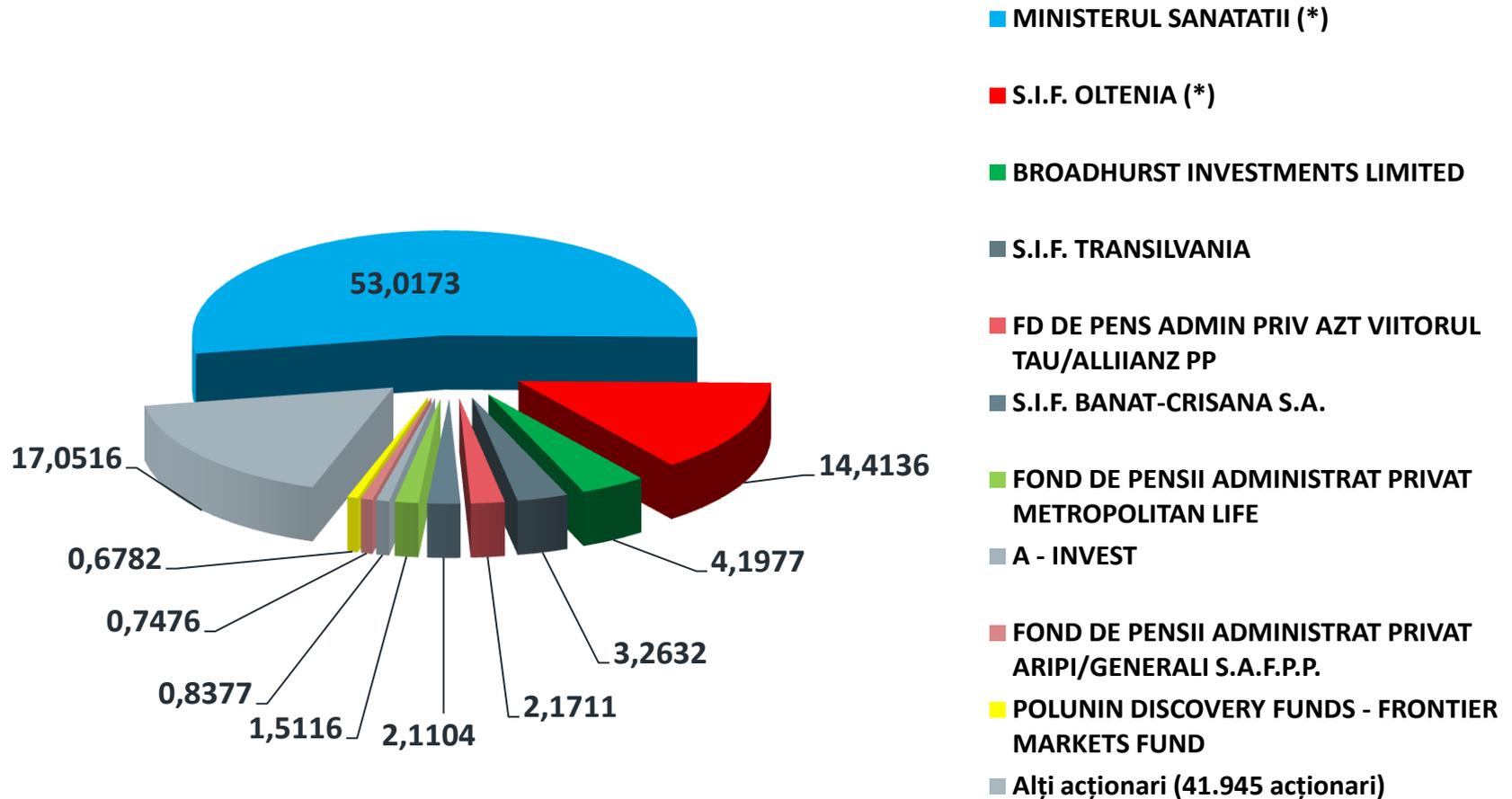


Antibiotice
Știință și suflet



Actionariat Semestrul I 2018



Antibiotice's results in H1 2018

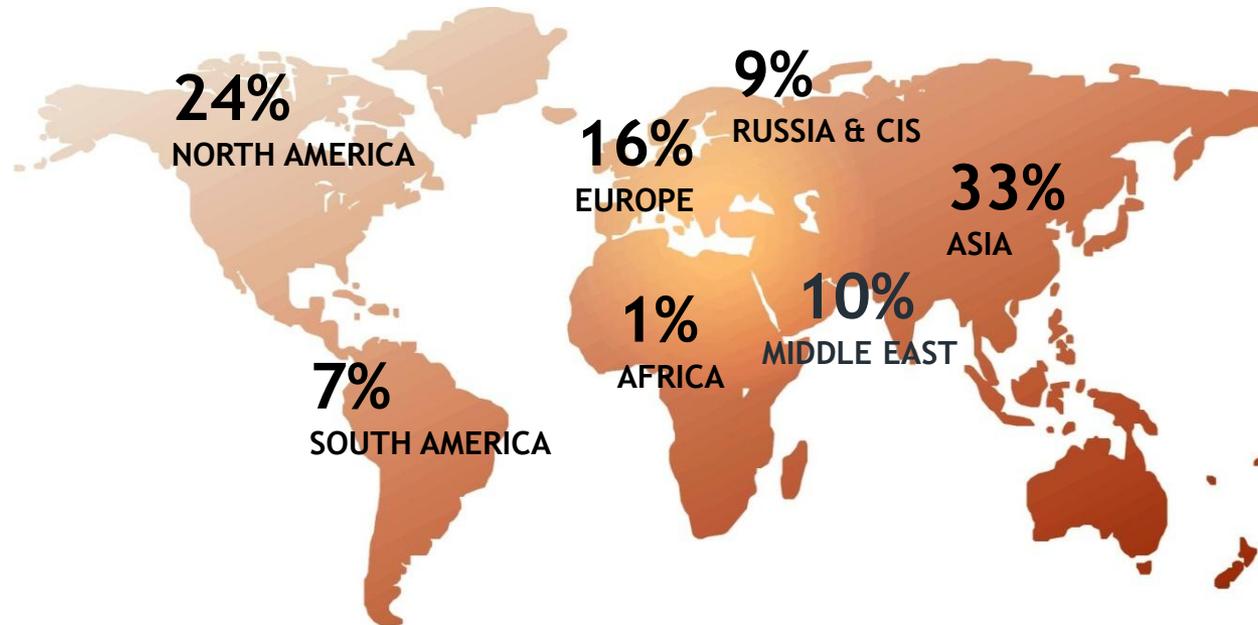
- **Market leader**, both in the generics and OTC segments traded in hospitals with a 18.8 % market share;
- **Market leader** in the ointments segment, with a 26.7%, market share;
- **Market leader** in the suppositories segment, with a 41.8%, market share;
- **Market leader** in the injectable powder segment, with a 72.4%, market share;
- **Ranked fourth** in the generics segment, with a 5.13%, market share;
- **Ranked sixteenth** in the total pharmaceutical market, **climbing a position** over the same period of the previous year, with a value market share of 2.18%.

The main therapeutic classes, with **significant value increases** compared to the first half of 2017 are:

- cardiovascular system **+6.3 million LEI**,
- Anti-infectives **+3.6 million LEI**,
- Central nervous system: **+1.9 million LEI**,

These increases are generated both by the contribution of new products and by the positive evolution of the company's top products.

Expanding our business internationally



- A **9.8% increase** in exports compared to the value recorded in H1 2017;
