

# **ANTIBIOTICE S.A.**

**FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON  
DECEMBER 31, 2024**

**Prepared in accordance with the International Financial Reporting Standards (“IFRS”)  
as adopted by the European Union**

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**INDEPENDENT ASSURANCE REPORT**  
**ON COMPLIANCE WITH FINANCIAL COVENANTS OF**  
**ANTIBIOTICE S.A.**  
**AS OF DECEMBER 31, 2024**

## INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH FINANCIAL COVENANTS

To the Shareholders of  
ANTIBIOTICE S.A.

We have been requested to conduct a limited assurance engagement on Point a from Statement of Compliance with the financial covenants at 31 December 2024 ("**Point a from Compliance Certificate**") with regard to compliance of **ANTIBIOTICE S.A.** (hereafter called "**the Borrower**") with the Financial Covenants contained in section 6.15 of the Loan Agreement dated 10 November 2023 with European Investment Bank ("**the Bank**"). Information presented in Compliance Certificate is based on the financial statements of the Borrower for the period ended 31 December 2024 prepared in accordance with Ministry of Public Finance Order no. 2844/2016 with subsequent amendments ("**MoPF 2844/2016**").

Limited assurance is a lower level of assurance and it is not a guarantee that an assurance engagement conducted in accordance with International Standard on Assurance Engagements (ISAEs) will always detect a material misstatement when it exists.

### *Management's Responsibility for the Compliance Certificate*

The Engaging party is responsible for the preparation and fair presentation of the Compliance Certificate in accordance with the requirements of the Loan Agreement dated 10 November 2023 and based on the financial statements of the Borrower prepared in accordance with Ministry of Public Finance Order no. 2844/2016 with subsequent amendments ("**MoPF 2844/2016**") as of 31 December 2024 and for ongoing compliance with the financial covenants. Management is also responsible for such internal control as management determines is necessary to enable the compliance with the financial covenants and the preparation of the Compliance Certificate that is free from material misstatement, whether due to fraud or error.

### *Our Responsibility*

Our engagement has been conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) established by the International Auditing and Assurance Standards Board ("**IAASB**"). In accordance with this standard we have planned and performed our engagement to obtain a limited assurance regarding the subject matter of the engagement.

We applied International Standard on Quality Management 1, Quality management for firms that perform audits or reviews of financial statements, and other assurance and related services engagements ("**ISQM1**"), and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We complied with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). The IESBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### *Summary of Work Performed*

As part of our assurance procedures, we performed the following work:

1. Received the Finance Contract signed with Antibiotice S.A. and the Bank, dated 10 November 2023 and read chapter 6.15 related to covenant compliance requirements in relation to the current liquidity, Total debt/Ebitda and Total Debt/Equity as defined therein. Based on clause 6.15 of the respective agreement, the Company is required to ensure that:
  - Current liquidity shall be minimum 1.2x
  - Total Debt/EBITDA may not exceed 3.5x
  - Total Debt/Equity may not exceed 1.0x

2. Obtained the Statement of Compliance with the financial covenants and:
  - a. As regards the Current liquidity computed as (i) Current assets divided by (ii) Short term debt, we had:
    - Compared the Current Assets used with the Current Assets of the Borrower for 31 December 2024, computed as Inventory, Work in progress, Trade and Other receivables less cash and cash equivalents Investments, receivables in relation to Tax, Exceptional items and non-operating items and insurance claims recorded in the financial statements or in case the information is not disclosed directly in the financial statements we compared against the information used in the preparation of the financial statements.
    - Compared the Short Term Debt used with Short term Debt of the Borrower for 31 December 2024, computed as Borrowings maturing within 12 Months from the End of 31 December 2024 recorded in the financial statements.
  - b. As regards the Total Debt/EBITDA computed for 31 December 2024, we had:
    - Compared the Total Debt used with the Total Debt of the Borrower for 31 December 2024, computed as all Obligations of the Borrower for or in respect of Borrowings at that time less obligations in respect of shareholder loans that are fully legally and/or contractually subordinated to the Borrowings in terms of interest and principal and maturity at least 6 Months after the maturity of the Loan and including, in the case of Finance Leases only, their capitalized value recorded in the financial statements.
    - Compared EBITDA used with EBITDA of the Borrower for 31 December 2024, computed as operating profit of the Borrower before taxation after adding back any amount attributable to the amortization of depreciation of assets and after deducting the amount of any profit which is attributable to minority interests recorded in the financial statements or in case the information is not disclosed directly in the financial statements we compared against the information used in the preparation of the financial statements.
  - c. As regards Total Debt/Equity computed for 31 December 2024, we had:
    - Compared Total Debt used with Total Debt of the Borrower for 31 December 2024 recorded in the financial statements.
    - Compared equity used with equity of the Borrower for 31 December 2024, computed as equity according to the balance sheet recorded in the financial statements.

We obtained the Management Statement of Covenant Compliance (E2) and we tested mathematical accuracy of the calculation of the ratios mentioned above and compared the result with those presented in E2. No differences found.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The procedures performed do not constitute an audit according to the International Standards on Auditing, nor an examination of the effectiveness of the Company's internal control systems, or an examination of compliance with laws, regulations, or other matters. Accordingly, our performance of the procedures does not result in the expression of an opinion, or any other form of assurance on the Company's internal control systems or its compliance with laws, regulations, or other matters.

The assurance provided by our procedures should therefore be considered in the light of these limitations on the nature and extent of evidence-gathering procedures performed.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## **Conclusion**

Based on the procedures performed and the evidence obtained, nothing came to our attention that causes us to believe that information included in Point a from Compliance Certificate as of 31 December 2024, has not been consistent, in all material respects, with the criteria contained in section 6.15 of the Loan Agreement dated 10 November 2023 with European Investment Bank ("the Bank").

## ***Restriction of Use and Distribution***

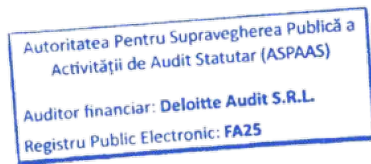
This report was prepared exclusively for the information and use of the Shareholders and management of the Borrower and Bank and cannot be used by any other third party except for the parties mentioned herein above. Deloitte authorizes the distribution or use of this report only subject to the execution of a prior agreement acceptable to Deloitte as regards the form and content thereof. This report refers only to the aspect mentioned above and does not extend to the Debtor's financial statements taken as a whole.

On behalf of:  
Deloitte Audit SRL

Ioana Alina Mirea



Bucharest, Romania  
March 12, 2025





**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF THE COMPREHENSIVE INCOME****FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2024****(all amounts are expressed in lei ("RON"), unless otherwise specified)**

		Financial year ended on December 31 2024	Financial year ended on December 31 2023
	Note		
<b>Revenue from contracts with customers, of which:</b>		<b>675,010,971</b>	<b>600,780,825</b>
- Revenue from the sale of finished products	3	530,471,197	482,092,932
- Revenue from the sale of products made on other manufacturing sites	3	143,650,793	117,383,457
- Revenue from the provision of services	3	888,981	1,304,436
Other operating income	4	2,335,250	1,424,282
Revenues from subsidies	4	439,209	270,907
Changes in inventories of finished goods and work in progress		(3,531,922)	13,408,502
Revenues from tangible fixed assets projects		11,115,300	13,381,851
Raw materials, consumables used and products made at other manufacturing sites	5	(230,582,997)	(218,168,457)
Employee benefit expenses	6	(165,385,364)	(156,053,526)
Transportation expenses	7	(4,514,550)	(4,199,124)
Utility expenses	7	(17,901,283)	(25,334,283)
Depreciation and impairment of fixed assets, net	11,12	(45,057,786)	(27,875,560)
Current asset impairment, net		3,765,041	(426,963)
Reversed provisions, net		(943,128)	-
Sponsorships, donations		(821,912)	(1,059,242)
Other expenses	7	(116,538,511)	(99,615,980)
Operating result		107,388,318	96,533,232
Foreign exchange differences, net	8	263,951	(945,157)
Interest expenses, net	8	(4,539,707)	(4,141,232)
Other financial expenses	8	-	77,403
Financial result	8	(4,275,756)	(5,008,986)
Pre-tax profit		103,112,562	91,524,246
Income tax expense	9	(909,734)	(10,435,650)
<b>Profit for the financial year</b>		<b>102,202,828</b>	<b>81,088,596</b>
Basic and diluted earnings per share		0.1522	0,1208

The attached notes are an integral part of these individual financial statements.



**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF THE COMPREHENSIVE INCOME****FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2024****(all amounts are expressed in lei ("RON"), unless otherwise specified)**

	Financial year ended on December 31 2024	Financial year ended on December 31 2023
Note		
Profit for the financial year	102,202,828	81,088,596
<i>Other comprehensive income</i>		
<i>Items that will not be classified in profit or loss</i>		
<i>Revaluation of tangible assets</i>	11 -	35,964,800
<i>Deferred tax related to revaluation of tangible assets</i>	8 -	(5,754,368)
<i>Other comprehensive income</i>	-	30,210,432
<b>Total comprehensive income</b>	<b>102,202,828</b>	<b>111,299,028</b>

Authorized by the Management Board on: **12.03.2025**.

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**General Director,**  
Ec. Ioan NANI

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**Financial Director,**  
Ec. Paula Luminita COMAN

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF THE FINANCIAL POSITION****FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2024****(all amounts are expressed in lei ("RON"), unless otherwise specified)**

	Note	Financial year ended on December 31, 2024	Financial year ended on December 31, 2023
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	11	749,395,619	692,361,541
Intangible assets	12	55,168,937	45,526,698
<b>Total fixed assets</b>		<b>804,564,556</b>	<b>737,888,239</b>
<b>Current assets</b>			
Inventories	13	169,858,775	160,214,484
Trade and similar receivables	14,15	298,073,567	235,771,990
Prepaid expenses		4,078,280	3,489,615
Cash and cash equivalents	16	2,681,342	1,807,930
<b>Total current assets</b>		<b>474,691,964</b>	<b>401,284,019</b>
<b>Total assets</b>		<b>1,279,256,520</b>	<b>1,139,172,258</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Subscribed capital	17	67,133,804	67,133,804
Revaluation reserves	17	213,945,112	225,417,959
Legal and other reserves		412,159,000	324,877,598
Retained earnings		201,070,907	229,534,759
<b>Total equity</b>		<b>894,308,823</b>	<b>846,964,120</b>
<b>Long-term liabilities</b>			
Bank loans and debts	19	85,715,093	36,750,203
Subsidies for investments - non-current portion	20	5,145,731	1,586,415
Deferred tax liabilities	9	59,031,869	63,401,227
<b>Total long-term liabilities</b>		<b>149,892,693</b>	<b>101,737,845</b>
<b>Current liabilities</b>			
Trade and similar liabilities	18	169,233,444	150,780,362
Bank loans	19	54,994,289	29,552,092
Other liabilities	18	10,310,387	9,831,550
Subsidies for investments – current portion	20	516,884	306,289
Provisions		-	-
<b>Total current liabilities</b>		<b>235,055,004</b>	<b>190,470,293</b>
<b>Total liabilities</b>		<b>384,947,697</b>	<b>292,208,138</b>
<b>Total equity and liabilities</b>		<b>1,279,256,520</b>	<b>1,139,172,258</b>

Authorized by the Management Board on: **12.03.2025**.

\_\_\_\_\_  
**General Director,**  
**Ec. Ioan NANI**

\_\_\_\_\_  
**Financial Director,**  
**Ec. Paula Luminita COMAN**

The attached notes are an integral part of these individual financial statements.

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED ON DECEMBER 31, 2024****(all amounts are expressed in lei ("RON"), unless otherwise specified)**

<b>31 DECEMBRIE 2023</b>	<b>Share capital</b>	<b>Legal reserves and other reservations</b>	<b>Revaluation reserves</b>	<b>Cumulative retained earnings</b>	<b>Total equity</b>
<b>Balance as of January 1, 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>
Corrections of the previous period	-	-	86,594,381	12,958,610	99,552,991
<b>Balance on January 1, 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 of the year	-	-	-	81,088,596	81,088,596
Other elements of the overall result	-	-	30,210,432	-	30,210,432
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>30,210,432</b>	<b>81,088,596</b>	<b>111,299,028</b>
Reserves representing the surplus achieved from revaluation	-	-	(2,551,093)	2,551,093	-
Dividends distributed in 2023	-	-	-	(5,318,500)	(5,318,500)
Transfer from retained earnings to other reserves	-	19,282,832	-	(19,282,832)	-
<b>Balance on December 31, 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>

During 2023, 19,282,832 RON of the retained earnings were transferred to other reserves according to the decision of the GMS. This amount represents the reserves for tax incentives from research activity, in the amount of 2,671,361 RON, and the difference of 16,611,471 RON is reinvested profit.

The initial balance of the period ended December 31, 2023 was modified as a result of the restatement of the balances of the previous financial year.

Authorized by the Management Board on: **12.03.2025**.

\_\_\_\_\_  
General Director,  
Ec. Ioan NANI

\_\_\_\_\_  
Financial Director,  
Ec. Paula Luminita COMAN

The attached notes are an integral part of these individual financial statements.

