



Antibiotice



## MANAGEMENT REPORT

**January-September 2020**

Q3 Report 2020 according to IFRS

Report date: 12.11.2020

Name of the trading company: Antibiotice S.A.

- Registered office: **Iași, 1 Valea Lupului St.**
- Phone: **0232 209 000**; Fax: **0232 209 633**
- Unique Registration Code: **RO1973096**
- Order number in the Trade Register **J22/285/1991**
- The regulated market on which the issued securities are traded: **Bucharest Stock Exchange**
- Subscribed and paid-up capital: **67,133,804 LEI**
- Main characteristics of the securities issued by the company: **registered shares, nominal value: 0.10 lei**

## Economic and Financial Indicators

1. Statement of Comprehensive Income
2. Statement of Financial Position
3. Cash Flow

### 1. Statement of Comprehensive Income

In 2020, in the context of SARS-Cov 2 pandemic, our company has adapted it self and found solutions for achieving its performance indicators. Thus, on 30.09.2020, Antibiotice recorded a total income of 258.08 million LEI, total expenses of 239.43 million LEI, resulting in a **gross profit** of 18.65 million LEI, **at the level of the one rectified** in the Income and Expenditure Budget.

Financial Performance Indicators - 30.09.2020:

Performance indicators	Planned by rectified IEB	Achieved	Achievement degree (%)
Sales Income (thousand LEI)	225,804	203,439	90.1
Gross Profit (thousand LEI)	18,199	18,65	102.46
Arrears (thousand LEI)	0	0	100
Total expenses related to 1,000 LEI total income	931	928	100.32

Indicators in the Statement of Comprehensive Income - 30.09.2020:

Indicators	30.09.2019	30.09.2020		09.20 /09.19	09.2020 Achieved/Planned
		Planned as per Income & Expenditure Budget	Achieved		
<b>Sales income</b>	<b>242,409,623</b>	<b>225,804,000</b>	<b>203,438,537</b>	<b>0.84</b>	<b>0.90</b>
Other operating revenue	31,210,309	27,487,000	29,207,806	0.94	1.06
Variation of stocks of finished products and products in progress	22,948,136	27,143,000	41,292,457	1.80	1.52
Income generated by the entity and capitalized	3,464,736	3,772,000	4,796,009	1.38	1.27
<b>Expenditure on raw materials and consumables</b>	<b>105,565,481</b>	<b>94,167,000</b>	<b>85,409,968</b>	<b>0.81</b>	<b>0.91</b>
<b>Personnel expenses</b>	<b>70,937,450</b>	<b>77,983,000</b>	<b>77,693,150</b>	<b>1.10</b>	<b>0.99</b>
<b>Amortization and depreciation expenses</b>	<b>15,809,493</b>	<b>17,113,000</b>	<b>16,436,707</b>	<b>1.04</b>	<b>0.96</b>
<b>Other operating expenses, of which:</b>	<b>80,136,736</b>	<b>72,008,660</b>	<b>76,332,679</b>	<b>0.95</b>	<b>1.06</b>

energy and water expenses	7,811,120	8,516,783	8,118,047	1.04	0.95
expenses with the transport of goods and personnel	1,586,423	1,880,514	1,942,619	1.22	1.03
expenses with the services performed by third parties	9,913,544	8,443,183	7,799,386	0.78	0.92
expenses with taxes and fees, of which:	32,912,851	27,217,622	26,131,303	0.79	0.96
claw-back tax	29,868,012	23,446,230	21,930,484	0.73	0.94
<b>Operating profit</b>	<b>27,583,645</b>	<b>22,934,340</b>	<b>22,862,305</b>	<b>0.83</b>	<b>0.99</b>
Net financial income	-3,437,240	-4,735,000	-4,215,619	0.82	1.12
<b>Pre-tax profit</b>	<b>24,146,404</b>	<b>18,199,340</b>	<b>18,646,686</b>	<b>0.77</b>	<b>1.02</b>
Income tax expenses	2,585,244	0	604,267	0.23	
<b>Net Profit</b>	<b>21,561,160</b>	<b>18,199,340</b>	<b>18,042,419</b>	<b>0.84</b>	<b>0.99</b>

**Sales income** was 203.44 million LEI, of which **53.6% (109.04 million LEI)** represented revenues from sales in the foreign market.

