

2020 INCOME & EXPENDITURE BUDGET

thousand LEI

0	1	INDICATORS	Row no.	Achieved/ Estimated previous year 2019	Proposals for the current year 2020	%	Forecasts for 2021	Forecasts for 2022	%	
									9=7/5	10=8/7
0	1	2	3	4	5	6=5/4	7	8	9	10
I.		TOTAL INCOME (Row 1 = Row 2+Row 5)	1	407.782	434.463	106,5	474.517	541.255	109,2	114,1
	1	Total operating income, of which:	2	401.940	428.418	106,6	468.509	534.245	109,4	114,0
		a) subsidies as per the legal provisions in force	3							
		b) transfers as per the legal provisions in force	4							
	2	Financial income	5	5.842	6.045	103,5	6.008	7.010	99,4	116,7
II		TOTAL EXPENSES (Row 6 = Row 7 + Row 19)	6	372.623	399.271	107,2	435.409	495.255	109,1	113,7
	1	Operating expenses (Row 7= Row 8 + Row 9 + Row 10 + Row 18), of which:	7	360.405	384.645	106,7	420.909	478.755	109,4	113,7
		A. expenditure on goods and services	8	190.594	210.956	110,7	236.009	274.255	111,9	116,2
		B. expenses on taxes, fees and assimilated payments	9	45.250	47.265	104,5	49.000	52.000	103,7	106,1
		C. personnel expenses (Row 10 = Row 11 + Row 14 + Row 16 + Row 17), of which:	10	95.703	101.669	106,2	106.900	118.500	105,1	110,9
		C0 Salary expenses (Row 11 = Row 12 + Row 13)	11	89.586	95.324	106,4	100.483	111.827	105,4	111,3
		C1 salary expenses	12	82.518	87.805	106,4	92.964	104.308	105,9	112,2
		C2 bonuses	13	7.068	7.519	106,4	7.519	7.519	100,0	100,0
		C3 other personnel expenses, of which:	14							
		expenses on compensatory payments for laid-off employees	15							
		C4 Expenses related to the mandate contract and other management and control bodies , commissions and committees	16	4.141	4.168	100,7	4.168	4.168	100,0	100,0
		C5 Expenses on contributions due by the employer	17	1.976	2.177	110,2	2.249	2.505	103,3	111,4
		D. other operating expenses	18	28.858	24.755	85,8	29.000	34.000	117,1	117,2
	2	Financial expenses	19	12.218	14.626	119,7	14.500	16.500	99,1	113,8
III		GROSS RESULT (profit/loss) (Row 20 = Row 1 - Row 6)	20	35.159	35.192	100,1	39.108	46.000	111,1	117,6
IV	1	CURRENT INCOME TAX	21	4.305	3.241	75,3	4.000	4.500	123,4	112,5
	2	DEFERRED INCOME TAX	22	873	900	103,1	900	900	100,0	100,0
	3	REVENUE FROM DEFERRED INCOME TAX	23	608	700	115,1	800	800	114,3	100,0
	4	ACTIVITY-SPECIFIC TAX	24	57	0	0,0	0	0		
	5	OTHER TAXES NOT EXPRESSED IN THE ABOVE ELEMENTS	25							
V		NET PROFIT/ LOSS OF THE REPORTING PERIOD (Row 26 = Row 20 - Row 21 - Row 22 + Row 23 - Row 24 - Row 25), of which:	26	30.532	31.751	104,0	35.008	41.400	110,3	118,3
	1	Legal reserves	27							
	2	Other reserves representing tax facilities provided by law	28	9.817	23.000	234,3	12.200	15.000	53,0	123,0
	3	Cover of the accounting losses from previous years	29							
	4	Establishing own financing sources for projects co-financed by external loans, as well as for establishing the necessary sources for repayment of capital rates, interest payments, commissions and other costs related to these loans	30							
	5	Other distributions provided by law	31							
	6	The accounting profit remained after deducting the amounts from Rows 27, 28, 29, 30, 31 (Row 32 = Row 26 - (Row 27 to Row 31)>= 0)	32	20.715	8.751	42,2	22.808	26.400	260,6	115,7
	7	Employees' participation in the profit within the limit of 10% of the net profit, but not more than the level of a monthly average basic salary achieved at the level of the economic operator in the reference financial year	33	2.900	2.900	100,0	3.500	4.000	120,7	114,3
	8	Minimum 50% payments to the state or local budget in the case of autonomous administrations, or dividends due to shareholders in the case of national companies and wholly and majority state-owned companies, of which:	34	20.715	8.751	42,2	22.808	26.400	260,6	115,7

0	1	INDICATORS	Row no.	Achieved/ Estimated previous year 2019	Proposals for the current year 2020	%	Forecasts for 2021	Forecasts for 2022	%	
									9=7/5	10=8/7
0	1	2	3	4	5	6=5/4	7	8	9	10
	a)	- dividends due to the state budget	35	10.983	4.640	42,2	12.092	13.997	260,6	115,7
	b)	- dividends due to the local budget	36							
	c)	- dividends due to other shareholders	37	9.732	4.111	42,2	10.716	12.403	260,6	115,7
	9	The profit not distributed to the destinations specified at Row 33 – Row 34 is distributed to other reserves and constitutes its own source of financing.	38							
VI		REVENUE FROM EUROPEAN FUNDS	39							
VII		ELIGIBLE EXPENDITURE FROM EUROPEAN FUNDS, of which:	40							
	a)	material expenses	41							
	b)	salary expenses	42							
	c)	expenses related to the provision of services	43							
	d)	advertising and publicity expenses	44							
	e)	other expenses	45							
VIII		INVESTMENT FINANCING SOURCES, of which:	46	62.540	83.611	133,7	65.566	118.624	78,4	180,9
	1	Budgetary allocations	47							
		budgetary allocations related to the payment of commitments from previous years	48							
IX		INVESTMENT EXPENDITURE	49	62.540	83.611	133,7	65.566	118.624	78,4	180,9
X		SUBSTANTIATION DATA								
	1	No. of employees estimated at the end of the year	50	1.415	1.415	100,0	1.415	1.415	100,0	100,0
	2	Total average number of employees	51	1.415	1.415	100,0	1.415	1.415	100,0	100,0
	3	Average monthly earnings per employee (LEI/ employee) determined on the basis of salary expenses	52	5.058	5.395	106,6	5.687	6.300	105,4	110,8
	4	Monthly average earnings per employee (lei / employee) determined on the basis of salary expenses, recalculated according to the annual law of the state budget	53	5.054	5.498	108,8	5.780	6.400	105,1	110,7
	5	Labor productivity in value units by total average personnel (thousands LEI/ employee) (Row 2/Row 51)	54	284	303	106,6	331	378	109,4	114,0
	6	Labor productivity in value units per total average personnel recalculated according to the annual law of the state budget	55							
	7	Labor productivity in physical units by total average personnel (quantity of finished products / employee)	56							
	8	Total expenses at 1000 LEI total revenues (Row 57= (Row 6/Row 1)x1000)	57	914	919	100,6	918	915	99,8	99,7
	9	Outstanding payments	58	0	0		0	0		
	10	Outstanding receivables	59	23.162	22.004	95,0	20.904	19.859	95,0	95,0