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED ON DECEMBER 31, 2024****(all amounts are expressed in lei ("RON"), unless otherwise specified)**

<b>DECEMBER 31, 2024</b>	<b>Capital social</b>	<b>Rezerve legale si alte rezerve</b>	<b>Rezerve din reevaluare</b>	<b>Rezultat reportat cumulat</b>	<b>Total capital propriu</b>
<b>Balance on January 01, 2024</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 of the year	-	-	-	102,202,828	102,202,828
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,202,828</b>	<b>102,202,828</b>
Reserves representing the surplus achieved from revaluation	-	-	(11,472,847)	11,472,847	-
Dividends	-	-	-	(55,669,264)	(55,669,264)
Transfer from retained earnings to other reserves	-	87,281,402	-	(87,281,402)	-
<b>Balance on December 31, 2024</b>	<b>67,133,804</b>	<b>412,159,000</b>	<b>213,945,112</b>	<b>201,070,907</b>	<b>894,308,823</b>

In the accumulated retained earnings, the value of 120,811,620 RON represents the amount resulting from the first-time application of IFRS according to OMFP 881/2012, whose amortized value until 31.12.2024 is 5,461,135.50 RON.

Authorized by the Management Board on: **12.03.2025**.

\_\_\_\_\_  
General Director,  
Ec. Ioan NANI

\_\_\_\_\_  
Financial Director,  
Ec. Paula Luminita COMAN

The attached notes are an integral part of these individual financial statements.

**ANTIBIOTICE S.A.****INDIVIDUAL CASH FLOW STATEMENT****FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2024****(all amounts are expressed in lei ("RON"), unless otherwise specified)**

Indirect method	Note	Financial year ended on	Financial year ended on
		December 31 2024	December 31 2023
<b>Pre-profit tax</b>		<b>103.112.562</b>	<b>91.524.246</b>
<b>Adjustments for:</b>			
Depreciation related to intangible assets		3.934.578	2.243.686
Depreciation related to tangible assets		41.123.209	25.686.248
Expenses related to inventory provisions		(7.861.723)	1.522.444
(Revenues) related to customer provisions and assimilated accounts		3.001.202	(1.095.480)
Expenses related to adjustments for the depreciation of fixed assets		-	-
The net loss from the disposal of tangible assets		(163.499)	(1.500)
Revenues from subsidies		(439.209)	(270.907)
Interest expenses		4.541.505	4.145.607
Interest revenues		(1.798)	(4.374)
<b>Cash flow generated from operating activity before changes in working capital</b>		<b>147.246.827</b>	<b>123.749.970</b>
Increases of stocks		(1.782.568)	(19.046.654)
Increases of receivables		(65.302.780)	(30.643.294)
Increases of expenses in advance		(588.665)	(246.284)
Increases / (decreases) in debts		19.126.127	61.663.072
Income increases in advance		163.499	1.500
Interest collected		1.798	4.374
Profit tax paid		(3.716.895)	(13.023.231)
<b>Net cash from operating activities</b>		<b>95.147.343</b>	<b>122.459.453</b>
<b>Cash flows from investment activities:</b>			
Purchases of tangible assets		(98.774.675)	(83.025.003)
Purchases of intangible assets		(17.385.901)	(15.012.163)
<b>Net cash from investment activities</b>		<b>(116.160.576)</b>	<b>(98.037.166)</b>
<b>Cash flows from financing activities:</b>			
The use of the credit line, net		25.442.197	(4.456.024)
Long-term loan collection		59.750.136	-
Repayment of long-term loan		(10.785.246)	(10.223.298)
Dividends paid		(48.168.486)	(5.433.706)
Interest paid		(4.605.455)	(4.088.957)
<b>Net cash from financing activities</b>		<b>21.633.145</b>	<b>(24.201.985)</b>
(Decrease)/Net increase in cash and cash equivalents		619.913	220.302
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>16</b>	<b>1.807.930</b>	<b>1.727.454</b>
The effect of the exchange rate on the movement of cash and cash equivalents		253.499	(139.824)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16</b>	<b>2.681.342</b>	<b>1.807.930</b>

Authorized by the Management Board on: **12.03.2025**.

\_\_\_\_\_  
**General Director,**  
**Ec. Ioan NANI**

\_\_\_\_\_  
**Financial Director,**  
**Ec. Paula Luminita COMAN**

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 3, 2024**  
**(all amounts are expressed in lei ("RON"), unless otherwise specified)**

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**1. GENERAL COMPANY INFORMATION**

**1.1. Brief company profile**

Antibiotice S.A. ("ATB" - Bucharest Stock Exchange symbol, "The Company") is a commercial company established in Romania, with its registered office in Valea Lupului street no. 1, Iasi. The company is registered at the Trade Registry Office under no. J 22/285/1991 and has the unique registration code 1973096.

The object of activity of Antibiotice S.A. is the manufacture of basic pharmaceutical products, according to the Classification of Economic Activities in the National Economy, NACE code 2110.

These financial statements are individual financial statements of Antibiotice S.A. drawn up on 31.12.2024, which were authorized on: **12.03.2025.**

Antibiotice S.A.:

- is the most important producer of generic medicines in Romania, with full 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 generic drugs for human use (RX drugs and non-RX products), active substances based on biotechnologies derived from streptomyces noursei for pharmaceutical use (in the form of compacted Nystatin, micronized Nystatin and standard Nystatin), biocidal products for disinfecting surfaces and hands, veterinary medicines and biofertilizers. The product portfolio consists of over 160 products from 11 therapeutic classes. The prescription products are mainly grouped by ATC1 therapeutic classes and they are intended for pathologies with increased incidence and the treatment of chronic conditions. The non-prescription products are grouped into portfolio concepts, for a more efficient communication to the target audience. The concepts include food supplements, medical devices, cosmetics, OTC drugs and OTX drugs (RX products with OTC behavior which are released from the pharmacy without a medical prescription). The products in the current portfolio are carefully monitored and action is taken to adapt to national requirements and international regulations, through the analysis of therapeutic trends, medical guidelines, new efficacy and safety studies. The expansion of the product portfolio makes a major contribution to the development of Antibiotice S.A. on the domestic market, as well as on the international markets, both through our own research and development activity, as well as through the assimilation of new products through business development (in-licensing contracts)
- has a diversified production capacity, organized on 3 production divisions as well as on 8 manufacturing flows on which: penicillin injectable powders; penicillin capsules; non-beta-lactam capsules; cephalosporin capsules; tablets; ointments, creams, gels; suppositories; pessaries are produced as well as active substances obtained through biosynthesis and 10 partner sites. All production capacities are the property of the company and they are located at the registered office. The company has the right of ownership over all fixed assets registered in the company's accounting;
- owns and operates a modern Research and Development Center;
- holds internationally recognized certifications and authorizations: the authorization from the US Medicines Regulatory Agency (FDA) for Nystatin and injectable penicillin products, the Certificate of Conformity with the European Pharmacopoeia (COS) for Nystatin, the Certificate of Good Manufacturing Practice (GMP) for all manufacturing flows, the TÜV Rheinland Certification for integrated management (quality, environment, occupational health and safety);
- is WHO prequalified and it has WHO certification for the range of essential antituberculosis drugs;
- is a traditional supplier of anti-infective drugs for hospitals in the U.S.A., Vietnam and European markets (the U.K., Denmark, The Netherlands, Serbia, Lithuania and Hungary);
- is the world market leader for the consumption of active substances based on biotechnologies derived from streptomyces noursei for pharmaceutical use (in the form of compacted Nystatin, micronized Nystatin and standard Nystatin). The superior quality of this product, recognized 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 and North America.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 3, 2024**  
**(all amounts are expressed in lei ("RON"), unless otherwise specified)**

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**2. GENERAL COMPANY INFORMATION (continued)**

**Corporate Governance Structure**

The structures on which the corporate governance system within Antibiotice S.A. is based can be found on the company's website at <https://www.antibiotice.ro/investitori-php/corporate-governance/>. These are:

- The General Meeting of Shareholders;
- The Management Board;
  
- The Advisory Committees;
  
- The Executive Management;
  
- The Corporate Governance Secretariat;
  
- The internal audit, financial management control and risk management.

**The General Meeting of Shareholders**

Antibiotice S.A. is organized on the principles of corporate governance, which regulates the selection and appointment procedure of administrators and directors, as well as the operation of the management system, seeking to strengthen the independence, accountability and professionalism of the management structures, the transparency and the quality of publicly presented information, as well as the protection of shareholders, including the minority shareholders. The management of the company is organized to meet the expectations of the shareholders in terms of ensuring competitiveness, profitability and the generation of long-term added value. A well-defined, traceable decision-making system is ensured and the delegation of duties and competences are proportional to the granted prerogatives and the existing control system.

The applying of the principles of good corporate governance practices with strict compliance with the recommendations of the Corporate Governance Code of the Bucharest Stock Exchange, ensures the transparency and efficiency of the company's activities and processes, thus providing the framework for maximizing the value of the Antibiotice S.A. shares in the long term, namely protecting the interests of interested parties and increasing the degree of trust in Antibiotice S.A.

The company's management considers the Corporate Governance Code to be an important tool for achieving sustainable performance for ensuring the accuracy and transparency of the company's decision-making process through the equal access of all shareholders to relevant information about the company.

The legal framework for ensuring the corporate governance system is:

- The Law no. 31/1990 on commercial companies, with subsequent amendments and supplements;
- The GEO no. 109/2011 regarding the corporate governance of public enterprises, with subsequent amendments and supplements;
- The Law no. 24/2017 regarding the issuers of financial instruments and market operations;
- The ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations;
- The corporate governance code of Antibiotice S.A. which also includes the Regulation on Organization and Functioning of the Management Board and the Regulation on the Evaluation of administrators;
- The Code of Ethics

The General Meeting of Shareholders (GMS) is the company's highest decision-making body, the place where shareholders participate directly and make decisions. Among other duties, the GMS decides on the distribution of the profit, it elects the Management Board, it appoints the auditors and it establishes the remuneration of the Management Board.

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**1. COMPANY RELATED INFORMATION (continued)**

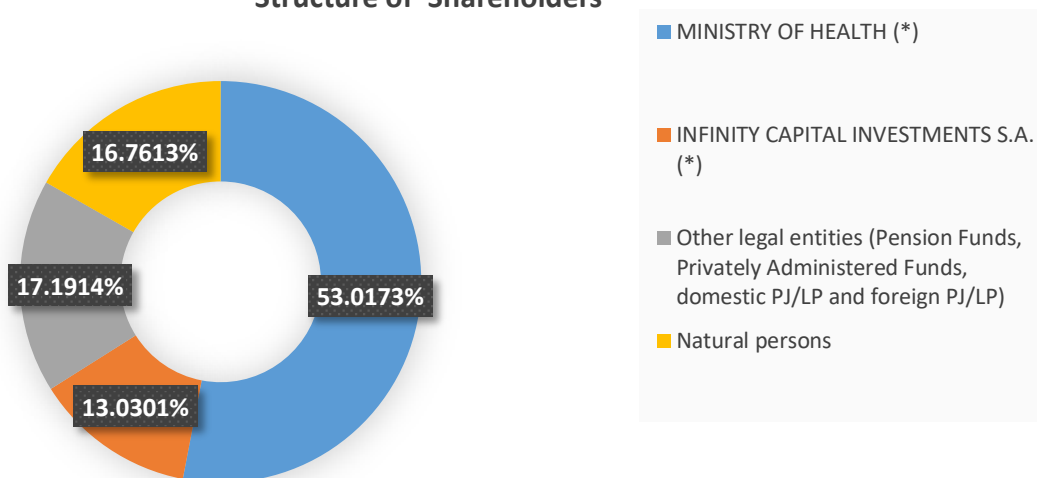
**1.2. The Corporate Governance structures**

<https://www.antibiotice.ro/investitori-php/financial-information/adunari-generale-ale-actionarilor/?raport=2023#>

The main shareholders of the company on 31.12.2024 (extract from the Register of Shareholders) are:

THE MINISTRY OF HEALTH (*)	53.0173%
INFINITY CAPITAL INVESTMENTS S.A. (*)	13.0301%
Other shareholders (52.680 shareholders)	33.9527%

**Structure of Shareholders**



Classes of shareholders:

- Legal persons – 83.2387 %
- Natural persons – 16.7613 %

**Antibiotice S.A. on the capital market**

The securities issued by Antibiotice S.A. have been listed in the PREMIUM category of the Bucharest Stock Exchange, under the symbol (ATB), since the year 1997.

At the beginning of 2024, the Antibiotice company was included in the BETPlus and BET-BK indices and it was subsequently added to the BET-XT, BET-XT-TR and BET-XT-TRN indices.

The BET-XT- index reflects the price evolution of the 30 most traded companies on the BSE regulated market, including financial investment companies (SIFs).

An important moment was the company's inclusion on September 23 in the BET index, the benchmark of the top 20 companies considered the best performing on the Romanian capital market.