**Expenditures on raw materials and consumables** were worth 85.41 million LEI, 9.3% lower than the planned value, being correlated with the production structure, which was adapted to meet the needs of the medical system. Our company started again the production of Paracetamol and Novocalmin and introduced surface biocidal products into manufacturing.

The need to protect the health of our employees in the context of the SARS-CoV 2 virus pandemic has led to the adoption of special measures to minimize the risk of viral contamination: our company has been providing sanitary materials, not only to employees working in the production process, but to all employees, this way spending more on consumables.

**Personnel expenses** were at the level of the planned value, as a result of the continuation of the project initiated in 2019 to implement a modern ranking and salary system, in order to align the salary package to the performance level of each employee, in order to ensure the well-trained workforce.

**Depreciation and amortization expenses** increased by 4% due to the constant concern to purchase new technological equipment.

**Other operating expenses** amounted to 76.33 million LEI, by 6% higher compared to the planned value. In the category of other operating expenses, the expenses with energy and water had a significant share. Their value was lower by 4.6%, due to the reduction of the tariff for water and methane gas.

**Expenses for the transport of goods and personnel** were higher by 3% because, in the context of the SARS-CoV 2 virus pandemic, our company introduced additional routes to ensure social distance in the means of transport for our employees to and from the workplace.

Financial expenses, higher than the financial income determined negative **net financial income**, the level being lower than planned.

**Operating profit** achieved on 30.09.2020 was worth 22.86 million LEI.

## 2. Statement of financial position

Indicators	Financial exercise		30.09.2020/ 31.12.2019
	31.12.2019	30.09.2020	
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible fixed assets	363,616,611	383,753,630	1.06
Intangible fixed assets	16,385,709	18,787,142	1.15
<b>TOTAL FIXED ASSETS</b>	<b>380,002,320</b>	<b>402,540,772</b>	<b>1.06</b>
<b>CURRENT ASSETS</b>			
Stocks	73,975,988	142,123,322	1.92
Trade and similar receivables	338,159,774	219,085,487	0.65
Cash and cash equivalents	1,877,409	4,987,978	2.66
<b>TOTAL CURRENT ASSETS</b>	<b>414,013,171</b>	<b>366,196,787</b>	<b>0.88</b>
<b>TOTAL ASSETS</b>	<b>794,015,491</b>	<b>768,737,559</b>	<b>0.97</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Commercial and similar debts	72,337,840	64,515,711	0.89
Amounts owed to credit institutions	125,875,879	101,908,341	0.81
Debts from current taxes	13,267,396	9,157,443	0.69
<b>TOTAL CURRENT LIABILITIES</b>	<b>211,481,115</b>	<b>175,581,495</b>	<b>0.83</b>
<b>LONG -TERM LIABILITIES</b>			
Subventions for investments	3,079,169	2,849,452	0.93
Deferred tax	25,531,938	25,902,151	1.01
Amounts owed to credit institutions credit	57,080,354	71,692,755	1.26
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>85,691,461</b>	<b>100,444,358</b>	<b>1.17</b>
<b>TOTAL LIABILITIES</b>	<b>297,172,576</b>	<b>276,025,853</b>	<b>0.93</b>
<b>Share capital and reserves</b>			
<b>Share capital</b>	<b>264,835,156</b>	<b>264,835,156</b>	<b>1.00</b>
Revaluation reserves	50,804,319	48,846,389	0.96
Legal reserves	13,426,761	13,426,761	1.00
Other reserves	200,655,367	216,684,047	1.08
Retained earnings	-56,432,683	-69,123,097	1.22
Distribution of profit	-7,269,283	0	
Current result	30,823,278	18,042,419	0.59
<b>TOTAL EQUITY</b>	<b>496,842,915</b>	<b>492,711,706</b>	<b>0.99</b>
<b>TOTAL CAPITALS AND LIABILITIES</b>	<b>794,015,491</b>	<b>768,737,559</b>	<b>0.97</b>

### Patrimonial assets

On 30.09.2020, the **fixed assets** recorded a value of 402.54 million LEI, higher by 6% compared to the value recorded on 31.12.2019. In the first 9 months of 2020, new pieces of equipment were put into operation to support the production process and support activities (quality control, production of utilities), which led to a 6% increase in the value of **tangible assets**. **Intangible fixed assets**, represented by product licenses as well as ongoing research

and development projects (which will generate future revenues) are higher by 15% compared to the value recorded on 31.12.2019.

