

Changes in impairment adjustments for doubtful receivables.

	Financial year ended as of 30/06/2024	Financial year ended as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
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
Balance at the end of the period	(20,627,137)	(20,628,873)

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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
Total	60,754,738	1,807,930

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
Total	198,698,889	150,780,362

* 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
Total	82,693,206	33,405,736

** 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.

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

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

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.

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14. INVESTMENT SUBSIDIES

	Financial year ended as of 30 June 2024	Financial year ended as of 31 December 2023
	(revised)	(audited)
	LEI	LEI
January 1st	1,892,704	2,163,611
Incoming subsidies	4,209,120	-
Transferred to the statement of comprehensive income	(180,767)	(270,907)
As of 30 June 2024, / 31 December 2023	5,921,057	1,892,704
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.

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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