*) Row 52 = Row 151 from the Substantiation Annex no. 2

**) Row 53 = Row 152 from the Substantiation Annex no. 2

GENERAL DIRECTOR
EC. IOAN NANI

FINANCIAL DIRECTOR
EC. PAULA COMAN

Economic-financial indicators specified in the Income-Expenditure Budget and broken out by quarters

INDICATORS												thousand LEI	
0	1	2	Row no.	Estimations for the previous year 2019	Proposals for the current year 2020				%	%			
					of which:								
					Approved as per the OGMS decision	Estimated/Achieved	Q I	Q II			Q III	Year	
				4a	5	6a	6b	6c	6	7	8		
I.		TOTAL INCOME (Row 1 = Row 2 + Row 22)	1	376.902	405.305	407.782	84.501	225.125	303.501	434.463	106.5	108.2	
1		Total operating income (Row 2 = Row 3 + Row 8 + Row 9 + Row 12 + Row 13 + Row 14), of which:	2	369.521	397.123	401.940	83.051	222.304	298.917	428.418	106.6	108.8	
	a)	from the production sold (Row 3 = Row 4 + Row 5 + Row 6 + Row 7), of which:	3	280.300	324.635	308.224	51.207	146.584	224.879	347.266	112.7	110.0	
	a1)	sale of the products	4	279.571	324.426	307.288	51.011	146.261	224.368	346.596	112.8	109.9	
	a2)	services provided	5	626	127	776	172	275	436	567	73.1	124.0	
	a3)	royalties and rents	6	103	82	160	24	48	75	103	64.4	155.3	
	a4)	other income	7										
	b)	sale of goods	8	85.005	78.860	82.423	14.317	36.128	56.368	87.938	106.7	97.0	
	c)	operating subventions and transfers related to the net turnover (Row 9 = Row 10 + Row 11), of which:	9	0	0	0	0	0	0	0			
	c1)	subventions, as per the legal provisions in force	10										
	c2)	transfers, as per the legal provisions in force	11										
	d)	production of fixed assets	12	3.489	1.848	4.656	1.035	1.244	2.720	3.370	72.4	133.4	
	e)	income related to the cost of production in progress	13	-1.260	-9.462	4.572	16.201	36.782	13.174	-11.962			
	f)	other operating income (Rows 15 + Row 16 + Row 19 + Row 20 + Row 21), of which:	14	1.987	1.242	2.066	291	1.566	1.776	1.806	87.4	104.0	
	f1)	fines and penalties	15										
	f2)	sale of assets and other equity operations (Row 16 = Row 17 + Row 18), of which:	16	0	0	0	0	0	0	0			
		- tangible assets	17										
		- intangible assets	18										
	f3)	investment subsidies	19										
	f4)	sale of CO2 certificates	20										
	f5)	other income	21	1.987	1.242	2.066	291	1.566	1.776	1.806	87.4	104.0	
2		Financial income (Rows 22 = Row 23 + Row 24 + Row 25 + Row 26 + Row 27), of which:	22	7.381	8.182	5.842	1.450	2.821	4.584	6.045	103.5	79.1	
	a)	financial fixed assets	23										
	b)	financial investments	24										
	c)	exchange rate differences	25	7.374	8.177	5.720	1.448	2.277	4.002	5.461	95.5	77.8	

INDICATORS														
	Row no.		Estimations for the previous year 2019				Proposals for the current year 2020						%	%
			Approved as per the OGMS decision	Estimated/ Achieved	of which:									
					Q I	Q II	Q III	Year						
0	1	2	3a	4a	5	6a	6b	6c	6	7	8	8=5/3a		
	d) interest		5	5	8	2	5	6	8	100.0	180.0			
	e) other financial income		2		114	0	539	576	576	505.3	5 700.0			
II	TOTAL EXPENSES (Row 28 = Row 29 + Row 130)													
1	Operating expenses (Row 29 = Row 30 + Row 78 + Row 85 + Row 113), of which:													
	A. Expenditure on goods and services (Row 30 = Row 31 + Row 39 + Row 45), of which:													
	A1	Expenditure on stocks (Row 31 = Row 32 + Row 33 + Row 36 + Row 37 + Row 38), of which:												
	a) raw material expenses	31	148 160	158 225	157 140	39 901	95 607	120 965	173 637	110.5	106.1			
	b) expenditure on consumables, of which:	32	68 674	83 643	79 699	23 402	57 360	64 073	87 217	109.4	116.1			
	b1) spare part expenses	33	10 441	11 177	10 998	1 985	5 532	8 675	11 938	108.5	105.3			
	b2) fuel costs	34	2 822	2 978	2 561	466	1 216	2 316	3 066	119.7	90.8			
	c) expenditure on materials in the nature of inventory items	35	2 195	2 437	1 973	505	1 105	1 605	2 205	111.8	89.9			
	d) energy and water costs	36	646	695	697	211	405	591	897	126.7	107.9			
	e) expenditure on goods	37	9 316	10 281	11 124	4 718	8 179	10 265	15 014	135.0	119.4			
	A2	Expenditure on services performed by third parties (Row 39 = Row 40 + Row 41 + Row 44), of which:												
	a) maintenance and repair expenses	39	3 281	4 195	3 839	677	1 690	3 143	4 239	110.4	117.0			
	b) rent expenses (Row 41 = Row 42 + Row 43), of which:	40	1 477	2 184	1 607	252	762	1 432	1 755	109.2	108.8			
	b1) - to operators with full / majority state ownership	41	513	525	632	82	176	366	800	126.6	123.2			
	b2) - to private-equity operators	42												
	c) insurance premiums	43	513	525	632	82	176	366	800	126.6	123.2			
	Expenses with other services performed by third parties (Row 45 = Row 46 + Row 47 + Row 49 + Row 56 + Row 61 + Row 62 + Row 66 + Row 67 + Row 68 + Row 77), of which:													
	a) expenses with collaborators	45	46 472	36 336	29 615	6 524	15 983	23 589	33 080	111.7	63.7			
	b) expenses on fees and charges, of which:	46												
	b1) legal advice costs	47	475	468	261	19	114	164	261	100.0	54.9			
	c) protocol, advertising and publicity expenses (Row 50 + Row 52), of which:	48												
	c1) protocol expenses , of which:	49	7 752	9 264	7 741	1 084	3 798	5 086	7 682	99.2	99.9			
	- gift vouchers according to the Law no. 193/2006, as subsequently amended	50	869	635	1 183	145	540	557	718	60.7	136.1			
	c2) advertising and publicity expenses, of which:	51												
	advertising and publicity expenses, according to Law no. 193/2006, as subsequently amended	52	6 883	8 629	6 558	939	3 258	4 429	6 964	106.2	95.3			
	- gift vouchers for marketing campaigns, market research, promotion on existing or new markets, according to the Law no. 193/2006, with the subsequent modifications	53												
		54												