In the structure of **current assets**, whose value of 366.19 million LEI was lower compared to the value recorded at the beginning of the year (414.01 million LEI), the main indicators were as follows:

- **trade receivables were worth** 219.09 million LEI, by 35% lower, as a result of the commercial conditions agreed with the clients, during the period 01.01-30.09.2020 receipts from customers were worth 334.34 million LEI, compared to the similar period of the previous year when they were worth 283.88 million LEI.
- **stocks of raw materials** were in value of 49.16 million LEI, higher by 19.86 million LEI compared to the value recorded on 31.12.2019, being necessary to support the production planned in the last quarter of 2020 and beginning of 2021;
- **stock of finished products recorded a value of 88.75 million LEI** higher by 47.2 million LEI compared to the value recorded on 31.12.2019, an optimal level correlated with the sales plans in the domestic and international market and with the need to ensure the continuity of the sales of medicines necessary for the patients.

### **Patrimonial liabilities**

**Current liabilities** amounted to 175.58 million LEI, being correlated with current assets. The positive difference between the value of current assets and value of current debts reflects a state of equilibrium, the company having the capacity to fill the gap between the term of converting assets into money and average duration in which the debts become due.

The value of **long-term debts**, represented by the bank loan contracted to finance the investments in the new Ointment & Suppository Plant increased by 26% compared to the value from the beginning of the year.

On 30.09.2020 the **total current assets** was higher than the value of current debts and the value of permanent capitals (equity + long-term debts) exceeded the value of fixed assets, this proving that the company meets the principle of aligning the maturity of assets and liabilities.

The company did not register outstanding obligations to the state budget.

### **3. Cash flow**

1. Cash flow from the **operational activity** recorded receipts from sales of goods worth 332.9 million LEI and generated payments to suppliers of goods and services worth 154.58 million LEI, payments related to the personnel worth 74.58 million LEI, payments representing taxes, fees and bank interest in the amount of 30.37 million LEI, payments representing bank interest in the amount of 4.02 million LEI. The net cash flow from the operational activity was worth 69.35 million LEI.

2. The cash flow from the **investment activity** recorded payments amounting to 37.36 million LEI, represented by the amounts paid to the suppliers of fixed assets, paid both in

cash from the operational activity and from the amounts available from the long-term bank loan, contracted for financing the investments in the new Ointment & Suppository Plant.

3. The cash flow from the **financing activity** registered receipts from the long-term bank loan in the amount of 13.37 million LEI and generated dividend payments in the amount of 18.12 million LEI.

The situation of the **main economic-financial indicators** on 30.09.2020 highlights a balanced financial situation, the values being at the optimal level recommended in the specialty literature.

**Current liquidity** expresses the ability to turn current assets into cash. **Turnover speed for client debit items** expresses the number of days in which the company collects receivables, the registered value being according to the commercial conditions agreed with the partners. **Fixed assets turnover** expresses the efficiency of using fixed assets, the registered value being above the reference value. **Rate of financial autonomy** expresses the financial independence of the company.

Indicators	Calculation formula	Reference values	30.09.2019	30.09.2020
Current liquidity	Current assets / Current liabilities	2	2.11	2.09
Level of indebtedness	Borrowed capital / Equity *100	<50%	30.29	35.23
Turnover speed for client debit items	Average customer balance / Sales income * 270	depends on the field of activity	321 days	351 days
Fixed assets turnover	Sales income / Fixed assets	depends on the field of activity	0.68	0.51
Rate of financial autonomy	Equity/Total Debts	>1	1.88	1.78

The economic-financial situation was sustained and generated by the activities of the entire company, having as reference the **2020-2025 Management Plan**, with the following **strategic development directions**:

1. Business internationalization and domestic consolidation;
2. Strategic adaptation of the portfolio;
3. Accelerated sustainable development through efficient investments and efficient asset management;
4. Adapting the human resources to the strategic directions of the company;
5. Integrated quality management.