With this inclusion, Antibiotice was also included in its gross and net total return variants, respectively in the BET-TR and BET-TRN indices. This reflects the fact that Antibiotice S.A. is a solid company, developed on a solid economic foundation.

The BET index is a free float capitalization weighted index of the most liquid Romanian companies on the BVB regulated market, which meet the highest quality standards. This index was designed to be a benchmark of performance and transparency of the regulated market managed by BSE.



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**1. COMPANY RELATED INFORMATION (continued)**

**1.2. Corporate Governance Structures**

The corporate governance framework adopted and applied:

- protects the rights of shareholders;
- ensures the fair treatment of all shareholders;
- recognizes the role of third parties with interests in the company;
- guarantees information and transparency;
- ensures the accountability of the Management Board towards the company and shareholders.

On the Antibiotice S.A. website at [www.antibiotice.ro/investitori/informatii\\_actionari](http://www.antibiotice.ro/investitori/informatii_actionari), there is a section dedicated to shareholders, where documents related to the General Meetings of Shareholders can be accessed and downloaded: procedures regarding the access to and participation in meetings, the convening notice, the agenda, information materials, special powers of attorney, correspondence voting forms, draft resolutions, resolutions, voting results.

**1.2. Corporate Governance Structures (continued)**

**The Corporate Governance Code**

The basis of the good governance practices within the company is the Corporate Governance Code of Antibiotice S.A., which outlines the general framework for the activity of the Management Board. Built according to the principles and recommendations of the Corporate Governance Code of the Bucharest Stock Exchange (BVB), the corporate governance code of Antibiotice S.A., approved by the Management Board in January 2017 and updated in November 2021, includes, among other things, information about the duties of management structures, fair reward and motivation, investor relations, the risk management system and the internal control. The management of Antibiotice S.A. considers the Corporate Governance Code to be an important tool for achieving sustainable performance, ensuring the accuracy and transparency of the company's decision-making process, through equal access of all shareholders to relevant information about Antibiotice S.A.

**The Code of Ethics**

The Code of Ethics of Antibiotice S.A. is the basis of an organizational culture that respects the integrity standards and that complies with the specific legislation in force. The fundamental ethical values assumed by the company are the integrity, the professionalism, the responsibility and the transparency. Any violation of the code is considered to be an ethical incident, the failure to comply with the Code of Ethics may lead to disciplinary sanctions. The compliance with the provisions of the Code of Ethics is mandatory for all structures in the company's organizational chart (employees, executive management and members of the Management Board). The Code of Ethics is made known to every new employee or administrator and it can be read online.

**The Advisory Committees**

The Management Board exercises part of its responsibilities through the three advisory committees: the Audit Committee, the Commercial Policy Committee and the Nomination and Remuneration Committee. The specialized advisory committees carry out investigations, analyses, they elaborate recommendations and they periodically submit reports on their activity to the Management Board.

The membership of the Advisory Committees can be read at the address <https://www.antibiotice.ro/en/investors/corporate-governance/governance-structure/>

The duties and responsibilities of the advisory committees can be found on the company's website at: <https://www.antibiotice.ro/wp-content/uploads/2015/06/REGULATIONS.pdf>

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**1. COMPANY RELATED INFORMATION (continued)**

**The executive management**

Antibiotice S.A. is represented by the General Director, according to the prerogatives established by law and by the company statute. The Management Board retains the authority to represent the company in relations with the directors it appointed. The management team membership of Antibiotice S.A., on 31.12.2023, can be read at the address: <https://www.antibiotice.ro/en/investors/corporate-governance/governance-structure/>

**GENERAL INFORMATION**

**2.1. The drawing-up basis**

The individual financial statements were drawn up in accordance with the provisions of O.M.P.F. no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards with subsequent amendments and additions. These provisions comply with those of the International Financial Reporting Standards ("IFRS") and with the IFRIC interpretations, adopted by the European Union. The financial statements were drawn up on the basis of the going concern principle.

The company has drawn up individual IFRS financial statements that include the individual statement of the global result, the individual statement of the financial position, the individual statement of cash flows and the individual statement of changes in equity for the year ended on December 31, 2024.

These individual financial statements were prepared in accordance with IAS 1 Presentation of the financial statements, as adopted by the European Union.

**2.2. The bases of evaluation**

The individual financial statements are drawn up based on the historical cost with the exception of land and buildings presented at revalued cost by using the fair value as assumed cost and the elements presented at fair value, that is the financial assets and liabilities at fair value, through the profit and loss account with the exception of those for which the fair value cannot be reliably established.

These individual financial statements have been drawn up for general purposes, for the use of people who know the provisions of the International Financial Reporting Standards, applicable to commercial companies whose securities are admitted to trading on a regulated market. Consequently, these financial statements should not be considered as the only source of information by a potential investor or other user.

**2.3. Functional and presentation currency**

The functional currency, as defined by IAS 21 "Effects of currency exchange rate variation", is the leu. The individual financial statements are presented in lei, the values being rounded to the nearest leu, that is the currency which the Company chose as the currency presentation.

The transactions made by the company in a currency other than the functional currency are recorded at the exchange rate in force on the date the transactions take place. The monetary assets and liabilities in foreign currency are converted at the exchange rate in force on the reporting date. The profit and loss resulting from exchange rate differences following the conclusion of these transactions and from the conversion to the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currency are reflected in the individual statement of the overall result.

The foreign exchange differences are recognized in profit or loss in the period in which they occur, with the exception of the foreign exchange differences on foreign currency loans related to assets under construction for future productive use, which are included in the cost of those assets when they are considered as an adjustment of interest costs for those loans in foreign currency.

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**2. GENERAL INFORMATION (continued)**

The exchange rates of the main foreign currencies according to the report of the National Bank of Romania are as follows:

	<b>December 31 2024</b>	<b>December 31 2023</b>
EUR	4.9741	4.9746
USD	4.7768	4.4958

**2.4. Crucial accounting and estimates**

The Company makes certain estimates and assumptions regarding the future. The estimates and judgments are continuously evaluated based on historical experience and other factors, including forecasts of future events that are considered reasonable under the existing circumstances. In the future, actual experience may differ from these estimates and assumptions. The following are examples of evaluations, estimates, assumptions applied within the Company:

- The evaluation of land investments and company owned buildings - based on the evaluations made by external appraisers, the fair value of real estate investments and company owned buildings is determined. These evaluations are based on assumptions that include future rental income, anticipated maintenance costs, future development costs and the discount rate. The evaluators also refer to the information on the market related to the prices of transactions with similar properties.
- The adjustments for the impairment of receivables – For trade receivables, a simplified approach is adopted in which impairment losses are recognized based on the expected lifetime credit losses at each reporting date. If there are credit insurances or guarantees for the outstanding balances, the calculation of expected losses from receivables is based on the probability of non-repayment of the insurer for the insured part of the outstanding balance, and the remaining uncovered amount will have the probability of non-repayment of the counterparty. For trade receivables, the simplified model regulated by IFRS 9 is used.
- The adjustments for inventory impairment - The assessment for inventory impairment is performed on an individual basis and it is based on the management's best estimate of the present value of cash flows expected to be received. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows. The adjustments regarding stocks are based on the calculation performed at the end of the financial year for the specific value adjustment related to stocks of raw materials, consumables and finished products that no longer correspond from a qualitative viewpoint. The calculation of the general adjustment for stock depreciation is made according to the validity period of the items in stock.
- Judicial proceedings - The company reviews the unresolved legal cases by following the developments in the judicial proceedings and the existing situation at each reporting date, in order to evaluate the provisions and presentations from its financial statements. Among the factors considered in making decisions related to provisions there are the nature of the litigation or claims and the potential level of damages in the jurisdiction where the litigation is adjudicated, the progress of the case (including progress after the date of the financial statements but before those statements are issued), the opinions of legal advisors, the experience in similar cases and any decision of the company's management related to how it will respond to the litigation, complaint or evaluation.
- The accounting estimates of expenses - There are objective situations in which until the closing date of some fiscal periods or until the closing date of a financial year the exact values of some expenses committed by the company are not known (e.g.: marketing campaigns - sales promotion of products and sales stimulus campaigns). For this category of expenses, the preliminary expenses will be made, which will be actually recorded in the following periods.
- Taxation - The taxation system in Romania is undergoing a phase of consolidation and harmonization with the 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. Considering the diversity of business relationships and the longevity and complexity of the existing contractual agreements, the differences that appear among the actual results and the assumptions made or future changes to these assumptions could require future adjustments to the tax revenues and expenses already recorded. In Romania, the fiscal year remains open for fiscal verification for 5 years. The management of the company considers that the tax liabilities included in the financial statements are adequate.

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**2. GENERAL INFORMATION (continued)**

**2.5. Classification of short-term and long-term assets and liabilities**

The company presents the individual financial position of assets and liabilities based on the short-term/long-term classification.

An asset is current when:

- it is expected to be achieved or intended to be sold or consumed within the normal operating cycle;
- it is held mainly for trading purposes;
- it is expected to be achieved within twelve months from the reporting period, or
- it constitutes cash and cash equivalents.

All the other assets are classified as fixed assets.

A debt is a short-term debt when:

- it is expected to be paid in the normal operating cycle;
- it is held mainly for trading purposes;
- it is about to be settled within twelve months from the reporting period;
- there is no unconditional right to postpone the settlement of the debt for at least twelve months after the reporting period.

The deferred tax assets and liabilities are classified as long-term assets and liabilities.

**2.6. Revenue recognition IFRS 15 - Revenue from contracts with customers**

The revenues are increases in economic benefits recorded during the reporting period, in the form of incomes or increases in assets or reductions in liabilities, which materialize in increases in equity, other than those resulting from the shareholders' contributions.

The fair value is the value at which an asset can be traded or a debt settled, between interested parties and in good faith, in a transaction carried out under objective conditions.

**The income assessment**

The objective of IFRS 15 - Revenue from contracts with customers is to clarify the principles of the revenue recognition. This includes eliminating inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices generated by companies, industries and capital markets. In this regard, IFRS 15 establishes a unique framework for revenue recognition. The basic principle of the framework is: an entity should recognize revenue to describe the transfer of goods or services promised to customers in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those goods or services. The revenue is recognized when or as the customer obtains control over the goods or services.

The revenues represent the gross inflow of economic benefits during the period generated within the normal activities of an entity, in the form of inflows of assets or increases in the value of assets, or decreases in liabilities, which result in increases in equity, other than those obtained through contributions from the capital holders. Revenues are increases in economic benefits recorded during the accounting period, in the form of incomes or increases in assets or reductions in liabilities, which materialize in increases in a company's own capital, other than those resulting from the shareholders' contributions. The fair value is the value at which an asset can be traded or a debt settled, between interested parties and in good faith, in a transaction carried out under objective conditions.

IFRS 15 - Revenue from contracts with customers establishes a general framework that will be applied for the recognition of revenue from a contract concluded with a customer (with limited exceptions), regardless of the type of transaction or the industry. The standard establishes five steps to be followed for the revenue recognition:

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**2. GENERAL INFORMATION (continued)**

**Income assessment (continued)**

- the identification of the contract/contracts with a client;
- the identification of performance obligations from a contract;
- the determination of the transaction price for the obligations in the contract;
- the allocation of the transaction price for the performance obligations;
- the revenue recognition when (or to the extent that) the entity fulfills a performance obligation.

IFRS 15 – The revenues from the contracts with customers focus on the identification of obligations and make a clear distinction between obligations that are satisfied "at a given point in time" and those that are satisfied "over a period of time"; this is determined by the manner in which the control of the goods or services is transferred to the customer. The principle underlying this standard is that the company should recognize and record revenues in a way that indicates the transfer of goods or services.

The revenues from the sale of finished products, of products made on other manufacturing sites and from other activities are recognized when there is an obligation to register a contract, i.e. all the following conditions were met:

- a) the parties to the contract have approved the contract (in writing, verbally or in accordance with other usual business practices) and they undertake to fulfill their obligations;
- b) the company can identify the rights of each party regarding the goods or services that will be transferred;
- c) the company can identify the payment terms for the goods or services that will be transferred
- d) the contract has commercial content;
- e) it is likely that the Company will collect the counterperformance to which it will be entitled in exchange for the goods or services that will be transferred to the client.

The revenue from the sale of goods is recognized to illustrate the transfer of goods promised to customers at an amount that reflects the counterperformance to which they are expected to be entitled in exchange for those goods. The income is recognized when the Company fulfills a performance obligation by transferring some promised goods (an asset) to a customer. The asset is transferred when the customer obtains control over that asset. When the performance obligation is fulfilled, the value of the transaction price, which is allocated to that performance obligation, must be recognized as income. The company considers that the collection terms do not generate a financial component of the revenues invoiced to the distributors. The seller guarantees the quality of the delivered products for the entire period of validity under the condition that the customer complies with the legal rules and the written instructions received in advance from the seller regarding the transportation, handling and storage of the products.