INDICATORS											
	Row no.		3a	Estimations for the previous year 2019		Proposals for the current year 2020				%	%
				Approved as per the OGMS decision	Estimated/Achieved	of which:					
						Q I	Q II	Q III	Year		
0	1	2	4a	5	6a	6b	6c	6	7	8	
		- product promotion expenses	6 883	8 629	6 558	938	3 258	4 429	6 964	106.2	95.3
d)		Sponsorship expenses as per GEO no. 2/2015 (Row 56 = Row 57 + Row 58 + Row 60), of which:									
	d1)	sponsorship expenses in healthcare sector	1 430	1 073	881	69	227	375	648	73.6	61.6
	d2)	sponsorship expenses for education, social services and sport, of which:	114	429	188	9	92	127	259	137.8	164.9
		- for sports clubs	670	429	429	30	70	150	259	60.4	64.0
	d3)	sponsorship expenses for other actions and activities	670	429	0						0.0
e)		expenditure on the transport of goods and persons	846	215	264	30	65	98	130	49.2	40.9
f)		travel, detachment, transfer expenses, of which:	2 377	2 848	2 394	391	1 040	1 672	2 480	103.6	100.7
		- daily allowance expenses (Row 63 = Row 64 + Row 65), of which:	1 077	2 454	1 268	151	629	910	1 381	108.9	117.7
		-internal	106	132	100	22	45	73	132	132.0	94.3
		-external	22	42	25	6	13	22	30	120.0	113.6
			84	90	75	16	32	51	102	136.0	89.3
g)		postal and telecommunication charges	561	595	488	121	237	353	500	102.5	87.0
h)		bank commissions and similar charges	1 199	1 433	1 218	130	551	937	1 407	115.5	101.6
i)		other expenditure on services rendered by third parties, of which:									
	i1)	insurance and security costs	319	642	469	60	360	560	924	197.0	147.0
	i2)	expenditure on the maintenance and operation of the computing technique									
	i3)	expenditure on professional training	319	642	469	60	360	560	924	197.0	147.0
	i4)	expenditure on revaluation of tangible and intangible assets, of which:									
		- related to the goods of public domain									
	i5)	expenditure on services provided by subsidiaries									
	i6)	expenditure on recruiting and placing the managerial staff according to the GEO no. 109/2011									
	i7)	costs on tender and other advertisements									
j)		other expenses	31 282	17 559	14 695	4 498	9 027	13 532	17 797	119.5	47.6
B		Expenses with taxes, fees and similar payments (Row 78 = Row 79 + Row 80 + Row 81 + Row 82 + Row 83 + Row 84), of which:									
a)		expenses for the mineral resource exploitation activity	39 247	39 863	45 250	11 035	23 016	35 080	47 265	104.5	115.3
b)		expenditure on the royalty for public goods and mineral resources concession									
c)		expenses with license fee									
d)		expenses with authorization fee									
e)		environmental tax charges									
f)		expenses with other taxes and duties	39 247	39 863	45 250	11 035	23 016	35 080	47 265	104.5	115.3
C		Staff costs (Row 85 = Row 86 + Row 99 + Row 103 + Row 112), of which:	85 866	96 345	95 703	23 983	50 561	77 051	101 669	106.2	111.5

	INDICATORS	Row no.		Estimations for the previous year 2019		Proposals for the current year 2020					%	%
				Approved as per the OGMS decision	Estimated/ Achieved	of which:						
						Q I	Q II	Q III	Year			
0	1	2	3a	4a	5	6a	6b	6c	6	7	8	
	C0	Salary related expenses (Row 86 = Row 87 + Row 91)	81.844	90.166	89.586	23.178	46.023	71.607	95.324	106.4	109.5	
	C1	Salary costs (Row 87 = Row 88 + Row 89 + Row 90), of which:	74.842	82.932	82.518	21.939	43.490	65.403	87.805	106.4	110.3	
		a) basic wages	57.179	74.639	74.642	19.844	39.337	59.157	79.415	106.4	130.5	
		b) premiums and other bonuses related to the basic salary (according to the Collective Labor Contract)										
		c) other bonuses (as per the Collective Labour Contract)	17.663	8.293	7.876	2.095	4.153	6.246	8.390	106.5	44.6	
	C2	Bonuses (Row 91 = Row 92 + Row 95 + Row 96 + Row 97 + Row 98), of which:	7.002	7.234	7.068	1.239	2.533	6.204	7.519	106.4	100.9	
		a) social expenditures provided by art.25 of the Law no. 227/2015 on the Fiscal Code (*, as subsequently amended and supplemented), of which:	782	872	864	209	504	549	884	102.3	110.5	
		- kindergarten vouchers, as per Law no. 193/2006, as amended;										
		- gift vouchers for social expenses according to the Law no. 193/2006, as amended;										
		b) meal tickets;	3.384	3.526	3.375	1.030	2.029	2.819	3.799	112.6	99.7	
		c) holiday vouchers;										
		d) expenses on the participation of the employees in the profit obtained in the previous year	2.836	2.836	2.829	0	0	2.836	2.836	100.2	99.8	
		e) other expenses as per the Collective Labour Contract										
	C3	Other staff expenses (Row 99 = Row 100 + Row 101 + Row 102), of which:										
		a) expenditure on compensatory payments for staff redundancies										
		b) wage costs due to court rulings										
		c) salary costs related to restructuring, privatization, special administrator, other committees and commissions										
	C4	Expenditure related to the mandate contract and other management and control bodies, commissions and committees (Row 103 = Row 104 + Row 107 + Row 110 + Row 111 + Row 112), of which:	2.224	4.149	4.141	305	3.481	3.823	4.168	100.7	186.2	
		a) for directors/directorship	1.022	2.876	2.843	125	2.223	2.371	2.520	88.6	278.2	
		- fixed component	335	335	335	84	183	290	398	118.8	100.0	
		- variable component	687	2.541	2.508	41	2.040	2.081	2.122	84.6	385.1	
		b) for the Management Board/Supervisory Board, of which:	1.136	1.078	1.081	122	1.141	1.277	1.415	130.9	95.2	
		- fixed component	709	470	473	122	254	390	528	111.6	66.7	
		- variable component	427	608	608	0	887	887	887	145.9	142.4	
		c) for censors										
		d) for other commissions and committees as per the law	66	195	217	58	117	175	233	107.4	328.8	
	C5	Expenses with the contributions due by the employer	1.798	2.030	1.976	500	1.057	1.621	2.177	110.2	109.9	
	D.	Other operating expenses (Row 113 = Row 114 + Row 117 + Row 118 + Row 119 + Row 120 + Row 121), of which:	7.449	21.822	28.658	-5.754	6.133	9.048	24.755	85.8	387.4	