## 1. Business internationalization and domestic consolidation

### a) Business internationalization

The directions followed in 2020 by our company for developing our business internationally are:

- to consolidate and maintain the world leading position as a manufacturer of the active substance Nystatin;
- to increase its sales in the territories where it opened representative offices;
- to expand its business in new territories, a major long-term growth pillar.

In January-September 2020, the value of international sales amounted to about 109 million LEI, by 12% higher compared to the value recorded in the similar period of 2019.

- **Consolidating and maintaining the world leading position as a manufacturer of the active substance Nystatin**

In the first 9 months of 2020, the export of Nystatin increased by 5% compared to same period of 2019.

Antibiotice intends to increase the production of this active substance by improving the manufacturing process, which creates sound premises for a long-term business consolidation.

- **Increasing the sales in the territories where our company opened representative offices**

Against the background of the global crisis brought about by SARS-CoV 2 virus, the international partners has identified Antibiotice as an important and predictable producer of sterile injectable anti-infectives: simple penicillins and penicillins in combination with inhibitors.

In January - September 2020, the sales of finished products recorded a jump of 20% compared to the similar period of 2019. The trend is reflected by an increase both in the number of units sold and average unit price.

Through the local distributors, Antibiotice honored numerous requests for supporting the health systems with anti-infective drugs associated with the treatment of Covid-19 both in the territories where the company has representative offices - Vietnam, Republic of Moldova and in the developed markets of the European Union (Denmark, Norway, the Netherlands, UK, France, Spain) and the United States of America.

In the third quarter of 2020, our company exported medicinal products in the form of capsules and tablets, doubling the volumes of medicines delivered in Vietnam, Iraq, Azerbaidjan, Spain. The portfolio covers various therapeutic areas, such as anti-infective and cardiovascular medicines, nutritional supplements.

- **Our business expansion in new territories, a major long-term growth pillar**

- The Antibiotice business expands internationally following two main directions:
  - to develop the product portfolio in the current territories;

- to access new markets in the ASEAN region, EU and Middle East, markets with a recognized potential for the anti-infectives, dermatologicals and cardiovasculars, traditional medicinal products in the Antibiotice portfolio.

Within the medium- and long-term projects, during the first 9 months of 2020, the foundations were laid for the expansion of the company's presence in the territories of northern Europe (Denmark, Sweden, Norway and Finland) by submitting registration files for 7 products, in Vietnam (6 products), in Republic of Moldova (5 products). The first products in the Ukrainian market will be launched in the first quarter of 2021.

## b) Consolidation of our business in the domestic market

In the current pandemic context, in the first 9 months of 2020, the gross sales value amounted to 160.3 million LEI. In the same period, the value of the medicines transferred from distributors into open-circuit pharmacies amounted to 226.5 million LEI.

Thus, although in the first quarter, the trends were higher from the desire to cope with the increased demand registered in March, with the entry into force of traffic restrictions and decrease of patient traffic, the second quarter registered a 39% contraction compared to the previous quarter.

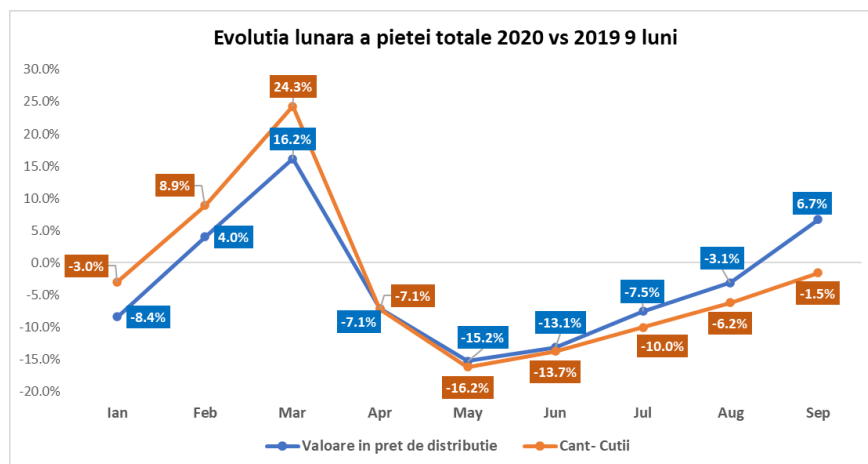
In the Q3 2020, we can see a recovery in demand for the Antibiotice products, recording a 31.2% increase compared to the previous quarter.