In Romania, the standard terms agreed by the parties are as follows: 150 days from the invoice date for non-prescription products, medical devices, food supplements and products for the treatment of the tuberculosis and 180 days from the invoice date for prescription products. In foreign markets, the payment terms vary from the advance payment, before delivery to 90-120 days, depending on the volumes delivered, the customer and the market where the goods are transferred. The products will be sold by the manufacturer to the distributor at the list price in force on the invoicing date. The seller can grant the buyer commercial reductions/discounts, rebates and other commercial advantages provided by the legislation in force depending on the volume and structure of the sale made to the buyer, in accordance with the specific market conditions.

In accordance with IFRS 15, the revenues are recognized in the amount that reflects the consideration to which an entity expects to be entitled in exchange for the transfer of goods or services to a customer. According to IFRS 15, revenues will be recognized when a customer obtains control over the goods.

***Revenue from the sale of finished products***

The revenues obtained from the sale of products manufactured on our own manufacturing sites are recognized as revenues from the sale of finished products.

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**2. GENERAL INFORMATION (continued)**

***Revenues from the sale of products manufactured on partner sites***

According to the requirements of Good Manufacturing Practices, the manufacturing of some products from the portfolio is carried out on partner manufacturing sites, the revenues from their sale are recognized as revenues from the sale of products manufactured on the partner sites.

***Income from studies and research***

The company is authorized to carry out clinical studies and laboratory analyzes for third parties, as the counterperformance is recognized as income from studies and research.

***Income from various activities***

The income from various activities includes the amounts obtained for the provision of wastewater collection services for economic agents in the vicinity.

**Employee benefits – IAS 19**

***Current benefits granted to employees***

The short-term benefits granted to employees include allowances, wages and social security contributions. These benefits are recognized as expenses with the provision of services by employees.

***Benefits after concluding the employment contract***

Both the Company and the employees have the legal obligation to contribute to the social insurance established at the National Pension Fund administered by the National Public Pensions House (contribution plan based on the "pay as you go" principle). The company has no other legal or implicit obligation to pay future contributions. Its obligation is only to pay the contributions when they become due. If the Company stops employing people who are contributors to the financing plan of the National Public Pensions House, it will have no obligation to pay the benefits earned by its own employees in previous years. The Company's contributions to the contribution plan are presented in the expenses chapter in the year to which it relates.

**1.1. Accounting policies – fixed tangible assets**

The tangible assets are tangible elements that:

- a) are held in order to be used for the production or provision of goods or services, to be rented to third parties or to be used for administrative purposes;
- b) are expected to be used during several financial years.

**Recognition**

The tangible assets, with the exception of land and buildings, are valued at net cost of accumulated depreciation and/or accumulated depreciation losses, if any.

The cost of an item of tangible assets must be recognized as an asset if and only if:

- a) it is probable that the entity will generate future economic benefits related to the asset;
- b) the cost of the asset can be reliably assessed.

**Evaluation after recognition**

After the recognition as an asset, an item of property, plant and equipment is accounted for at cost less the accumulated depreciation and the accumulated impairment losses.

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**2. GENERAL INFORMATION (continued)**

**Post-recognition evaluation (continued)**

After the recognition as an asset, an element of tangible assets whose fair value can be reliably assessed is accounted for at a revalued value and this is its fair value on the revaluation date. The revaluations are performed regularly enough to ensure that the book value does not differ significantly from what would have been determined by using the fair value at the end of the reporting period. The revaluation of tangible assets relates to buildings and land.

The fixed assets for production, supply or administrative purposes, or for purposes not yet determined, are recorded at cost minus any recognized impairment loss. The cost includes the professional fees and, for eligible assets, the costs of indebtedness capitalized in accordance with the accounting policy.

If an element of tangible assets is revalued, then the entire class of tangible assets to which that element belongs is revalued.

If the accounting value of a tangible fixed asset is increased as a result of the revaluation, then the increase is recognized in other elements of the overall result and accumulated in the equity as surplus from the revaluation. However, the increase must be recognized in profit or loss to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in profit or loss.

If the accounting value of an asset is reduced as a result of a revaluation, this reduction must be recognized in profit or loss. However, the reduction must be recognized in other elements of the comprehensive result to the extent that the revaluation surplus shows a credit balance for that asset. The reduction recognized in other elements of the global result reduces the amount accumulated in the equity capital as revaluation surplus.

The surplus from the revaluation included in the equity related to an element of tangible assets is transferred directly to the retained earnings when the asset is derecognized. The transfers from the revaluation surplus to the retained earnings are not made through profit or loss.

The effects of taxes on profit resulting from the revaluation of tangible assets are recognized and presented in accordance with IAS 12 Profit tax, if that is the case.

The revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ significantly from what would have been determined using the fair value at the end of the reporting period.

***Subsequent costs***

The daily maintenance and repair expenses related to the tangible assets are not capitalized. They are recognized as costs of the period during which they are produced. These costs consist mainly of labor and consumables and they may also include the cost of low-value components. The expenses for the maintenance and repairs of tangible assets are recorded in the profit or loss account when they occur. The significant improvements brought to the tangible assets, which increase their value or life span, or which significantly increase their capacity to generate economic benefits are capitalized (increase accordingly the accounting value of that asset).

**Depreciation of tangible assets**

The depreciable value of an asset is allocated systematically over its useful life. The depreciation of an asset begins when it is available for use, that is, when it is in the location and condition necessary to be able to operate in the manner desired by management.

The company-owned lands are not depreciated.

For the depreciable fixed assets, the company uses, from an accounting viewpoint, the straight-line depreciation method. The amortization periods are determined by an internal specialized committee according to the company's internal procedures. Below there is a brief presentation of the life spans of fixed assets by main categories:

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**Depreciation of tangible assets (continued)**

<b>Category</b>	<b>Lifetime</b>
Buildings and constructions	24-40 years
Equipment and installations	7-24 years
Means of transport	4- 6 years
Computing technology	2- 15 years
Office furniture and equipment	3- 15 years

**Depreciation of tangible assets**

To determine whether an item of property, plant and equipment is impaired, an entity applies IAS 36 Impairment of Assets. At the end of each reporting period, the entity estimates whether there are indications of asset impairment. If such indications are identified, the entity estimates the recoverable value of the asset.

If and only if the recoverable amount of an asset is lower than its book value, the book value of the asset will be reduced to be equal to the recoverable value. Such a reduction represents an impairment loss. An impairment loss is recognized immediately in the profit or loss of the period, except when the asset is reported at the revalued value, in accordance with the provisions of another Standard (for example, in accordance with the revaluation model of IAS 16 Tangible assets). Any impairment loss in the case of a revalued asset is considered to be a decrease generated by the revaluation.

**1.2. Intangible assets – accounting policies**

**Purchased intangible assets**

The intangible assets are recorded according to IAS 38, "Intangible assets" and IAS 36, "Depreciation of assets". The externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic life.

The expenses related to the acquisition of patents, copyrights, licenses, brands and other intangible fixed assets recognized from an accounting viewpoint, with the exception of the costs of establishing, of the commercial fund, of intangible fixed assets with an indefinite useful life, thus classified according to the accounting regulations, it is recovered by means of straight-line depreciation deductions during the contract period or during the period of use.

**Licenses**

The licenses purchased separately are presented at historical cost. The licenses are capitalized based on the costs recorded with the acquisition and the commissioning. They have a fixed lifetime and they are subsequently accounted for at cost minus the accumulated depreciation and the depreciation losses.

**Software**

The licenses acquired separately are valued at historical cost. After the initial recognition, the software is accounted for at cost less any accumulated amortization and any impairment loss, if any.

The computer program maintenance costs are recognized at expense as they are achieved.

**The depreciation of intangible assets**

The computer programs are amortized linearly over a period of 3 years and the licenses are amortized during their validity, which cannot exceed 5 years.



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**2. GENERAL INFORMATION (continued)**

**1.3. Accounting policies for intangible assets**

**The internally generated intangible assets (development costs)**

To determine whether an internally generated intangible asset meets the recognition criteria, an entity divides the process of generating the asset into:

- (a) a research stage and
- (b) a developmental stage.

The research expenses (or during the research stage of an internal project) are recognized as expenses of the exercise to which they relate.

The development expenses related to projects for new products intended for registration on the domestic and international markets, technological transfer projects are recognized as intangible assets. These consist of: the consumption of raw materials and consumables and the labor costs related to the hours worked for each project.

An internally generated intangible asset resulting from development (or from the development stage of an internal project) is recognized if and only if all the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- The intention to complete the intangible asset and to use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to reliably measure the expenses attributable to the intangible asset during its development.

The initially recognized amount for internally generated intangible assets is the amount of expenses incurred from the date on which the intangible asset meets the recognition criteria listed above for the first time. Where no internally generated intangible asset can be recognized, the development expenses are recognized in profit or loss in the period in which they are incurred.

The recognition of costs in the accounting value of an intangible asset ceases when the asset is in the necessary condition to be able to function in the manner intended by the management. Thus, the costs of using or moving an intangible asset are not included in the accounting value of the asset in question.

The subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All the other expenses are recognized in profit or loss when incurred.

The following costs are not included in the accounting value of an intangible asset:

- (a) the costs incurred when an asset capable of operating in the manner intended by the management has not yet been put into use; and
- (b) the initial operating losses, such as those borne as the demand for the production achieved by that asset takes shape.

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**2. GENERAL INFORMATION (continued)**

**Internally generated intangible assets (development costs) (continued)**

After the initial recognition, the internally generated intangible assets are reported at cost less the accumulated amortization and the accumulated impairment losses, on the same basis as the intangible assets that are acquired separately.

The development expenses related to the projects for new products are recognized as intangible assets. These consist of: the consumption of raw materials and consumables, the labor costs related to the hours worked for each project, other fees paid to regulatory authorities in the pharmaceutical field with the amounts required for authorization.

**Depreciation of intangible assets**

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gains or losses resulting from the derecognition of an intangible asset measured as the difference between the net proceeds from disposal and the accounting value of the asset are recognized in the profit or loss account when the asset is derecognised.

**The impairment of non-financial assets (excluding stocks and deferred tax assets) - IAS 36 "Impairment of assets"**

The assets owned by the company, as specified in IAS 36 "*Impairment of assets*", are subject to impairment tests whenever events or changes in circumstances indicate that it is possible that their accounting value cannot be fully recovered. When the book value of an asset exceeds the recoverable amount (that is, the highest amount between the value in use and the fair value minus the costs of sale), the asset is adjusted accordingly.

When it is not possible to estimate the recoverable amount of an individual asset, the impairment test is performed on the smallest group of assets to which it belongs, for which there are separately identifiable cash flows; its cash generating units (CGUs).

The depreciation expenses are included in the profit or loss account, except when they reduce previously recognized gains in other elements of the overall result.

The intangible assets are presented in detail in Note 12.

**1.4. Stock accounting policies**

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

- held for sale during the normal course of business;
- under production for such sale; or
- in the form of raw materials, materials and other consumables to be used in the production process or for the provision of services.

***The evaluation of stocks***

The inventories are valued at the lower of cost and the net achievable value.

The raw materials and consumables are valued at the purchase price, including the transport, the handling costs and the net of commercial discounts, the disposal of raw materials and consumables inventories is done using the weighted average price method. The work in progress and the finished goods are valued at actual cost consisting of direct materials, direct labor and directly attributable production expenses and other costs incurred to bring them to their existing location and condition using the standard cost method. The standard costs take into account normal levels of consumption of raw materials and consumables, the labor, the efficiency and the capacity utilization. They are reviewed regularly and, if necessary, revised according to the current conditions.

***The cost of stocks***

The cost of stocks includes all acquisition costs, conversion costs, as well as other costs incurred to bring the inventories to their current condition and location.

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**2. GENERAL INFORMATION (continued)**

The inventory purchase costs include the purchase price, import taxes and other taxes (except those that the entity can later recover from the tax authorities), transportation costs, handling and other costs that can be directly attributed to the purchase of finished products, materials and services. The trade discounts, rebates and other similar items are deducted to determine the purchase costs.

Adjustments for inventory impairment - Inventory impairment assessment is performed on an individual basis and it is based on the management's best estimate of the present value of cash flows expected to be received. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows. The adjustments regarding inventories are based on the calculation performed at the end of the financial year for the specific value adjustment related to inventories of raw materials, consumables and finished products that no longer correspond from a qualitative viewpoint. The calculation of the general adjustment for the depreciation of finished products and goods is made according to the period of validity of the items in stock.

**1.5. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset for one entity and to a financial liability or equity instrument for another.

***Financial assets***

***Recognition and initial evaluation***

The financial assets are classified, upon the initial recognition, and subsequently evaluated at amortized cost, the fair value through other elements of the overall result.

The classification of financial assets at initial recognition depends on the contractual characteristics of the financial asset's cash flow and the company's business model for their management.

The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows.

All the regular purchases or sales of financial assets are recognized and derecognized based on the date of the transaction. The purchases or sales in the usual way are purchases or sales of financial assets that require the delivery of the assets within the time frame established by regulations or conventions on the market.

With the exception of trade receivables that do not contain a significant financing component, the company initially evaluates a financial asset at fair value.

The receivables arise mainly through the provision of goods and services to customers (for example, trade receivables), but also they incorporate other types of contractual monetary assets (advance payments granted to suppliers of goods and services, commercial effects not yet due).