		INDICATORS	Row no.	Estimations for the previous year 2019		Proposals for the current year 2020				%	7=6/5	8=5/3a
				Approved as per the OGMS decision	Estimated/ Achieved	of which:						
						Q I	Q II	Q III	Year			
0	1	2	3a	4a	5	6a	6b	6c	6	7	8	
	a)	expenses with increments and penalties (Row 114 = Row 115 + Row 116), of which:	204	207	78	6	9	75	277	355.1	38.2	
		- to the consolidated general budget	203	207	77	6	9	75	277	359.7	37.9	
		- to other creditors	1		1					0.0	100.0	
	b)	expenditure on fixed assets										
	c)	expenses related to transfers for the payment of staff										
	d)	other expenses	152									
	e)	expenses with the amortization of tangible and intangible assets	20 559	27 528	21 723	5 654	11 183	16 999	23 430	107.9	105.7	
	f)	adjustments and depreciations for loss of value and provisions (Row 121 = Row 122 - Row 125), of which:	-13 466	-5 913	7 057	-11 414	-5 059	-8 026	1 048	14.9	-52.4	
	f1)	adjustments and provisions expenses	22 170	5 101	31 650				35 548	112.3	142.8	
	f1.1)	provisions on employee participation in profit	2 900	2 900	2 900				2 900	100.0	100.0	
	f1.2)	provisions related to the mandate contract	1 114								0.0	
	f2)	income from provisions and adjustments for impairment or loss of value, of which:	35 636	11 014	24 593	11 414	5 059	8 026	34 500	140.3	69.0	
	f2.1)	from the cancellation of provisions (Row 126 = Row 127 + Row 128 + Row 129), of which:	33 950	0	24 593	11 414	5 059	8 026	34 500	140.3	72.4	
		- from the employees' participation in profit	2 900		2 900			2 900	2 900	100.0	100.0	
		- from impairment of tangible assets and current assets	31 050		21 693	11 414	5 059	5 126	31 600	145.7	69.9	
		- income from other provisions										
2		Financial expenses (Row 130 = Row 131 + Row 134 + Row 137), of which:	11 339	13 644	12 218	3 988	7 180	10 390	14 626	119.7	107.8	
	a)	interest charges, of which:										
	a1)	related to investment credits	3 648	4 975	4 687	1 513	3 073	4 678	6 328	135.0	128.5	
	a2)	related to credits for current activity										
	b)	exchange rate expenses, of which:	7 108	7 722	7 268	2 475	4 107	5 713	8 299	114.2	102.3	
	b1)	related to investment credits										
	b2)	related to credits for current activity	7 108	7 722	7 268	2 475	3 934	5 390	7 753	106.7	102.3	
	c)	other financial expenses	583	947	263		173	323	546	207.6	45.1	
III		GROSS RESULT (profit/loss) (Row 138 = Row 1 - Row 28)	35 088	34 875	35 159	4 147	24 955	24 235	35 192	100.1	100.2	
		non-taxable income										
		non-tax deductible expenses										
IV		CURRENT INCOME TAX	743	780	4 305	0	2 300	0	3 241	75.3	579.4	
V		SUBSTANTIATION DATA										
1		Total operating income, of which: (Row 2)	368 521	397 123	401 940	83 051	222 304	298 917	428 418	106.6	108.8	
	a)	- subsidy and transfer revenues	143									

		INDICATORS	Row no.	3a	Estimations for the previous year 2019		Proposals for the current year 2020				%	%
					Approved as per the OGMS decision 4a	Estimated/ Achieved	of which:					
							Q I	Q II	Q III	Year		
0	1	2	3	3a	4a	5	6a	6b	6c	6	7	8
	b)	- other income that is not taken into account in determining the labour productivity and gross result, as per the Annual State Budget Law	144									
2	a)	Total operating expenses , of which: (Row 29)	145	330.475	356.786	360.405	76.366	192.990	268.876	384.645	106.7	109.1
		- other operating expenses which are taken into account in determining the gross result achieved in the previous year as per the Annual State Budget Law	146									
3		Salary expenses (Row 86), of which: **)	147	81.844	90.166	89.586	23.178	46.023	71.607	95.324	106.4	109.5
4		No. of employees estimated at the end of the year	148									
5		Average number of employees	149	1.415	1.415	1.415	1.415	1.415	1.415	1.415	100.0	100.0
6	a)	Average monthly earnings per employee (LEI/employee) determined on the basis of salary expenses (Row 147/Row 149)/12*1000)	150	4.820	5.310	5.276	x	x	x	5.614	106.4	109.5
	b)	Average monthly earnings per employee (LEI/employee) determined on the basis of salary costs, as per the GD 26/2013 [(Row 147 – Row 92* - ^{Row 97})/Row 149]/12*1000	151	4.607	5.092	5.058	x	x	x	5.395	106.6	109.8
	c)	Average monthly earnings per employee (LEI/employee) determined on the basis of salary costs., recalculated as per GD no.26/2013 and Annual State Budget Law	152	4.671	5.088	5.054	x	x	x	5.498	108.8	108.2
7	a)	Labour productivity in units of value per total average personnel (thousand LEI/employee) (Row 2/Row 149)	153	261	281	284	x	x	x	303	106.6	108.8
	b)	Labour productivity in units of value per total average personnel recalculated according to the Annual State Budget Law	154				x	x	x			
	c)	Labour productivity in physical units per total average personnel (quantity of finished/ employee) W=QPF/Rd.149	155				x	x	x			
	c1)	Elements of calculation of labor productivity in physical units, of which:	156				x	x	x			
		- quantity of finished products (QPF)	157				x	x	x			
		- average price (p)	158				x	x	x			
		- value = QPF x p	159				x	x	x			
		- share in total operating income = Row 157/Row 2	160				x	x	x			
8		Outstanding payments	161	0	0	0	0	0	0	0		
9		Outstanding receivables, of which:	162	27.032	25.680	23.162	23.000	22.500	22.300	22.004	95.0	85.7
		- from operators with full/ majority state ownership	163									
		- from private equity operators	164	27.032	25.680	23.162	23.000	22.500	22.300	22.004	95.0	85.7
		- from the state budget	165									
		- from the local budget	166									
		- from other entities	167									
10		Credits to finance current activity (the remained balance to be reimbursed)	168	100.729	125.000	125.876	128.000	129.000	129.000	130.000	103.3	125.0
11		Total redistributions / distributions as per GEO no.29 / 2017 from:										
		- other reserves	169	0	0	0	0	0	0	0	0	0
		- reported result	170	0	0	0	0	0	0	0	0	0
			171	0	0	0	0	0	0	0	0	0