### Evolution of the Romanian pharmaceutical market<sup>1</sup>

In the reporting period, the value of medicines released to patients from Romania was 13 billion LEI (distribution price), lower by 3.1% compared to the same period of 2019. In terms of quantity, the medicine consumption dropped by 2.5%, a number of 452.6 million boxes being released from pharmacies.

March recorded a peak in sales in accordance with the demands from the market.

### Monthly evolution of the total market Q3 2020 vs Q3 2019



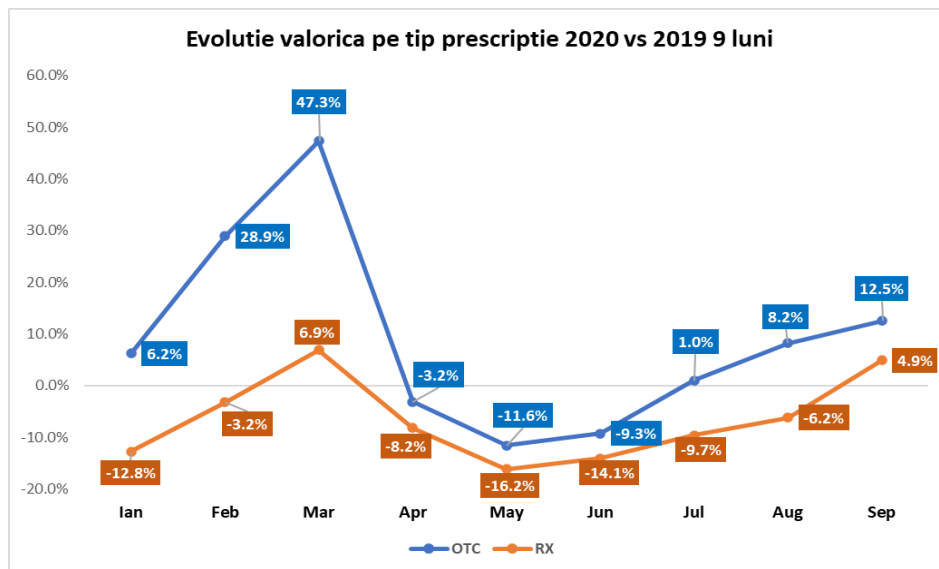
<sup>1</sup> As per CEGEDIM Romania 03.2020



The Romanian pharmaceutical market is dominated by prescription medicines (RX). These represent 75.1% of the total value sales and 62.8% of total medicine consumption (reported in boxes).

Prescription medicines recorded in the analyzed period an 6.7% decrease in value, from 10.4 billion LEI in 2019 to 9.7 billion LEI in 2020 while the non-prescription medicines (non-RX: OTC, food supplements, medical devices) recorded a value increase of 9.5%, from 2.9 billion LEI in 2019, to 3.2 billion LEI in 2020. The favorable evolution of non-RX products is due to the high consumption registered in March.