- A **52% increase** in exports in US market due to Nystatin compared to the same period of 2017;
- A **31% increase** in exports in the South-East Asia market in the first half of 2017;
- The export of Nystatin doubled its value in the South-America market, due to the growth recorded on the Brazilian market;
- A **6.6 % increase** in the European market generated by the export of finished products that was higher by 14% compared to 2017;
- A **9.4% increase** in the Russia & CIS area, due to the Ukrainian market.

Profit eroded by a 18 million LEI claw back tax

Statement of comprehensive income (LEI)	30.06.2017	30.06.2018	2018/ 2017
Sales income	147.200.095	157.700.486	1,07
Other operating income	13.517.588	14.810.614	1,10
Income related to product stock costs	19.038.444	23.440.792	1,23
Income from the work performed by the entity and capitalised	800.167	1.549.525	1,94
Costs of raw materials and consumables	65.349.770	73.332.578	1,12
Staff costs	38.235.362	41.996.215	1,10
Amortization and depreciation expenses	8.574.285	9.800.119	1,14
Other operating expenses	47.749.054	50.067.426	1,05
Operating profit	20.647.822	22.305.078	1,08
Financing costs	-590.220	-1.460.910	2,48
Pre-tax profit	20.057.602	20.844.169	1,04
Profit tax expenses	861.407	741.122	0,86
Profit	19.196.195	20.103.047	1,05