The adjustments for the impairment of commercial receivables include adjustments for receivables in litigation and adjustments established by applying the simplified analysis model provided by IFRS 9 Financial Instruments. The company applies the simplified approach of IFRS 9 for the measurement of expected credit losses, which aims at a reduction of expected loss (ECL) over the lifetime for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on common credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of the sales for a period of 36 months before December 31, 2023 and January 1, 2023, and on the corresponding historical credit losses recorded during this period. Historical loss rates are adjusted to reflect the current and future information regarding the macroeconomic factors that impact the customers' ability to settle receivables.

The trade receivables are canceled when there is no reasonable expectation of recovery. The indicators showing that there is no reasonable expectation of recovery include, among others, the fact that a debtor does not commit to a repayment plan and that a debtor does not make contractual payments for a period of more than 90 days in arrears. The impairment losses on trade receivables are presented as net impairment losses within the operating profit. The subsequent recoveries of previously canceled amounts are credited to the same item.

Adjustments for the impairment of receivables – For trade receivables, a simplified approach is adopted in which the impairment losses are recognized based on expected lifetime credit losses at each reporting date. If there are credit insurances or guarantees for the outstanding balances, the calculation of expected losses from receivables is based on the probability of non-repayment related to the insurer for the insured part of the outstanding balance and the remaining uncovered amount will have the probability of non-repayment of the counterparty. For commercial receivables, the regulated simplified model is used of IFRS 9.

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**2. GENERAL INFORMATION (continued)**

All the financial liabilities are subsequently valued at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial debt and allocating interest expenses over the relevant period. The effective interest rate is the rate that accurately updates the estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, the transaction costs and other premiums or discounts) over the estimated life of the financial debt, or (if applicable) a shorter period, at the amortized cost of a financial debt.

The company derecognizes the financial liabilities when and only when the company's obligations are honored, canceled or have expired. The difference between the accounting value of the derecognized financial debt and the consideration paid and to be paid is recognized in profit or loss.

**The cash and cash equivalents**

The cash from the individual statement of the financial position includes the cash at the banks and in the cash register. The company's exposure to the credit risk associated with the cash and cash equivalents is limited because it collaborates with solid financial institutions in terms of cash management and banking operations.

In the individual statement of cash flows, the cash and cash equivalents are included. The book value of these assets is approximately equal to its fair value.

**1.6. Taxation**

The income tax expense includes the current tax and the deferred tax.

**The current tax**

The current income tax assets and liabilities are valued at the amount expected to be paid or paid to the tax authorities. The tax rates and fiscal laws used to calculate the amount are those that are adopted or substantially adopted at the reporting date.

The current tax includes the tax to be paid or recovered related to the taxable profit or loss(es) of that particular year and any adjustment of the tax to be paid or recovered related to previous years. The amount of the current tax to be paid and recovered is the best estimate of the amount expected to be paid or recovered that reflects the uncertainty related to the profit tax. It is determined using the tax rates that have been adopted or largely adopted at the reporting date. The current tax credits and debts are offset only if certain criteria are met.

Taxation - The taxation system in Romania is undergoing a stage of consolidation and harmonization with the 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. Considering the diversity of business relationships and the longevity and complexity of the existing contractual agreements, the differences that occur between the actual results and the assumptions made or future changes to these assumptions could require future adjustments to the tax revenues and expenses already recorded. In Romania, the fiscal year remains open for fiscal verification for 5 years. The management of the company considers that the fiscal obligations included in the individual financial statements are adequate.

**The deferred tax**

In calculating the deferred tax, the company will take into account the provisions of IAS 12 "Profit tax".

The deferred tax is recognized as the difference between the accounting value of assets and liabilities in the financial statements and the corresponding tax bases used to calculate the taxable income.

The deferred tax liabilities are generally recognized for all the taxable temporary differences, while the deferred tax assets are recognized for deductible temporary differences.

The current tax and the deferred tax are recognized in profit or loss, except in the case where they refer to elements that are recognized in other elements of the global result or directly in equity, in which case the current tax and the deferred tax are also recognized in other elements of the global result or, respectively, directly in equity.

The recognition of deferred tax assets is limited to those moments when it is possible that the taxable profit of the following period will be available.

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**2. GENERAL INFORMATION (continued)**

The amount of the asset or liability is determined using tax rates that have been largely adopted up to the reporting date and are expected to be applied when the deferred tax liabilities/(assets) are settled/(recovered).

The company offsets the receivables and liabilities regarding the deferred tax if and only if it has a legally enforceable right to offset the assets and liabilities with the current tax and the assets and liabilities with the deferred tax refer to the profit tax levied by the same fiscal authority.

**1.7. Provisions**

The provisions are recognized when the Company has a present obligation (legal or implicit) as a result of a past event; it is probable that an outflow of resources incorporating economic benefits will be necessary to settle the obligation and a reliable estimate of the obligation's value can be made.

The provision is valued at the best estimate of the expenses necessary to settle the obligation at the reporting date, updated at a pre-tax rate that reflects the current market assessments of the value of money over time and the specific risks of the debt.

A provision is recognized if, as a result of a previous event, the Company has a current, legal or implied obligation, which can be reliably estimated and it is likely that an outflow of resources incorporating the economic benefit will be required to settle the obligation. The provisions are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessments of the time value of money and specific debt risks.

According to IAS 37 "Provisions, contingent liabilities and contingent assets", a provision must be recognized if:

- a) The company has a current obligation (legal or implicit) generated by a past event;
- b) It is likely that for the settlement of the obligation an outflow of resources incorporating economic benefits will be necessary;
- c) A credible estimate of the value of the obligation can be made.

If these conditions are not met, a provision should not be recognized.

Judicial proceedings - The Company reviews the unresolved legal cases following the developments in the judicial proceedings and the existing situation at each reporting date, in order to evaluate the provisions and the presentations from its individual financial statements. Among the factors considered in making decisions related to provisions are the nature of the litigation or claims and the potential level of damages in the jurisdiction in which the litigation is adjudicated, the progress of the case (including the progress after the date of the individual financial statements but before those statements are issued), the opinions or the opinions of legal advisers, the experience in similar cases and any decision of the company's management related to how it will respond to the litigation, complaint or assessment.

**1.8. The recognition of expenses**

The recognition of expenses constitutes reductions of the economic benefits recorded during the accounting period in the form of outflows or decreases in the value of assets or increases in liabilities, which materialize in reductions of equity, other than those resulting from their distribution to shareholders.

The accounting estimates of expenses - There are objective situations in which until the closing date of some fiscal periods or until the closing date of a financial exercise the exact values of some expenses committed by the company are not known (example-marketing campaigns-sales of product promotion and stimulation of sales). For this category of expenses, preliminary expenses will be made, which will be actually recorded in the following periods.

**1.9. Dividends**

The dividends are recognized as a deduction from equity in the period in which their distribution is approved and are recognized as a liability to the extent that they are unpaid at the reporting date. The dividends are presented in the notes to the individual financial statements when their distribution is proposed after the reporting date and before the date of issuance of the individual financial statements.

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**2. GENERAL INFORMATION (continued)**

**2.14. Dividends (continued)**

The dividends are distributed from the net annual distributable profit based on the audited individual annual financial statements, after their approval by the Ordinary General Meeting of the Company and after the approval of the dividend proposal by the Ordinary General Meeting. The distributable profit represents the part of the net profit of the financial year that can be distributed in the form of a dividend.

The shareholders receive dividends proportional to the ownership share of the paid-up social capital of the company and no right of priority or preference over the distribution of dividends in favor of any shareholder is applicable.

The proposal regarding the distribution of dividends made by the Management Board will be submitted to the vote of the General Meeting of Shareholders, as a rule, in the same meeting where the audited individual financial statements are approved.

When accounting for dividends, the provisions of IAS 10 "Events subsequent to the balance sheet date" are taken into account.

**2.15 Capital si reserves**

The capital and the reserves (equity) stand for the rights of the shareholders over the assets of an entity, after deducting all debts. The equity includes: capital contributions, reserves, retained earnings and financial year results.

Antibiotice S.A. was established according to Law no. 31/1990 on commercial companies, with subsequent additions and changes.

In the first set of individual financial statements prepared according to IFRS, the company applied IAS 29 "Financial reporting in hyperinflationary economies" for the shareholders' contributions obtained before January 1, 2004, namely they were adjusted with the corresponding inflation index.

**2.16 Earnings per share**

The company presents the basic and diluted result per share for ordinary shares. The result per basic share is determined by dividing the profit or loss attributable to the company's ordinary shareholders by the weighted average number of ordinary shares related to the reporting period.

The result per share is presented in detail in Note 10.

***Segmented reporting***

A segment is a distinct component of the company that provides certain products or services (activity segment) or which provides products and services in a certain geographic environment (geographic segment) and which is subject to risks and benefits different from those of the other segments. From the view point of the activity segments, the company does not identify distinct components from the viewpoint of the associated risks and benefits.

**2.17 Affiliated parties**

A person or a close member of that person's family is considered affiliated with a Company if that particular person:

- (i) has control or joint control over the company;
- (ii) has a significant influence over the company;
- (iii) is a member of the key management personnel.

The key management personnel represent those persons who have the authority and responsibility to plan, direct and control the company's activities directly or indirectly, including any (executive or non-executive) director of the entity.

The transactions with the key personnel include exclusively the wages benefits granted to them as presented in Note 7 - Expenses with employee benefits and the remuneration of the members of the Management Board.

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**2. GENERAL INFORMATION (continued)**

**2.18. Affiliated parties (continued)**

An entity is affiliated with the company if it meets any of the following conditions:

- (i) the entity and the company are members of the same group (meaning that each parent company, subsidiary and subsidiary in the same group is related to the others);
- (ii) the entity is an associated entity or joint venture of the other entity (or an associate or joint venture of a member of the group from which the other entity is a part);
- (iii) both entities are joint ventures of the same third party;
- (iv) the entity is a joint venture of a third entity, and the other is an entity associated to a third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of the reporting entity or of an entity affiliated with the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also affiliated with the reporting entity;
- (vi) the entity is controlled or jointly controlled by an affiliated person;
- (vii) the affiliated person who holds control significantly influences the entity or is a member of the key management staff of the entity (or of the entity's parent company).

The Company does not carry out transactions with entities described in letters (i) – (vii) above.

**2.19. Contingent assets and liabilities**

A contingent liability is:

- a) a potential obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or
- b) a current obligation that arises as a result of past events but is not recognized because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the value of the obligation cannot be measured reliably enough.

Contingent liabilities are not recognized in the financial statements, but are presented in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a potential asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognized in the financial statements, but is presented when an inflow of economic benefits is probable.

**Risk management**

The activities carried out by the Company may give rise to various risks. 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:

- credit risk;
- market risk, which includes the interest rate risk, currency risk and instrument price risk;
- 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 to assess them. Additional quantitative information regarding these risks is presented in these individual financial statements.

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**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Risk management (continued)**

There were 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 the previous periods unless otherwise stated 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 and other debts.

A summary of the financial instruments held by categories is presented below:

<b>Trade receivables, cash and cash equivalents at amortized cost</b>	<b>Financial year ended December 31 ,2024</b>	<b>Financial year ended December 31, 2023</b>
Trade and similar receivables	298,073,567	235,771,990
Cash and cash equivalents	2,681,342	1,807,930
<b>Total</b>	<b>300,754,909</b>	<b>237,579,920</b>

The values by maturity intervals of financial assets are:

<b>Financial liabilities at amortized cost</b>	<b>Financial year ended December 31 ,2024</b>	<b>Financial year ended December 31 ,2023</b>
Trade and similar debts	169,233,444	150,780,362
Bank loans	54,994,289	29,552,092
<b>Total</b>	<b>224,227,733</b>	<b>180,332,454</b>

The values per maturity intervals of financial liabilities are presented under the liquidity risk

**Calculation and analysis of net worth (equity)**

<b>Indicators (LEI)</b>	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Short-term credits and loans	54,994,289	29,552,092
Long-term credits and loans	85,715,093	36,750,203
Cash and cash equivalents	(2,681,342)	(1,807,930)
<b>Net debt</b>	<b>138,028,040</b>	<b>64,494,365</b>
<b>Total equity</b>	<b>894,308,823</b>	<b>846,964,120</b>
<b>Net debt to equity (%)</b>	<b>15.43%</b>	<b>7.61%</b>



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**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Credit risk**

Credit risk is the risk of financial loss to the company that occurs if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to credit risk resulting from its operational activity, mainly from the collection of trade receivables.

As regards cash and cash equivalents, the company analyzed the credit risk and determined that this one was not significant.

**Receivables**

Trade receivables come from commercial relations with distributors in the national pharmaceutical market and from commercial relations with partners in the international market.

The company has a Commercial Policy which clearly presents the commercial conditions of sale and includes conditions imposed for selecting the customers.

Within the company, the credit risk exposure is controlled. A specialized department permanently monitors each debtor in the commercial relations in the domestic market.

For domestic and international receivables, credit risk is constantly assessed, taking into account financial performance, payment history and insurance policies are concluded.