Achievement degree of total income

No.	INDICATORS	2018 estimations		%	estimation for the previous year 2019		%
		Approved	Achieved		Approved	Achieved	
0	1	2	3	4	5	6	7
I.	Total income (row 1 + row 2) , of which:	360.923	376.902	104,4	405.305	407.782	100,6
1	Operating income	357.087	369.521	103,5	397.123	401.940	101,2
2.	Financial income	3.836	7.381	192,4	8.182	5.842	71,4

thousand LEI

GENERAL DIRECTOR
EC. IOAN NANI

FINANCIAL DIRECTOR
EC. PAULA COMAN

Investment program and financing sources

thousand LEI

		INDICATORS	Date of completion of investment	Previous year 2019		Value		
				Approved	Achieved/ Estimated	Current year 2020	2021	2022
0	1	2	3	4	5	6	7	8
I		INVESTMENT FINANCING SOURCES, of which:		92.294	62.540	83.611	65.566	118.624
	1	Own sources, of which:		53.528	31.540	46.430	42.774	45.574
		a) - amortization		27.528	21.723	23.430	30.574	30.574
		b) - profit						
		c) - fiscal facilities (art. 20 and 22 of Law 227/2015)		26.000	9.817	23.000	12.200	15.000
	2	Allowances from the budget						
	3	Bank loans, of which:		38.766	31.000	37.181	22.792	73.050
		a) - internal		38.766	31.000	37.181	22.792	73.050
		b) - external						
	4	Other sources, of which: equity reserves						
II		INVESTMENT EXPENSES, of which:		92.294	62.540	83.611	65.566	118.624
	1	Investments in progress, of which:		59.984	41.683	33.274	9.785	12.588
		a) for the goods which are the private property of the economic operator:						
		Investments in R&D activity	2020	85	86	1.263		
		Investing in new production sites - Achieving a production capacity for Ointments and Suppositories	2020	49.270	34.375	19.544		
		Investments for modernizing the existing manufacturing sites - Modernization and diversification of the assortment range for the active substance Nystatin	2025	233	47	238	7.410	10.213
		Investments for modernizing the existing manufacturing sites - other investments	2020	3.348	3.265	60		
		Investments in product quality control	2020	73	73	1.449		
		Investments in Environmental Protection	2019	52	52	0		
		Rehabilitation of the industrial site - The land released by the old buildings will be used for other future production facilities	2019	1.165	0	0		
		Rehabilitation of the industrial site - Rehabilitation of existing buildings and auxiliary constructions	2020	140	134	161		
		Rehabilitation of the industrial site - Transport and storage infrastructure and logistics	2020	257	255	1.339		
		Rehabilitation of the industrial site - Maintenance infrastructure, production and distribution of utilities - Rehabilitation of exterior sewerage system	2023	1.398	1.004	3.325	2.375	2.375
		Rehabilitation of the industrial site - maintenance infrastructure: production and distribution of utilities - other investments	2020	2.036	2.045	1.248		
		Rehabilitation of the industrial site - IT infrastructure	2019	31	31	0		
		Investments in social responsibility projects - Modernization of the Sports Hall	2020	932	77	2.707		
		Investments in social responsibility projects - Arrangement of "Friendship Park"	2020	652	142	1.940		
		Investments in social responsibility projects - Investments to modernize the interior and exterior of the company	2019	265	50	0		
		Investments in social responsibility projects - other investments	2019	47	47	0		
	2	New investments, of which:		16.837	6.736	24.414	35.411	79.111
		a) for the goods which are the private property of the economic operator:						
		R & D Investments - Licenses for new products and projects in the development phase	2020	2.936	4.031	6.612	3.088	3.088
		R & D Investments - Laboratory equipment	2020	5.122	996	3.652	4.750	4.750
		Investments in new manufacturing sites - Site for sterile injectable solutions	2025	0	0	96	2.375	47.500
		Investments in Product Quality Control - Laboratory equipment	2020	3.628	948	837	950	850
		Investments in Environmental Protection - Investments for meeting the legal requirements and protecting the environment	2020	80	29	507	119	119
		Investments in labour safety and health - Investments to comply with legal requirements and to improve working conditions	2020	140	140	535	142	142
		Rehabilitation of the industrial site - transport and storage infrastructure and logistics - building of a finished product warehouse	2022	0	0	1.425	11.875	15.200
		Rehabilitation of the industrial site - Transport and storage infrastructure and logistics - Extension of raw materials warehouse	2022	0	0	475	4.750	4.275
		Rehabilitation of the industrial site - IT Infrastructure - Computer system modernization (ERP)	2022	3.215	0	7.671	6.650	2.375
		Rehabilitation of the industrial site - IT infrastructure - Maintenance management software	2020	0	0	238	0	0
		Rehabilitation of the industrial site - IT infrastructure - Human Resources Software and personal access infrastructure	2020	466	0	475	0	0
		Rehabilitation of the industrial site - IT infrastructure - Modernization of computer networks and systems	2020	1.250	592	1.892	712	712
	3	Investments made on existing tangible assets (upgrades), of which:		15.463	14.121	21.223	11.020	17.575
		a) for the goods which are the private property of the economic operator:						
		Investments for modernizing the existing manufacturing sites - Modernization of flows and equipment	2020	3.578	3.320	2.907	4.038	10.450

	INDICATORS	Date of completion of investment	Previous year 2019		Value		
			Approved	Achieved/ Estimated	Current year 2020	2021	2022
	Rehabilitation of the industrial site - Rehabilitation of the lands released after the demolitions - Architectural and urban rehabilitation project of the company site	2020	0	0	190	0	0
	Rehabilitation of the industrial site - Rehabilitation of the existing buildings and auxiliary constructions - Modernization of buildings	2020	3.331	3.805	4.883	3.657	3.800
	Extension of the building hosting the Human Resource Unit - expertise + design	2019	140	0			
	Rehabilitation of the industrial site -Transport and storage infrastructure and logistics - Modernization of storage spaces and car park, equipment	2020	6.606	4.572	6.350	2.375	2.375
	Rehabilitation of the industrial site - Maintenance infrastructure, production and distribution of utilities - Works to modernize the installations/equipment within Engineering & Service Department	2020	1.808	2.424	5.905	950	950
	Investments in social responsibility projects - Arrangement of common spaces throughout the company	2020	0	0	1.188	0	0
	4. Equipment (other purchases of property, plant and equipment)						
	5. Reimbursements of installments related to investment loans, of which:				4.700	9.350	9.350
	a) - internal				4.700	9.350	9.350
	b) - external						

