



Independent Auditor's Report to ANTIBIOTICE shareholders

1. We audited the enclosed financial statements of the trading company **Antibiotice S.A.** (hereby referred to as the Company) comprising the financial position statement as of December 31st 2015, statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year ended at the above-mentioned date and a summary of the significant accounting policies and other explanatory notes.

Executive team's responsibility for the financial statements

2. The Company's executive team is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and for the internal control which the management considers it relevant for elaborating the financial statements without significant misstatements due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in accordance with the International Standards on Auditing. These standards require us to comply with the ethical requirements, to plan and perform the audit in order to obtain reasonable assurance that the financial statements are free from significant misstatements.
4. An audit involves performing procedures to obtain audit evidence on the amounts and information contained in the financial statements. The selection of procedures is based on the professional judgement of the auditor, including the evaluation of risks relative to significant misstatements in the financial statements due to error or fraud. In conducting these risk evaluations the auditor takes into account the internal control relevant for the drawing up and faithful presentation of these financial statements in order to set the relevant auditing procedures in the given circumstances, but not with the aim of expressing an opinion on the effectiveness of the internal control system of the company. Auditing the financial statements equally includes evaluating the appropriateness of the accounting policies used, reasonableness of the management's accounting estimates, as well as the assessment of the overall financial statement presentation.
5. We consider that the audit evidence obtained provide a reasonable basis for our qualified opinion.



Basis for our qualified opinion

6. The financial statements reported on December 31, 2014 include costs amounting to RON 14.3 million, representing services purchased from distributors which might be considered trade discounts.

The mentioned aspect may impair the comparability of the financial statements reported on December 31, 2015 with those reported on on December 31, 2014 without affecting the comprehensive income.

Our qualified opinion

7. In our opinion, except for the possible adjustments resulting from those set out in paragraph [6], the financial statements give a true and fair view, in all significant aspects, of the financial position of Antibiotice on December 31st, 2015, as well as of the financial performance and cash flows for the financial year ended on the above-mentioned date in accordance with the International Financial Reporting Standards adopted by the European Union.

Highlighting some issues

8. According to those mentioned in the Note 25 - "Contingent liabilities", the company was not the object of a tax audit for a period longer than 5 years. Given the frequent changes in tax legislation, in this period, any possible controls could lead to differences between the amounts presented in the financial statements and conclusions of the tax authorities.

Other issues

9. This report of the independent auditor is addressed solely to the company's shareholders. Our audit was conducted in order to be able to report to the shareholders of the company those aspects which are required to report in a financial audit, and not for other purposes. To the fullest extent permitted by law, we do not accept and we do not assume responsibility, except in relation to the company and its shareholders, for our audit, for our report on the financial statements and the report on the compliance or for the formed opinion.

Report on the Management Report

10. The managers are responsible for the preparation and presentation of the Management Report in accordance with the requirements of OPFM no. 1286/2012 *Accounting Regulations in accordance with International Financial Reporting Standards, applicable to the trading companies whose securities are admitted to trading on a regulated market*, Annex 1, Section 3, paragraphs 10-14. The Management Report must not contain any significant misstatements and that internal control that the management considers it necessary to enable the preparation of the management report must not contain significant misstatements due to fraud or error.



The Management Report has 38 pages and is not part of the financial statements.

Our opinion on the individual financial statements does not cover the Management Report.

In connection with our audit of the individual financial statements, we read the Management Report attached to the financial statements and presented on the pages 1 to 38 and we report that:

- a) we did not identify information in the Management Report that is not consistent in all significant aspects, with the information presented in the attached individual financial statements;
- b) the above-mentioned Management Report includes, in all significant aspects, the information required by OPFM no. 1286/2012 *Accounting regulations in accordance with the International Financial Reporting Standards, applicable to the trading companies whose securities are admitted to trading on a regulated market*, Annex 1, Section 3, paragraphs 10-14;
- c) based on our understanding and knowledge acquired during the audit of the individual financial statements for the financial year ended on December 31, 2015 with respect to the company and its environment, we did not identify the significantly flawed information included in the Management Report.

In the name of:

BDO Conti Audit,
Registered at the Chamber of Financial Auditors of Romania
With the no. 18/02.08.2001

Signatory's name

Silviu Manolescu
Registered at the Chamber of Financial Auditors of Romania
With the no. 1481/14.11.2002

March 14, 2016