The receivables balance is monitored at the end of each month and any delays from a customer are analyzed.

The credit risk profile of trade receivables is presented according to their maturity, receivables from the domestic and international markets being separately monitored. Historical default rates are analyzed.

Trade receivables are non-interest-bearing and, generally, have payment terms that vary between the advance payment and 180 days.

Trade receivables are considered to be in default when they are overdue for more than 90 days. Trade receivables are written off when management considers that collection is unlikely.

In accordance with IFRS 9, the company's financial assets and liabilities are valued at amortized cost.

The Company did not include fair value information for financial assets and liabilities that are not measured at fair value if the accounting value represents a reasonable approximation of the fair value. The Company used the simplified approach of IFRS 9 to determine the expected credit loss for trade receivables related to third parties that did not contain a significant financing component.

The methodology used by the Company to assess expected losses on trade receivables can be described as follows:

- determining an appropriate surveillance period for tracking historical loss rates. The company selected 3 previous periods for data collection;
- collecting data on trade receivables and grouping them according to maturity in each analyzed period;
- analyzing the evolution of these balances over a 12-month period and determining the unpaid amounts in each group of balances to determine the proportion of balances in each debt category that was ultimately not collected;
- determining the weighted average loss rate (%) depending on maturity for the 3 periods analyzed;
- applying the loss rate thus determined to trade receivables as of December 31, 2024.

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**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Payment risk**

**Market risk** represents the possibility of recording losses or not realizing estimated profits resulting, directly or indirectly, from fluctuations in the market price, interest rate or foreign exchange rate related to the company's assets and liabilities.

The main subcategories of market risk are the following:

**Interest rate risk:** the risk that the fair value of future cash flows or future cash flows related to financial instruments will fluctuate with variations in interest rates.

**Currency risk:** the risk that the fair value of future cash flows or future cash flows related to financial instruments will fluctuate with variations in exchange rates.

The Company is mainly exposed to currency risk when purchasing raw materials, packaging and other materials from external suppliers. The suppliers from which the Company purchases these items necessary to support the production of medicines must hold quality documents, as stipulated in the European rules for the production and registration of medicines in the market.

As of December 31, 2024, the company's net exposure by currency type to foreign exchange risk was as follows:

	<b>The financial year ended on</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets/liabilities in EURO equivalent LEI</b>		
Monetary financial assets	3,908,682	4,965,465
Monetary financial liabilities	(25,050,046)	(22,478,573)
Net financial assets	(21,141,364)	(17,513,108)
<b>RON/EUR variation</b>		
	<b>Gain/ Loss</b>	
RON appreciation against EUR by 5%	(1,057,068)	(875,655)
RON depreciation against EUR by 5%	1,057,068	875,655
<b>Impact on result</b>	-	-
<b>Assets and liabilities in EURO</b>		
Monetary financial assets	785,807	998,164
Monetary financial liabilities	(5,036,096)	(4,518,669)
Net financial assets	(4,250,289)	(3,520,505)
<b>Assets/liabilities in USD equivalent LEI</b>		
Monetary financial assets	23,528,797	13,691,379
Monetary financial liabilities	(26,563,667)	(13,021,662)
Net financial assets	(3,034,870)	669,717
<b>RON/USD variation</b>		
RON appreciation against USD by 5%	(151,743)	33,486
RON depreciation against USD by 5%	151,743	(33,486)
<b>Impact on result</b>	-	-
<b>Assets and liabilities in USD</b>		
Monetary financial assets	4,925,640	3,045,371
Monetary financial liabilities	(5,560,975)	(2,896,406)
<b>Net financial assets</b>	<b>(635,335)</b>	<b>148,965</b>

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**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Market risk (continued)**

The company's net exposure to foreign exchange risk, in lei equivalent, is presented in the following table:

<b>Assets / Liabilities</b>	<b>The financial year ended on</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
LEI	111,613,638	82,609,998
EUR	(21,141,364)	(17,513,109)
USD	(3,034,870)	669,717
Other currencies (CAD, GBP)	(11,176)	(4,969)
<b>Net exposure</b>	<b>87,426,229</b>	<b>65,761,637</b>

**Liquidity risk**

The company's policy is to ensure itself that it will have sufficient cash to meet its obligations as they fall due. To achieve this objective, the company seeks to maintain cash balances to meet payment needs.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares budgets, analyses and estimates of cash flows, which allow the assessment of the level of financing required in the future periods.

The accounting values of the monetary assets and liabilities are presented below:

**2024**

<b>December 31, 2024</b>	<b>Between 3 and 12 months</b>			<b>Total</b>
	<b>Up to 3 months</b>	<b>months</b>	<b>Over 12 months</b>	
Trade and similar receivables	157,686,185	125,238,142	15,149,240	298,,073,567
Cash and cash equivalents	2,681,342	-	-	2,681,342
<b>Total</b>	<b>160,367,527</b>	<b>125,238,142</b>	<b>15,149,240</b>	<b>300,754,909</b>
<b>December 31, 2024</b>	<b>Between 3 and 12 months</b>			<b>Total</b>
	<b>Up to 3 months</b>	<b>months</b>	<b>Over 12 months</b>	
Trade and similar debts	123,800,989	45,432,455	-	169,233,444
Other debts	10,310,387	-	-	10,310,387
Short-term credits	2,673,493	52,320,796	-	54,994,289
Long-term credits	-	-	85,715,093	85,715,093
<b>Total</b>	<b>136,784,869</b>	<b>97,753,251</b>	<b>85,715,093</b>	<b>320,253,213</b>
<b>Net position in 2024</b>	<b>23,582,658</b>	<b>27,484,891</b>	<b>(70,565,853)</b>	<b>(19,498,304)</b>

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**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Liquidity risk (continued)**

**2023**

December 31, 2023	Up to 3 months	Between 3 and 12 months	Over 12 months	Total
Trade and similar receivables	113,909,596	106,711,418	15,150,976	235,771,990
Cash and cash equivalents	1,807,930			1,807,930
<b>Total</b>	<b>115,717,526</b>	<b>106,711,418</b>	<b>15,150,976</b>	<b>237,579,920</b>

December 31, 2023	Up to 3 months	Between 3 and 12 months	Over 12 months	Total
Trade and similar debts	82,696,971	68,083,391	-	150,780,362
Other debts	9,831,550	-	-	9,831,550
Short-term credits	2,673,493	26,878,599	-	29,552,092
Long-term credits	-	-	36,750,203	36,750,203
<b>Total</b>	<b>95,202,014</b>	<b>94,961,990</b>	<b>36,750,203</b>	<b>226,914,207</b>
<b>Net position in 2023</b>	<b>20,515,512</b>	<b>11,749,428</b>	<b>(21,599,227)</b>	<b>10,665,713</b>

The Company's management team closely monitors the situation and acts accordingly. The management team believes that, based on the cash flow outlook and support available from shareholders, the Company experiences a negative solvency position over the next 12 months. The management team is confident that sufficient resources will be available over the next 12 months to cover the payment needs.

**2.20 New IFRS accounting standards and amendments to the existing standards, which are effective in the current year**

In the current year, the Company applied a series of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union which entered into force mandatorily for the reporting period beginning on or after January 1, 2023. Their adoption did not have a significant impact on the information presentations nor on the amounts reported in these individual financial statements.

- The new IFRS 17 standard "Insurance Contracts" including amendments to IFRS 17 issued by the IASB in June 2020 and December 2021
- Amendments to IAS 1 - Presentation of Accounting Policies
- Amendments to IAS 8 Definition of accounting estimates
- Amendments to IAS 12 Deferred tax related to receivables and payables arising from a single transaction
- Amendments to IAS 12 International fiscal reform — Pillar II model rules\*

\* The exception mentioned in the amendments to IAS 12 (that an entity does not recognize and disclose information on deferred tax assets and liabilities related to deferred tax that is subject to OECD Pillar 2) is applicable immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The other disclosure requirements are mandatory for annual periods beginning on or after 1 January 2023.

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**2. GENERAL INFORMATION (continued)**

**2.19. New IFRS accounting standards and amendments to existing standards, which are effective in the current year (continued)**

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

At the date of approval of these separate financial statements, the Company has not applied the following amended IFRS Accounting Standards that were issued by the IASB and adopted by the EU, but have not yet entered into force:

- Amendments to IFRS 16 Leases - Lease liabilities in a sale and leaseback transaction, effective date from January 1, 2024
- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities into Short-Term Liabilities and Long-Term Liabilities and Long-Term Liabilities with Financial Indicators, effective date from January 1, 2024

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

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

- Amendments to IAS 7 and IFRS 7 Financing Arrangements with Suppliers (effective date set by the IASB: January 1, 2024)

Not yet adopted by the EU:

- Amendments to IAS 21 Non-convertibility (effective date set by the IASB: 1 January 2025).
- IFRS 14 Deferral Accounts for Regulated Activities (effective date set at: 1 January 2016). The European Commission decided not to start the approval process of this interim standard and to wait for the final standard.
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures and subsequent amendments (the effective date has been postponed indefinitely by the IASB, but early application is allowed).

The approval process has been postponed indefinitely until the research project on the equivalence method is completed.

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the Company's individual financial statements in the future.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the use of hedge accounting against the risks of a portfolio of financial assets and liabilities according to **IAS 39: "Financial Instruments: Recognition and Measurement"** would not significantly affect the individual financial statements, if applied at the balance sheet date.

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**3. OPERATING INCOME**

Below there is an analysis of the revenues:

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Sales of finished products	619,179,955	572,102,283
Sales of products made on other manufacturing sites	169,286,796	134,284,838
Income from other activities	888,981	1,304,436
Trade discounts granted	(114,344,761)	(106,910,732)
<b>Total</b>	<b>675,010,971</b>	<b>600,780,825</b>

According to geographical distribution, turnover is structured as follows:

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
In the Romanian market	421,785,427	382,398,442
In the external markets	253,225,544	218,382,383
<b>Total</b>	<b>675,010,971</b>	<b>600,780,825</b>

**4. OTHER INCOME**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Income from the revaluation of tangible assets	-	564,611
Revenue from compensation, fines and penalties	39,681	4,178
Revenue from the sale of tangible and intangible assets	163,500	1,500
Other operating income	2,132,069	853,993
<b>Total</b>	<b>2,335,250</b>	<b>1,424,282</b>
Revenue from subsidies	439,209	270,907
<b>Total</b>	<b>2,774,459</b>	<b>1,695,189</b>

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**5. EXPENSES ON RAW MATERIALS, CONSUMABLES AND GOODS**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Raw material expenses	128,162,209	141,828,708
Consumables expenses	17,171,039	15,248,456
Expenses on goods	85,233,701	61,063,703
Consumed packages	16,048	27,590
<b>Total</b>	<b>230,582,997</b>	<b>218,168,457</b>

**6. EMPLOYEE BENEFIT EXPENSES AND MANAGEMENT BOARD'S REMUNERATION**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Wages	148,898,485	133,922,841
Employment insurance contribution	3,615,053	3,030,715
Meal vouchers and other benefits granted to employees	12,871,826	9,406,446
<b>Total employee benefit expenses</b>	<b>165,385,364</b>	<b>146,360,002</b>

The remuneration granted to the Management Board and Executive Management team is presented in the following table:

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Wages	589,596	6,806,579
Civil contracts	1,662,068	901,685
Taxes and social contributions	234,510	216,331
Variable benefits	6,162,261	3,108,018
<b>Total</b>	<b>8,648,435</b>	<b>11,032,613</b>

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**7. OTHER EXPENSES**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Expenses for services performed by third parties	18,320,014	14,141,264
Repair expenses	2,401,474	2,545,491
Expenses with other taxes and duties*	52,144,851	47,588,521
Protocol, advertising and publicity expenses	27,506,748	24,162,131
Insurance premium expenses	3,687,072	2,818,950
Consulting expenses	444,691	106,912
Other general expenses	8,589,938	3,986,392
Rent expenses	649,523	595,149
Travel expenses	1,708,513	1,643,571
Postal and telecommunications expenses	748,741	562,380
Expenses for compensation, fines and penalties	336,946	5,608
Expenses for revaluation of tangible assets	-	1,459,611
<b>Total</b>	<b>116,538,511</b>	<b>99,615,980</b>

Other general expenses amounting to 8,589,938 lei recorded in 2024 included:

- environmental protection expenses worth 1,410,289 lei;
- expenses for supporting international sales, amounting to 814,208 lei;
- professional training expenses, in value of 1,379,270 lei;
- expenses with bank commissions in value of 504,071 lei;
- other operating expenses in value of 4,482,099 lei included the projects from the development activity that were not continued for implementation, worth 3,809,084 lei.

Other general expenses in value of 3,986,392 lei recorded in 2023 included:

- environmental protection expenses worth 1.485,956 lei;
- expenses for supporting international sales, amounting to 1,039,541 lei;
- professional training expenses, in value of 955,676 lei;
- expenses with bank commissions in value of 504,921 lei;
- other operating expenses in value of 299 lei.