GENERAL DIRECTOR
EC. IOAN NANI

FINANCIAL DIRECTOR
EC. PAULA COMAN

Measures to improve the gross profit and reduce the outstanding payments

No.	Measures	Deadline	previous year - 2019				current year - 2020				2021				2022			
			Estimated/ Achieved		Influences (+/-)		Influences (+/-)		Influences (+/-)		Influences (+/-)		Influences (+/-)		Influences (+/-)		Influences (+/-)	
			Gross profit (+/-)	Outstanding payments	Gross profit	Outstanding payments	Gross profit	Outstanding payments	Gross profit	Outstanding payments	Gross profit	Outstanding payments	Gross profit	Outstanding payments	Gross profit	Outstanding payments	Gross profit	Outstanding payments
0	1	2	3	4	5	6	7	8	9	10								
Item I	Measures to improve the gross profit and reduce the outstanding payments																	
1	Measure 1: To increase the volume of production sold	2020	X	X	33	0	3,916	0	6,892	0								
		2021	X	X														
		2022	X	X														
	TOTAL Item I		X	X	33	0	3,916	0	6,892	0								
Item II	Reasons that diminish the effect of the measures provided for in Item I																	
1	Reason 1: Increase of expenses with taxes and fees		X	X														
			X	X														
			X	X														
	TOTAL Item II		X	X														
Item III	GRAND TOTAL Item I + Item II		35.159	0	+33	0	+3,916	0	+6,892	0								

GENERAL DIRECTOR
EC. IOAN NANI

FINANCIAL DIRECTOR
EC. PAULA COMAN

SUBSTANTIATION REPORT of the 2020 INCOME & EXPENDITURE BUDGET

Antibiotice SA Iași is a trading company listed on the Bucharest Stock Exchange, with a share capital of 67,133,804 LEI whose the main shareholders are (at the reference date 31.12.2019):

No.	NAME	TOTAL SHARES	%
1	MINISTRY OF HEALTH (*)	355,925,135	53.0173
2	S.I.F. OLTENIA (*)	126,882,202	18.8999
3	BROADHURST INVESTMENTS LIMITED	28,180,963	4.1977
4	S.I.F. TRANSILVANIA	21,907,119	3.2632
5	S.I.F. BANAT-CRISANA S.A.	14,167,736	2.1104
6	A - INVEST	5,171,000	0.7703
7	PRIVATE ADMINISTRATED PENSION FUND ARIPI/GENERALI S.A.F.P.P.	4,553,068	0.6782
8	PRIVATE ADMINISTRATED PENSION FUND METROPOLITAN LIFE	3,147,713	0.4689
9	FDI BT MAXIM ADM. BT ASSET MANAGEMENT SAI S.A.	2,650,000	0.3947
10	S.C. DEDEMAN S.R.L.	2,287,468	0.3407
	Total	541,466,663	80.6548
	Other shareholders (41,782 shareholders)	129,871,377	19.3452
	Overall total (41,792 shareholders)	671,338,040	100.00

The following considerations have been taken into account in substantiating the 2020 budget:

- the structure of company's activities organized in three divisions: Oral Solid Products, Topical Products and Sterile Products & Active Substances for a greater focus on certain activities and products;
- Preserving the leading position in the hospital segment in terms of value;
- Developing our international sales up to 36%;
- Obtaining marketing autorizations for the products with a significant impact on the future sales growth (2020-2022);
- Sustaining through investments the manufacturing flows, Quality Control laboratories, Center for Clinical Studies in order to maintain the GMP authorizations granted by the Romanian and US certifying authorities (Food and Drug Administration) as well as those obtained in the countries where Antibiotice registered its products for export;

Starting from these considerations, sales plans by therapeutic classes and products were substantiated for the pharmaceutical market in Romania and in the ATB territories.

Based on these sales programs, our company elaborated:

- production program;
- procurement program of raw materials and materials from import and domestic sources;

- utility production program;
- equipment maintenance program;
- the workforce needs and their professional training to achieve the objectives.

The average exchange rate taken into account when substantiating the Income & Expenditure Budget is 4.75 LEI / EUR.

The 2020 Income & Expenditure Budget was approved by the Management Board of Antibiotice SA.

Presentation of financial indicators (from the Annex 2 of IEB 2020)

- Production sold (row 3) represents the value of production made on the 8 GMP authorized manufacturing flows, production to be sold in the domestic market (189,266 thousand LEI) and in the international market (158,000 thousand LEI).

- Revenues from the sales of goods (row 8) represents the income from the sales of Antibiotice products manufactured on other manufacturing sites (the injectable cephalosporins have a significant share) having a value of 87,938 thousand LEI.

- Income from the production of fixed assets (row 12) represents the value of product licenses obtained through own research and development, including bioequivalence studies, in value of 3,370 thousand LEI.

- Other operating revenues (row 14) represents revenue from the sale of waste as a result of the dismantling the fully depreciated and decommissioned equipment in value of 1,806 thousand LEI.

- Financial income (row 22), amounting to 6,045 thousand LEI, represents the income earned by the company mainly from exchange rate differences related to obligations and debts in foreign currency.

- Total expenses (row 28) amount to 399,271 thousand LEI.

- Operating expenses (row 29) amount to 384,645 thousand LEI.

- Expenditures on raw materials (row 32), consumables (row 33) and expenditure on materials of the nature of inventory items (row 36) represent the expenses necessary for the production manufactured on the company's manufacturing flows. A value of 87,217 thousand LEI is provided for raw materials and excipients in 2020.

- Expenditures on electricity, gas and water (row 37) represent the value of the consumption of electricity, methane and water used in the production process, both directly and for other utilities (technological steam, sterile compressed air, purified water for injections) necessary for the manufacture of medicinal products. These expenses amount to 15,014 thousand LEI, being influenced by the rise of utility tariffs.

- Cost of goods (row 38) amounts to 58,571 thousand LEI in 2020. This indicator represents the expenditure with the Antibiotice products manufactured on other manufacturing sites outside the country (Cefort, Cefotaxim, Colistina), the sales being estimated at a value of 87,938 thousand LEI.

- Maintenance and repair costs (row 40) planned for 2020 are in value of 1,755 thousand LEI, expenses necessary to ensure the optimal operation of all the company's equipment and means of transport.

- Expenditure on insurance premiums (row 44) amounting to 1,684 thousand LEI represents the expenses with insurances for mortgage bank loans, pledged stocks for the same loans as well as the expenses for insurance of goods during the international transport and insurance of trucks and cars.

- Protocol expenses (row 50) for the organization of symposiums, conferences, product presentations to doctors and pharmacists (opinion makers). These expenses amount to 718 thousand LEI in 2020, falling within the deductibility limit provided by art. 25 para. 3) of the Law no. 227/2015, respectively 2% of the accounting profit plus the protocol expenses (35,910 thousand LEI x 2% = 718 thousand LEI).

- Advertising and publicity costs in value 6,964 thousand LEI (row 52) represents the expenses necessary to promote both the new and existing products in the portfolio.

- Expenses with sponsorship in value of 648 thousand LEI (row 56) include sponsorships in the healthcare, education, social matters and sport as well as for other actions and activities.