Focus on performance

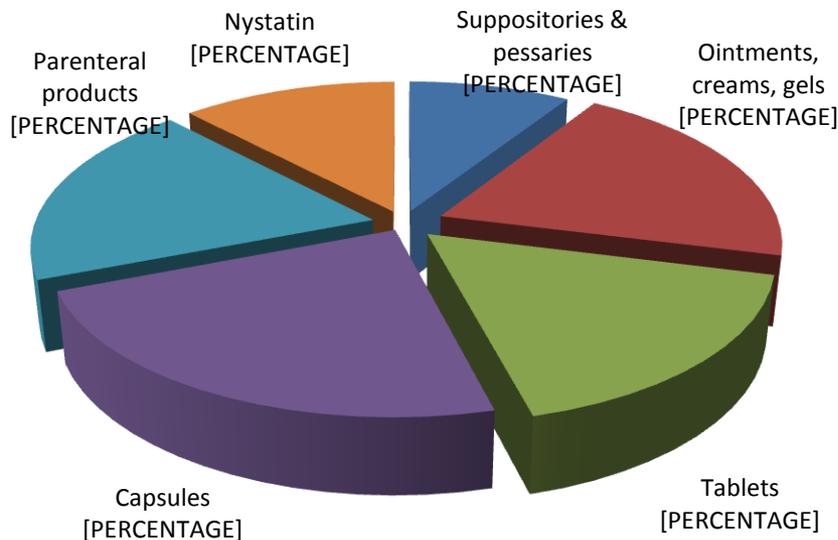
Name of indicator	Calculation method	30.06.2017	30.06.2018
Current liquidity	Current assets/Current liabilities	2,36	2,04
Degree of indebtedness	Loan capital/Equity x 100	17,7%	28,9%
Turnover speed for client debit items	Average customer balance/Sales income x Time	325 days	322 days
Turnover speed of fixed assets	Sales income/Fixed assets	0,67	0,65

The company's diagnostic indicators are a consequence of increasing the liquidity needs due to the increase of the claw tax together with an average 60-day extension for settling up funds from the National Health Insurance House.

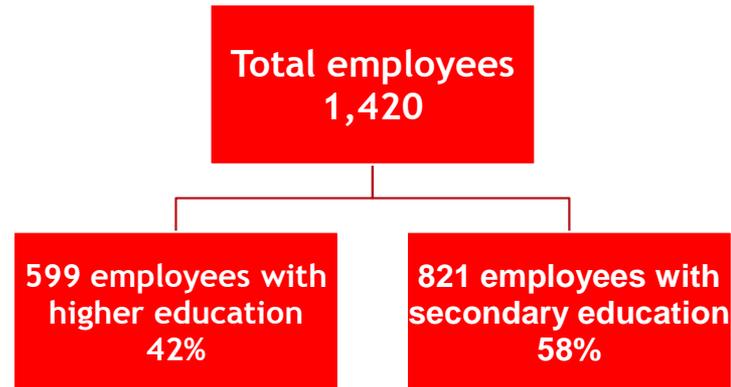
Production breakdown

Antibiotice manufactured in the first half of 2018 :

- 343 million of pharmaceutical units in the form of tablets, capsules, parenteral products, ointments, creams, gels, suppositories and pessaries;
- Bulk active substance (Nystatin) in a quantity comparable to that of the previous year. The value of manufactured goods for export (Nystatin and finished products) represents 26% of the total production value in the first semester of 2018.



Well trained employees - our most important asset,
supported also by the diversity policy



1. Identifying the staffing needs, for all departments, to achieve the objectives;
2. Ensuring the highly specialized staff by forming the necessary skills;
3. Carrying out skills training programs;
4. Increasing the degree of information and awareness of employees and their involvement at all levels of the organizational structure;
5. Strategies and measures to increase employee motivation;
6. Strategies and measures to increase the attractiveness of the Employer Brand.

AVERAGE NUMBER OF EMPLOYEES ON 30.06.2018: 1,420

Quality Management

- 1. Inspections conducted by authorities** - NAMMD inspection for evaluating the GMP Compliance (Good Manufacturing Practice) of the Quality Management System within Antibiotice SA and manufacturing flows of ointments and ophthalmic ointments;
- 2. Audits conducted by customers** - two audits to the Parenteral Product Plant and Ointment & Suppository Plant were conducted by our partners in order to qualify the company as a supplier of finished products.
- 3. Audits conducted by our specialists to the suppliers of raw materials/ primary packaging materials/ finished products** - In accordance with the annual external audit plan 2018, 5 external audits were conducted to the premises of the manufacturers of active substances and primary packaging materials.



Continuity and
Romanian Performance