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**7. OTHER EXPENSES (continued)**

**Expenses with other taxes and duties**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Building tax expenses	2,088,047	1,523,139
Land tax expenses	681,639	570,498
Expenses with tax on means of transport	42,564	38,606
Expenses with other taxes and duties	9,847,717	8,390,952
Tax expenses for license registration	-	6,672
Customs duty expenses	49	-
Environmental fund expenses	61,017	40,522
Corporate tax and advertising expenses	6,220	5,472
Clawback tax expenses	39,417,598	37,012,660
<b>Total</b>	<b>52,144,851</b>	<b>47,588,521</b>

**8. FINANCIAL RESULT**

Financial income and expenses:

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Interest expenses	(4,541,505)	(4,145,606)
Interest income	1,798	4,374
<b>Interest expenses, net</b>	<b>(4,539,707)</b>	<b>(4,141,232)</b>
Income from exchange rate differences	7,613,145	11,456,207
Expenses from exchange rate differences	(7,349,194)	(12,401,364)
<b>Exchange rate differences, net</b>	<b>263,951</b>	<b>(945,157)</b>
<b>Other financial expenses</b>	<b>-</b>	<b>77,403</b>
<b>Financial result</b>	<b>(4,275,756)</b>	<b>(5,008,986)</b>

Interest expenses refer to bank loans, which are valued at amortized cost.

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**9. CURRENT PROFIT AND DEFERRED TAX EXPENSES**

**Amounts recognized in profit or loss statement**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Current income tax expense	5,279,092	10,606,050
Impact of deferred income tax	(4,369,358)	(170,400)
<b>Total</b>	<b>909,734</b>	<b>10,435,650</b>

**Amounts recognized in other comprehensive income**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Deferred tax related to revaluations of tangible fixed assets	-	(5,754,368)
<b>Total</b>	<b>-</b>	<b>(5,754,368)</b>

**Income tax**

The current income tax for 2024 and 2023 is determined at a statutory rate of 16% based on the accounting profit adjusted with the non-deductible expenses and non-taxable income. The final income tax amount is reduced by tax credits. Deferred income tax as of December 31, 2024 and December 31, 2023 is determined based on the tax rate of 16%, which is expected to be in effect when the temporary differences reverse.

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
<b>Accounting profit:</b>	<b>103,112,562</b>	<b>91,524,246</b>
Tax at the Romanian corporate tax rate of 16%	16,498,010	14,643,879
Effect of non-deductible expenses	7,454,190	3,278,248
Effect of non-taxable income	(10,910,474)	(2,520,784)
Tax on reinvested profit	(12,555,767)	(2,602,260)
Other fiscal effects	423,775	(2,363,432)
<b>Income tax expenses</b>	<b>909,734</b>	<b>10,435,651</b>

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9. CURRENT AND DEFERRED INCOME TAX EXPENSES (continued)

Modification of deferred tax balances

	Financial year ended December 31, 2024	Financial year ended December 31, 2023
Stocks	1,982,127	2,264,204
Employee benefits	1,694,184	2,619,657
<b>Total deferred tax assets</b>	<b>3,676,311</b>	<b>4,883,861</b>
Tangible fixed assets	(62,708,180)	(68,285,091)
<b>Total deferred tax liabilities</b>	<b>(62,708,180)</b>	<b>(68,285,091)</b>
<b>Total deferred tax debts</b>	<b>(59,031,869)</b>	<b>(63,401,227)</b>

10. EARNINGS PER SHARE

	Financial year ended December 31, 2024	Financial year ended December 31, 2023
Net profit (A)	102,202,828	81,088,596
Number of ordinary shares (B)	671,338,040	671,338,040
<b>Basic and diluted earnings per share (A/B)</b>	<b>0.1522</b>	<b>0.1208</b>

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**11. TANGIBLE FIXED ASSETS**

	Land	Buildings	Machinery and equipment, vehicles	Installations and furniture	Tangible fixed assets in progress	Total
<b>COST</b>						
<b>Balance as of January 1, 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:	-	-	-	-	83.025.003	83.025.003
Transfers to/from fixed assets in progress	-	21,432,297	27,448,395	560.988	(49.441.679)	-
Increase / (decrease) from revaluation	1,119,770	23,416,021	-	-	-	24.535.791
Cessions and other discounts	-	(52,921)	(2,573,774)	(165.743)	-	(2.792.438)
<b>Balance as of December 31, 2023</b>	<b>204,794,472</b>	<b>312,770,025</b>	<b>286,240,810</b>	<b>10,234.687</b>	<b>42.671.079</b>	<b>856.713.072</b>
<b>Balance as of January 1, 2024</b>	<b>204,794,472</b>	<b>312,770,025</b>	<b>286,240,810</b>	<b>10,234.687</b>	<b>42.671.079</b>	<b>856.713.072</b>
Increases:	-	-	-	-	98.774.675	98.774.675
Transfers to/from fixed assets in progress	-	65,581,495	52,081,165	3.158.442	(120.873.476)	(120.873.476)
Increase / (decrease) from revaluation	-	-	-	-	-	-
Cessions and other discounts	-	(744,329)	(7,157,185)	(60.561)	-	(7.962.075)
<b>Balance as of December 31, 2024</b>	<b>204,794,472</b>	<b>377,607,191</b>	<b>331,164,790</b>	<b>13.332.568</b>	<b>20.572.278</b>	<b>947.471.299</b>

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**11. TANGIBLE FIXED ASSETS (continued)**

	Land	Buildings	Machinery and equipment, vehicles	Installations and furniture	Tangible fixed assets in progress	Total
<b>ACCUMULATED DEPRECIATION</b>						
<b>Balance as of January 1, 2023</b>	-	-	145,350,343	6,695.462	-	152,045.805
Depreciation recorded during the year	-	10,705,925	14,571,307	409.016	-	25.686.248
Cessions and other discounts	-	(52,921)	(2,628,148)	(165.444)	-	(2.846.513)
Accumulated depreciation of revalued tangible assets	-	(10,534,008)	-	-	-	(10.534.008)
<b>Balance as of December 31, 2023</b>	-	118,996	157,293,502	6,939.034	-	164,351.532
<b>Balance as of January 1, 2024</b>	-	118,996	157,293,502	6,939.034	-	164,351.532
Depreciation recorded during the year	-	22,283,783	18,258,169	526.883	-	41.123.209
Cessions and other discounts	-	(126,941)	(7,157,185)	(60.561)	-	(7.344.687)
<b>Balance as of December 31, 2024</b>	-	22,275,838	168,394,486	7,405.356	-	198,075.680
<b>NET ACCOUNTING VALUE</b>						
<b>Net accounting value as of December 31, 2023</b>	204,794,472	312,651,029	128,949,308	3,295.653	42,671.079	692,361.541
<b>Net accounting value as of December 31, 2024</b>	204,794,472	355,331,353	162,770,304	5,927.212	20,572.278	749,395.619

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**11. TANGIBLE FIXED ASSETS (continued overleaf)**

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

**1. Warehouse for finished pharmaceutical products**

This investment meets the Antibiotice's needs to have a modern and efficient warehouse, capable of managing the planned future production. With a storage capacity adapted to the anticipated growth up to 2030, this warehouse will serve as an essential hub for the storage and distribution of pharmaceutical products. Construction works began in August 2023 and were completed at the end of 2024. The Audit about to be conducted by the National Agency for Medicines and Medical Devices for certifying the warehouse is scheduled for the beginning of 2025.

**2. MW photovoltaic plant**

The photovoltaic panels for this plant were placed on 13 buildings, for which technical expertise showed that the roofs support additional loads. An annual production of approximately 1,840 MWh is estimated, representing approximately 15% of the Antibiotice's annual electricity consumption in 2021. The works on this investment were completed in 2024. Currently, the documentation for obtaining the Technical Connection Approval is under analysis at the electricity distribution operator Delgaz Grid SA. It is estimated that the commissioning of this investment objective will be achieved in May 2025.

**3. Outdoor lighting and video surveillance**

Outdoor lighting on the Antibiotice S.A. site was developed in several stages, always being adapted to changes brought about by the demolition of buildings and trestles or with the installation of video surveillance cameras.

The old lighting network had a series of deficiencies: most of the devices had malfunctions and did not ensure an optimal level of luminous flux. These deficiencies led to physical insecurity, impossibility of monitoring the perimeter areas both with staff and by taking images through video surveillance cameras, and inadequate lighting of the car and pedestrian traffic areas within the premises. Work on this investment objective began in 2023 and was completed in 2024.

**4. Drinking water supply system**

The works to modernize the drinking water supply network began in 2017 and consisted of replacing steel pipes in various stages of wear with polypropylene pipes. So far, about 80% of the total length of the drinking water supply network have been modernized. This investment will end in 2025 with the completion of the last scheduled stage.

**5. Other investments**

Modernization of utility production and distribution installations (steam, condensate, electrical, etc.), development of the product portfolio through own research and licensing, re-technologization of research and quality control laboratories, information technology, investments for the integrated management system (quality, environment, sustainability and occupational safety), for modernizing the existing sites and equipment.

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**12. INTANGIBLE ASSETS**

	<b>Concessions, patents and other similar rights (externally generated)</b>	<b>Other intangible fixed assets (internally generated)</b>	<b>Other intangible fixed assets (externally generated)</b>	<b>Development expenses (internally generated)</b>	<b>Development expenses (externally generated)</b>	<b>Total intangible fixed assets</b>
<b>COST</b>						
<b>Balance as of January 1, 2023</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
Cessions / discounts	-	10,700,896	764,071	(10,471,332)	(993,635)	-
<b>Balance as of December 31, 2023</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 January 1, 2024</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	5,821,065	-	-	10,992,826	572,010	17,385,901
Cessions / discounts	(3,037,722)	-	-	(3,809,084)	-	(6,846,806)
Transfers	-	6,584,120	270,725	(6,755,685)	(99,160)	-
<b>Balance as of December 31, 2024</b>	<b>15,900,505</b>	<b>27,259,408</b>	<b>5,231,927</b>	<b>32,256,359</b>	<b>1,644,704</b>	<b>82,292,903</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>Balance as of January 1, 2023</b>	<b>11,385,762</b>	<b>8,400,531</b>	<b>4,197,131</b>	-	-	<b>23,983,424</b>
Depreciation expense	425,274	1,705,435	112,977	-	-	2,130,709
<b>Balance as of December 31, 2023</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 January 1, 2024</b>	<b>11,811,036</b>	<b>10,105,966</b>	<b>4,310,108</b>	-	-	<b>26,227,110</b>
Depreciation expense	690,172	3,073,544	170,862	-	-	3,934,578
Cessions / discounts	(3,037,722)	-	-	-	-	(3,037,722)
<b>Balance as of December 31, 2024</b>	<b>9,463,486</b>	<b>13,179,510</b>	<b>4,480,970</b>	-	-	<b>27,123,966</b>
<b>NET ACCOUNTING VALUE</b>						
<b>as of December 31, 2023</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 December 31, 2024</b>	<b>6,437,019</b>	<b>14,079,898</b>	<b>750,957</b>	<b>32,256,359</b>	<b>1,644,704</b>	<b>55,168,937</b>

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**13. STOCKS**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Finished products	72,949,599	77,950,369
Raw materials	72,934,378	68,605,059
Goods	24,902,168	21,176,967
Consumables	84,890	223,865
Inventory items	25,265	9,959
Waste products	2,469	3,743
Packages	78,777	74,492
Products in progress	5,170,799	6,321,323
Stocks – gross value	176,148,345	174,365,777
Value adjustments for raw materials and supplies	(1,964,160)	(1,964,160)
Value adjustments for finished products	(1,767,036)	(9,511,394)
Value adjustments for goods	(2,558,374)	(2,675,739)
<b>Total value adjustments</b>	<b>(6,289,570)</b>	<b>(14,151,293)</b>
<b>Total stocks - net value</b>	<b>169,858,775</b>	<b>160,214,484</b>

**14. TRADE AND SIMILAR RECEIVABLES**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
<b>Short-term receivables</b>		
Trade receivables	311.936.942	238.897.257
Customers – invoices to be prepared	(19.937.130)	(7.528.379)
Commercial papers	8.113.470	10.393.167
Advances paid to suppliers of fixed assets	12.931.075	410.546
Advances paid to service providers	600.427	1.451.944
Advances paid to employees	-	126
Other receivables	9.154.337	12.776.201
Additional adjustments for depreciation	(24.725.555)	(20.628.873)
<b>Balance at the end of the period</b>	<b>298.073.567</b>	<b>235.771.990</b>

Changes in impairment adjustments for receivables.