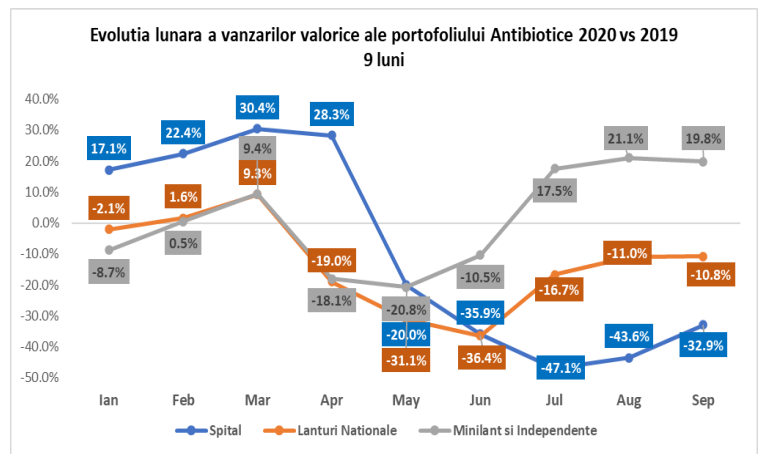
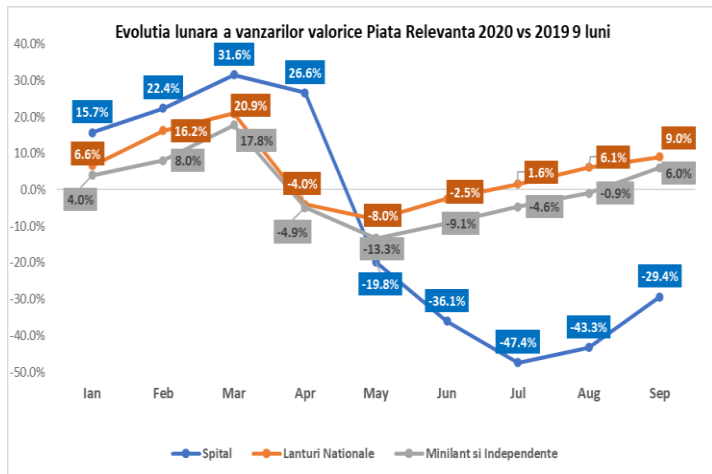
### Evolution in terms of value by prescription Q3 2020 vs Q3 2019



As regards the quantitative consumption registered on pharmacy segments, the most affected segment in the first 9 months was that of hospitals (-20.8% compared to the same period last year), and in terms of value, the National Chains segment (-10.4% compared to the same period last year). As treatment days, the largest decrease was recorded in May, in all the pharmacy segments.

### Antibiotice in the Romanian pharmaceutical market

In the first 9 months of 2020, Antibiotice recorded similar trends with the market in the Hospital and National Chain Pharmacy segments. A stronger set-back was felt in the segment of Mini-Chain and independent Pharmacies until the month of June. In July - September, we can see a recovery of the sales in this segment. Per total, Antibiotice recorded a value in distribution price of 226.1 million LEI.



Two-thirds of our company's sales to patients are from the following portfolios: anti-infectives, cardiovasculars and dermatologicals.

### Antibiotic in the domestic market - Q3 2020:

- ranked first in the relevant market, with a 14% value market share;
- leader in the generic anti-infective segment, with a 30% value market share;
- leader in terms of quantity for the following pharmaceutical dosage forms: ointments (23%), suppositories and pessaries (39%) and injectable powders (65%);
- leader in terms of value in the generic and OTC segment sold in hospitals, with a 15% market share;
- ranked 8<sup>th</sup> in the generic and OTC segment (with a 4% market share);

### Strategies for promoting the products from the Antibiotic portfolio

#### Communication with health professionals

The company's strategy for promotion in the current pandemic context involves an adaptation to the use of multiple information channels, especially online, the selection of platforms that facilitate the transmission of synthesized information to health professionals, as well as possible direct visits. We promoted brands from Hospital&Partners, a dermatology portfolio and from the portfolio designated to the prevention and treatment of different diseases reunited under the *Quality of life* concept.

Hospital&Partners is the portfolio for hospitals, the promotion focusing on the development of good practices in using antibiotics, supported through the „Antibiotics of the third millennium” concept, with messages like "Judicious / responsible use of antibiotics".

Therapeutic solutions under the „Quality of life” concept for the treatment of various diseases are from the following therapeutic areas: cardiovascular, genitourinary, musculoskeletal, dermatology, digestive tract. The concept also brings together OTC, RX

medicines, as well as complementary alternatives designed to maintain the body's homeostasis such as food supplements - grouped under the Nutriensa® brand.