- Expenses with transportation of goods and people (row 61) amounting to 2,480 thousand LEI include the cost of goods sold ex-works in the internal and international markets as well as the cost of some raw materials.

- Expenditure with daily allowance amounting to 132 thousand LEI (row 63) will grow in 2020 compared to 2019, motivated by the necessity to make several business trips in the country, for promoting our products as well as in the international market for auditing the suppliers of raw materials in India and China, according to European Pharmacopoeia regulations (Good Manufactured Practice). Failing to certify these suppliers leads to the withdrawal of the Marketing Authorizations for certain medicines and consequently we will not longer be able to manufacture these medicines, this resulting in a decrease in sales.

- Expenses with banking and assimilated services (row 67) amounting to 1,407 thousand LEI represent the commissions for bank account operations as well as commissions related to the renewal of credit lines.

- Expenditure on professional training (row 72) have been set in 2020 at a value de 924 thousand LEI due to the need to maintain a high level of professional training mandatory for maintaining the integrated quality management certification.

In the context of fulfilling the obligation included in the art. 194 of Law 53/2003, the Labor Code, republished in 2011, the employer ensures and bears the expenses for participation of the employees in professional training programs at least once every 2 years. Due to the specificity imposed by the main object of activity (NACE code 2110: Manufacture of basic pharmaceutical products) most of the training consists of continuous professional training, which can only be ensured by external suppliers approved by the control, authorization and certification bodies in the pharmaceutical field, the cost of these trainings having an upward trend, which leads to the need of budgeting the expenditures higher than those made in the previous year.

- Other expenses (row 77), in value of 17,797 thousand LEI represents the distribution expenses related to the contracts concluded with the distributors of the company (through distribution services and other auxiliary services - it is understood that distributors carry out drug distribution services in hospitals, participate in tenders with our company's products, provide logistics necessary for distribution operations, carry out commercial campaigns to support a product type or a group of products, transmit the Antibiotice offers to pharmacies), services provided for the registration of medicines at NAMMD Romania and in external markets, services regarding the analysis of the internal and external market, services performed for the good functioning of the production process, services representing the medical manifestations at the national level, services for the good performance of import and export activity, services for the smooth running of the Center for Clinical Studies, services for evaluations, authorizations and certifications necessary for the good functioning of the activity during one year, expenses for the

purchase of books, magazines, publications as well as the costs invoiced by utility suppliers for green certificates.

- Expenses with taxes and fees in amount of 47,265 thousand LEI (row 78) represents the expenditures with local taxes and fees, as well as the expenses with the quarterly contribution for the medicines supported by the Unique National Health Insurance Fund (FNUASS) and by the budget of the Ministry of Health. This expenditure leads to a decrease in the company's profitability and also a decrease in the self-financing capacity of the investment program for developing and increasing the production capacity, simultaneously with the sales capacity.

- The wages costs amount to 95,374 thousand LEI (row 86) and represents the salary expenses for the personnel with individual labor contract, which include the salary, rewards and other bonuses determined in accordance with to the Collective Labor Agreement, the bonuses granted according to the legal provisions representing social expenses, meal tickets and participation of the employees to the 2019 profit.

The increase in the salary expenditures in 2020 compared to the level planned in 2019 was substantiated taking into account the reunion of the salary expenses.

In determining the gross average earnings per employee determined on the basis of the wage costs, the amounts representing increases in wage costs related to their reunion were not taken into account for the whole year 2020 (2,022 thousand LEI).

The average number of employees is 1,415, with an average monthly earnings per employee determined on the basis of wage costs at the level of 5,395 lei/employee/month respectively 5,498 LEI/employee/month representing the average monthly earnings per employee based on recalculated salary costs.

- Expenditures on the participation of employees in the profit obtained in the previous year (row 97) in the amount of 2,836 thousand LEI represent the amount registered in the expense account for the participation of employees in profit which is the gross amount (the amount received by the employee and the income tax and individual contributions related to this amount). The "expenses with the contributions due by the employer" (row 112) include the contributions of our company related to the participation of the employees in the profit up to the amount of the 2,900 thousand LEI.

The basis of the fixed and variable remuneration for the Management Board members according to the Decision no. 8 of the Ordinary General Meeting of Shareholders of April 18, 2019.

a) Legal basis

Article 37 paragraph (2) of Government Emergency Ordinance no. 109/2011: "The remuneration of non-executive members of the Management Board or of the Supervisory Board consists of a monthly fixed indemnity and a variable component. The fixed indemnity cannot exceed twice the average for the last 12 months of the average gross monthly earnings per class according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment. The variable component is established upon the basis of financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders. [...] The amount of the variable component of the non-executive members cannot exceed maximum 12 monthly indemnities."

Article 37 paragraph (3) of GEO no. 109/2011: "The remuneration of executive members of the Management Board or of the Supervisory Board consists of a monthly fixed indemnity that cannot exceed 6 times the average for the last 12 months of the average gross monthly earnings for the activity carried out according to the main object activity

registered by the company according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, and from a variable component.

The variable component shall be based upon the financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders, different from those approved for the non-executive administrators, determined in accordance with the methodology provided in art.31 paragraph (5).

Para. (4) The variable component for the members of the Management Board or Supervisory Board shall be reviewed annually, depending on the level of achievement of the objectives included in the management plan and on the degree of fulfillment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders, the annex to the mandate contract.

Article 38 paragraph 1 of GEO no. 109/2011: "The remuneration of the directors is established by the Management Board and may not exceed the level of remuneration established for the executive members of the Management Board. It is the only form of remuneration for the directors who also hold the position of administrators".

Article 38 paragraph 2 of GEO no. 109/2011: "The remuneration consists of a monthly fixed indemnity established within the limits provided by Article 3 paragraph (3) and a variable component consisting of a share in the net profit of the company, the granting of shares, the stock-options or an equivalent scheme, a pension scheme or other form of remuneration based upon performance indicators."

b. Payment of remunerations

The variable indemnity will be granted annually, depending upon the percentage of achieving the objectives, performance criteria and upon the involvement of each Management Board member in the working groups set up in the company.

- Depreciation of tangible and intangible assets (row 120) represents mainly expenditures with the depreciation of the existing fixed assets as well as those included in the investment plan, being estimated at the amount of 23,430 thousand LEI.

- Financial expenses (row 130) mainly include interest expense for the bank credits, to which expenses from exchange rate differences related to commercial transactions are added.

- Gross result (row 138) is 35,192 thousand LEI.

As regards the measures to be taken to achieve the budgeted indicators for 2019, measures for recovering the receivables have been stepped up through a stronger communication with our distributors in order to increase the volume of receipts.

Our company also applies an activity management system on the basis of spending budgets (cost centers) in order to limit the costs to the minimum needed in order to avoid higher spending and thus an additional need to finance the current activity.