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Balance at the beginning of the period	(20,628,873)	(21,724,353)
Adjustment for impairment recorded in the statement of comprehensive income in relation to trade receivables	(4,096,682)	1,095,480
<b>Balance at the end of the period</b>	<b>(24,725,555)</b>	<b>(20,628,873)</b>



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**15. TRADE AND SIMILAR RECEIVABLES**

Adjustments for impairment of receivables are established/cancelled by applying the simplified approach of IFRS 9, the historical loss rate is:

**31.12.2024**

IFRS 9	0 days	Between 1-30 days	Between 31-60 days	Between 61-90 days	Between 91-180 days	Between 181-365 days	Over 365 days	Total
Receivables	275,513,691	21,209,994	38,136	-	44,537	-	(18,655)	296,787,703
Historical loss rate	1.8%	5%	23%	48%	100%	100%	100%	

**31.12.2023**

IFRS 9	0 days	Between 1-30 days	Between 31-60 days	Between 61-90 days	Between 91-180 days	Between 181-365 days	Over 365 days	Total
Receivables	224,613,037	12,044,450	2,115,191	4,470	-	120,109	-	238,897,257
Historical loss rate	1%	3%	10%	24%	100%	100%	-	

**16. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the financial year, as presented in the individual cash flow statement, can be reconciled with the related items in the balance sheet, as follows:

	Financial year ended December 31, 2024	Financial year ended December 31, 2023
Available at the bank	2,673,916	1,792,024
Effects to be collected	-	-
Cash and cash equivalents	7,426	15,906
<b>Total</b>	<b>2,681,342</b>	<b>1,807,930</b>

The Company has accounts opened with commercial banks in Romania that are part of European banking groups or with state-owned banks. As of December 31, 2024 and December 31, 2023, the Company did not hold restricted cash.

**17. SHARE CAPITAL**

	Balance as of December 31, 2024	Balance as of December 31, 2023
Fully paid-up ordinary shares	67,133,804	67,133,804

The subscribed share capital of the company as of December 31, 2024 was 67,133,804 lei, the nominal value of a share being 0.1000 lei/share. The company has 671,338,040 shares that confer equal rights to the company's shareholders. Antibiotice S.A. did not issue shares that would offer preferential rights to the shareholders. In accordance with the provisions of IAS 29 – hyperinflationary economies, the share capital was restated taking into account the inflation index communicated by the National Statistics Commission. This was applied starting with the balance determined according to GD 500/1994, from the reporting date until 31.12.2003, the date on which it was considered that the national economy ceased to be hyperinflationary. Subsequently, the share capital increased according to the historical amounts registered in the Trade Register.

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**17. SHARE CAPITAL (continued)**

**Reserves**

The reserves include the following components:

<b>Description</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Fixed assets revaluation reserves	254,696,593	268,354,743
Legal reserves	13,426,761	13,426,761
Deferred income tax recognized in equity	(40,751,480)	(42,936,784)
Other reserves	398,732,239	311,450,837
<b>TOTAL</b>	<b>626,104,113</b>	<b>550,295,557</b>

**Shareholder structure**

	<b>Balance as of December 31, 2024</b>		<b>Balance as of December 31, 2023</b>	
	<b>Number of shares</b>	<b>% ownership</b>	<b>Number of shares</b>	<b>% ownership</b>
MINISTRY OF HEALTH	355,925,135	53,0173	355,925,135	53.0173
INFINITY CAPITAL INVESTMENTS S.A.*	87,475,826	13,0301	197,475,826	29.4153
Other natural and legal persons	227,937,079	33,9527	117,937,079	17.5675
<b>Total</b>	<b>671,338,040</b>	<b>100,0000</b>	<b>671,338,040</b>	<b>100.0000</b>

\* On 31.12.2022 the Company was called SIF OLTENIA.

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**17. SHARE CAPITAL (continued)**

**Revaluation reserve**

The reconciliation between the opening and closing balance of the revaluation reserve was as follows:

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
<b>Balance at the beginning of the period for the revaluation reserve</b>	<b>268,354,743</b>	<b>235,426,926</b>
<b>Balance at the beginning of the period for deferred tax related to the revaluation reserve</b>	<b>(42,936,784)</b>	<b>(37,668,306)</b>
Transfer of the revaluation reserve to retained earnings following depreciation and disposals of tangible assets, net of tax	(13,658,151)	(2,065,204)
Revaluation of tangible fixed assets	-	34,993,022
Decrease in deferred tax related to revaluation reserve	2,185,304	485,889
Deferred income tax	-	(5,754,368)
<b>Balance at the end of the period for the revaluation reserve</b>	<b>254,696,592</b>	<b>268,354,744</b>
<b>Balance at the end of the period for deferred tax related to the revaluation reserve</b>	<b>(40,751,480)</b>	<b>(42,936,785)</b>
<b>Reconciliation of the revaluation reserves</b>	<b>213,945,112</b>	<b>225,417,959</b>

The nature and purpose of each reserve within equity are described below:

<b>Nature of the reserve</b>	<b>Description and purpose of the reserve</b>
Fixed assets revaluation reserves	If the accounting value of a tangible asset is increased as a result of revaluation, then the increase must be recognized in other elements of the comprehensive income and accumulated in equity, as revaluation surplus. The revaluation reserves cannot be distributed and cannot be used to increase the share capital.
Legal reserves	As per the Law 31/1990, every year, at least 5% of the profit is taken to form the reserve fund, until it reaches at least one fifth of the share capital.
Other reserves	Other reserves include reserves representing tax benefits that cannot be distributed, with implications on the recalculation of corporate income tax. The difference represents reserves constituted from profits.

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**17. SHARE CAPITAL (continued)**

The retained earnings include the following components:

Description	December 31, 2024	December 31, 2023
Retained earnings – surplus made from revaluation reserves	42,760,250	29,247,881
Retained earnings from error correction	13,769,750	12,958,610
Retained earnings from the use, at the date of transition to IFRS, of fair value as estimated cost	120,811,620	122,851,143
Profit and loss of the year	102,202,828	81,088,596
Distribution of profit	(78,473,541)	(16,611,671)
<b>Total</b>	<b>201,070,907</b>	<b>229,534,759</b>

**DISTRIBUTION OF PROFIT**

On 31.12.2024, S.C. Antibiotice S.A. recorded a net profit amounting to 95,896,493 lei, proposed for distribution as follows:

Description	December 31, 2024	December 31, 2023
Dividends	13,800,876	30,927,369
Other reserves	86,868,522	19,233,858
Own sources of financing	1,533,431	30,927,369
<b>Total</b>	<b>102,202,828</b>	<b>81,088,596</b>

Profit distribution according to OGMS of 16.04.2024, according to Decision No. 3 regarding the approval of the financial statements is the following:

-dividends – 30,927,369 lei

-other reserves – 19,233,858 lei

- own sources of financing – 30,927,369 lei, and

Distribution of the profit as per the OGMS of 01.07.2024, according to Decision No. 2 is the following:

-dividends – 55,669,264 lei

-other reserves – 19,233,858 lei

- own sources of financing – 6,185,474 lei.

**18. TRADE AND SIMILAR DEBTS**

Liabilities mainly include trade payables and other short-term financial liabilities (liabilities in relation to personnel, liabilities regarding taxes and duties, liabilities regarding short-term bank loans, liabilities in relation to various creditors) which are initially recognized at fair value and subsequently recorded at amortized cost using the effective interest method.

	Balance as of December 31, 2024	Balance as of December 31, 2023
Trade debts	83,501,751	73,656,235
Bills payable	2,582,237	2,883,929
Debts from the acquisition of fixed assets	44,300,365	40,406,065
Other current debts*	35,537,614	33,405,736
Advances received based on orders	3,311,477	428,397
<b>Total</b>	<b>169,233,444</b>	<b>150,780,362</b>

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**18. TRADE AND SIMILAR DEBTS (continued)**

\*Other current debts

	<b>Balance as of December 31, 2024</b>	<b>Balance as of December 31, 2023</b>
Salary debts to employees and social security debts **	23,585,855	29,726,847
Unclaimed employee rights	35,708	34,184
Other creditors	2,911,858	1,129,950
Interest payable	74,601	96,359
Other taxes to pay	424,287	38,978
Dividends to be paid	8,505,305	2,379,418
<b>Total</b>	<b>35,537,614</b>	<b>33,405,736</b>

\*\*These debts include:

- 5,770,482 lei - remuneration due to employees representing the final payment of December 2024 paid in January 2025;
- 38,948 lei - the amounts withheld from personnel rights according to legal regulations, related to December 2024, which will be paid to third parties;
- 222,602 lei - the amounts owed to employees representing bonuses as well as debts to employees represented by the guarantees retained from the employees according to the legal requirements;
- 3,283,701 lei - the amounts withheld according to the legal requirements from the gross income of employees, representing the social security contribution;
- 1,370,450 lei - the amounts withheld according to legal requirements from the gross income of employees, representing the contribution to social health insurance;
- 290,327 lei - represents the labor insurance contribution owed by the company for the personnel rights related to December 2024;
- 923,614 lei - the income tax withheld according to the legal requirements from the gross income of employees for December 2024;
- 1,814,209 lei - the amounts representing debts regarding the employee profit participation;
- 8,620,481 lei - unused vacation leave;
- 943,128 - litigations;
- 153,957 lei - material aid due to employees.

**Value-added tax**

The VAT fiscal period is the calendar month, the value added tax is shown based on the VAT return. The VAT amount payable is paid to the tax authorities by the 25<sup>th</sup> of the following month, regardless of the level of recovery of receivables from customers. The tax authorities allow VAT to be settled on a net basis. If the deductible VAT is higher than the VAT collected, the difference is refundable upon request by the company. VAT related to sales and purchases that have not been settled at the end of the reporting period is recognized in the financial position statement at net value and presented separately as a current asset or liability. In cases where adjustments have been recorded for the depreciation of receivables, the depreciation loss is recorded for the VAT-inclusive value of the debit. The related VAT must be paid to the state budget and can only be recovered in the event of the debtor's prescription, as a result of the bankruptcy decision.

**Claw-back tax**

Claw-back tax regulated by Emergency Ordinance No. 77/2011 on the establishment of contributions for financing certain expenses in the health sector is paid quarterly to the State Budget for **prescription medicines**, included in national health programs, with or without personal contribution, used in outpatient treatment based on medical prescription through open-circuit pharmacies, for those used in hospital treatment, borne from the National Single Health Insurance Fund and from the budget of the Ministry of Health.

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**18. TRADE AND SIMILAR DEBTS (continued)**

**Other debts**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
Clawback tax	10,152,471	9,691,498
Other special funds	157,916	140,052
<b>Total</b>	<b>10,310,387</b>	<b>9,831,550</b>

**19. BANK LOANS**

Bank loans as of December 31, 2024 and December 31, 2023 were as follows:

<b>Financing bank</b>	<b>Financing type</b>	<b>Granting date</b>	<b>Balance as of December 31, 2023</b>	<b>Balance as of December 31, 2024</b>	<b>Short-term as of December 31 2024</b>	<b>Long-term as of December 31 2024</b>	<b>Repayme nt term</b>
Banca Transilvania	line of credit - working capital	<b>21.03.2024</b>	-	33,751,804	33,751,804	-	<b>12 MONTHS</b>
Unicredit Bank	line of credit - working capital	<b>Initial granted in 2016, renewed in 2024</b>	29,552,092(*)	10,548,511(*)	10,548,511	-	<b>12 MONTHS</b>
Unicredit Bank	investment credit	<b>03.05.2018</b>	36,750,203(**)	36,719,867(**)	10,693,974	26,025,893	<b>120 MONTHS</b>
European Investment Bank	investment credit	<b>26.06.2024</b>	-	59,689,200	-	59,689,200	<b>96 MONTHS</b>
<b>TOTAL</b>			<b>66,302,295</b>	<b>140,709,382</b>	<b>54,994,289</b>	<b>85,715,093</b>	

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(\*) credit line for financing the working capital and the part of the investment credit with short-term maturity

(\*\*) investment credit with long-term maturity

(\*\*\*) investment credit with short-term maturity

**20. INVESTMENT SUBSIDIES**

	<b>Financial year ended December 31, 2024</b>	<b>Financial year ended December 31, 2023</b>
As of January 1	1,892,704	2,163,611
Subsidy Inflows	4,209,120	-
Transferred to the comprehensive income statement	(439,209)	(270,907)
<b>As of December 31, 2024 / December 31, 2023</b>	<b>5,662,615</b>	<b>1,892,704</b>
Current	516,884	306,289
Fixed	5,145,731	1,586,415

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In 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 financing the project « 2.5 MW photovoltaic plant ».

**21. CONTINGENT LIABILITIES**

As of December 31, 2024 / December 31, 2023, Antibiotice S.A. has no contingent liabilities.

**22. PRESENTATION OF AFFILIATED PARTIES**

**22.1. Amounts due and receivable from affiliated parties**

At the end of the financial years 2024 and 2023, the company had no receivables or liabilities towards the associated entity.

**22.2. Information regarding transactions with affiliated parties**

During the financial years 2024 and 2023, the Company did not carry out commercial transactions with the associated entity.

**23. EVENTS AFTER THE REPORTING PERIOD**

There are no significant subsequent events that are not presented in these separate financial statements.

**24. INFORMATION REGARDING THE AUDIT OF INDIVIDUAL FINANCIAL STATEMENTS**

For auditing the individual financial statements as of 31.12.2024, a fee of 275,048 LEI was charged.

Authorized by the Management Board on: 12.03.2025.

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**General Director,**  
**Ioan NANI, Economist**

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**Financial Director,**  
**Paula Luminita COMAN, Economist**