At certain times of the year, when the recovery of receivables will be more difficult, the outstanding payments indicator will be zero by using the contracted and unused credit lines.

Substantiation of the investment plan 2020-2022 is presented as follows:

Investment program approved for 2019 amounted to 92,284,030 LEI (19,803,440 EUR, for a currency exchange of 1 EUR = 4.66 LEI).

The value (settled in accounting) achieved in 2019 was 62,539,962 LEI (13,420,593 EUR).

The values estimated for investment in the period 2020-2022 are as follows (exchange rate of 1 EUR = 4.75 LEI):

- 2020: 78,910,990 LEI (16,612,840 EUR)
- 2021: 56,516,250 LEI (11,835,000 EUR)
- 2022: 109,273,750 LEI (23,005,000 EUR)

Out of the total value estimated for 2020, 45,636,575 LEI (9,607,700 EUR) represent new investments while 33,274,415 LEI (7,005,140 EUR) represent investments in progress.

Of the investments in progress, part are investments contracted in 2019 ending in 2020 (laboratory equipment, purchases of various equipment, modernization of existing buildings, park arrangement), worth 9,947,389 LEI (2,094,187 EUR).

For the investment objective "Building a new production capacity for ointments and suppositories" started in 2014 and estimated to be completed in 2020, our company have planned to invest in 2020 a value of 19,543,562 LEI (4,114,434 EUR).

For the investment objective "Modernization and diversification of the assortment range for the active substance Nystatin", started in 2019 and estimated to be completed in 2025, our company have planned to invest in 2020 a value of 375,500 LEI (50,000 EUR).

For the investment objective „Rehabilitation of the external sewerage system“, started in 2019 and estimated to be completed in 2023, our company have planned to invest in 2020 a value of 3,325,000 LEI (700,000 EUR).

The 2020 investment plan is structured as follows:

1. Production divisions: 32,736,691 LEI (6,891,935 EUR) (the annex „Production Divisions“) from which:

- 1.1. Sterile Products & Nystatin Division: 6,169,908 LEI (1,298,928 EUR)
- 1.2. Oral Solid Product Division: 1,424,872 LEI (299,973 EUR)
- 1.3. Topical Product Division: 25,141,912 LEI (5,293,034 EUR) from which:
 - Ointment & Suppository Plant (new site): 19,543,562 LEI (4,114,434 EUR)
 - other investments: 5,598,350 LEI (1,178,600 EUR).

2. Operational activities: 46,174,299 LEI (9,720,905 EUR).

I. Research & Development Investments

I.1. Licenses for new products and projects in the development phase

The new product development program takes into account the following objectives:

- to modernize the company's product portfolio for providing the domestic market with last generation generic medicines, therapeutically effective and safe in administration.

- to produce highly competitive pharmaceutical products for the external market to increase, in the long term, the turnover and competitiveness of the company.

- to reduce the CNAS expenses for the purchase of expensive medicines or avoid the shortages in the distribution of medicines from import.

I.2. Laboratory equipment

II. Investment in new production sites

II.1. Site for sterile injectable solutions

The project aims to evaluate and make an investment in a new manufacturing site within Antibiotice for manufacturing new generation sterile injectable medicines as sterile solutions filled in vials and pre-filled syringes / cartridges. The portfolio of medicines that underpin the investment will ensure treatment for a wide range of conditions, including emergency medication.

This new investment within Antibiotice will allow the company to diversify its product portfolio for the internal and external market, increase its turnover and profit, but also will ensure a long-term sustainability and a better visibility in the external markets.

II.2. Creation of a new production capacity for ointments and suppositories (investment in progress).

The project aims at creating a new production facility for semisolid pharmaceutical products filled in tubes, suppositories and pessaries in order to increase the turnover and the capacity of Antibiotice of registering, manufacturing and trading quality Romanian medicines. The new manufacturing plant will be GMP certifiable in all the regulated pharmaceutical markets (Europe, the US and Canada).

III. Investments in the modernization of existing manufacturing sites

III.1. Modernization of manufacturing flows and equipment

In the period 2020-2022 proposals have been made for purchasing equipment, installations, various equipment for the purpose of retrofitting the manufacturing flows. The manufacturing equipment and installations to be purchased are of the latest generation, with high productivity, low energy consumption, and high degree of safety in operation. The manufacturing equipment is intended for the replacement of equipment with important physical uses, which generates high maintenance costs and low productivity. Also, it is necessary to purchase equipment that will ensure the implementation of environmental protection measures, to reduce energy consumption and for safety at work.

III.2. Modernization and diversification of the assortment range for the active substance Nystatin (investment in progress)

Modernization of the plant in which the active substance Nystatin is produced represents for Antibiotice S.A. a long-term business development guarantee. This investment aims at diversifying the assortment range for the active substance in order to increase the turnover and territorial expansion.

Other investments

IV. Investments in the Product Quality Control

IV.1. Laboratory equipment

V. Investments in Environmental Protection

V1. Investments in order to comply with legal requirements and those for protecting the environment

VI. Investments in Safety and Health at Work

VI.1. Investments in order to comply with legal requirements and improve working conditions

VII. Rehabilitation of the industrial site

VII.A. The land released by the old buildings will be used for other future production facilities

VII.B. Rehabilitation of existing buildings and auxiliary constructions

VII.C. Transport and storage infrastructure and logistics

VII.C.1. Building of a new finished product warehouse

VII.C.2. Extension of the Raw Material Warehouse

VII.C.1. Modernization of the storage areas and fleet, equipment

VII.D. Utilities production and distribution infrastructure

VII.1. Works for the modernization of the installations / equipment within the Engineering & Service Department

VII.2. Creation of a new system for sewerage of technological wastewater and stormwater (investment in progress)

VII.E. IT infrastructure (network and system)

VII.E.1. Modernization of the computer system (ERP)

VII.E.2. Maintenance Management Software

VII.E.3. Human Resource Software and personal access infrastructure

VII.E.4. Modernization of computer networks and systems

VIII. Investments in social responsibility projects

VIII.1. "Friendly Brand" - Arrangement of common spaces throughout the company

VIII.2. Modernization of the Sports Hall within the project - "We live healthy in a healthy company" (investment in progress)

1. VIII.3. „Establishment of Friendship Park" (investment in progress)

The financing sources for the 2020 investments:

- depreciation of fixed assets in the amount of 23,430 thousand LEI;
- tax facilities according to art. 20 and art. 22 of Law no. 227/2015 regarding the Fiscal Code in the amount of 26,000 thousand LEI;
- credit for investments, worth 37,181 thousand LEI for the Ointment & Suppository Plant.

The Income & Expenditure Budget for 2020 was based and subject to the financial management control according to GD no. 1151/2012 for approving the Methodological Norms on the organization and exercise of the financial management control.

GENERAL DIRECTOR
IOAN NANI

FINANCIAL DIRECTOR
PAULA COMAN