**Women's Health** - represents the concept through which Antibiotice aims to consolidate the identity of its portfolio intended for preventing and treating diseases with high incidence in women with products from the ranges Zifex pessaries, Nystatin pessaries.

Maintaining the leading status on the topical products segment included promotion actions under the communication concept " Antibiotice - leader in the production of topicals".

Numerous promotion actions targeted the **general public**. On the Antibiotice website, we developed a campaign for promoting the product Fezivit C, a campaign adapted to the current context. We also carried out the project *The Health Minute* on the Europa FM radio, with recommendation for Fezivit C and Cutaden bebe and the online campaign TINERO (Facebook and Instagram - Tinero pages, website-ul [www.tinero.ro](http://www.tinero.ro)).

The *Doctor's Advice* project includes the promotion of the Nutriensa range on the website [www.sfatulmedicului.ro](http://www.sfatulmedicului.ro) and Facebook page. Newsletters about the products of the range were also sent to the general public.

## 2. Strategic adaptation of our portfolio

- **Research-Development for adapting and durably consolidating our company portfolio**

The main objective of the Research-Development Unit is to develop new medicines (topicals, tablets, capsules, sterile products and other new pharmaceutical dosage forms), biocidal products, medical devices, deramtocosmetics, cosmetics in line with the company's development strategic directions until 2025. The products under research will complete the following classes of the Antibiotice portfolio: antiinfectives (oral medicines and sterile injectable powders), dermatological, cardiovascular, non-steroidal anti-inflammatory products, medicines for the digestive system, for women's health and biocidal products. Of the products under research in 2020, a number of 16 projects went through different stages.

In the third quarter of 2020, another 4 research projects were initiated ((3 RX products and 1 OTC) from the category of solid oral forms, which are to be started in the fourth quarter. As regards the topical products, the company's research plan included nine new projects starting with the second semester of 2020 (two projects will be started in the H2 2020, the other seven ones in 2021).

### **Authorized surface disinfectants, hand sanitizer in the process of authorization**

In the context of the increased need for protective materials, Antibiotice started researching and testing disinfectants that can be manufactured on its own manufacturing flows. It currently produces two disinfectant solutions for surfaces packaged in 1 liter and 5 liter bottles according to the marketing authorization issued by the Cantacuzino Institute.

Formula propusa de echipa de cercetare pentru gelul dezinfectant pentru maini este in acest moment in analiza in cadrul unui laborator extern acreditat. Prin autorizarea la Institutul National de Sanatate Publica - Secretariatul tehnic al Comisiei Nationale pentru Produse Biocide, se are in vedere introducerea sa in portofoliul companiei, pentru utilizare in domeniul medical, chirurgical si pentru uzul general.

The formula proposed by our research team for the hand sanitizer is currently under analysis in an accredited external laboratory. After the National Institute of Public Health - the Technical Secretariat of the National Commission for Biocidal Products will authorize it, this product will enrich our company's portfolio, being used in the medical and surgical fields.

#### ➤ **Renewal of the product portfolio**

In defining the new products, the analysis of the global pharma market trends was taken into account, with a focus on the main sales markets of the company (ATB territories), in accordance with the main strategic development directions of the company's portfolio: anti-infectives, cardiovasculars, antidiabetics, products for gastrointestinal and adjuvant diseases, products for the treatment of skin diseases and skin care, anti-inflammatory-antirheumatic medicines, musculoskeletal medicines, antihemorrhoidals.

The selection of new products was made based on analyzes performed by the portfolio management which included: therapeutic trends, presence in guidelines, epidemiological trend of the target diseases, advantages and disadvantages of the molecule within the therapeutic class, potential market (value and quantity), number of competitors and the price per unit, for each of the proposals.

#### ➤ **Center for Clinical Studies**

The activity of the Center for Clinical Studies (CSC) consists in conducting bioequivalence studies, as well as clinical studies established in the annual plans, performing instrumental tests, through specific laboratory techniques for current manufacturing, supporting the research plan by performing specific determinations, developing and validating analytical methods, supporting the product registration by offering scientific support in order to clarify some issues raised by partners / authorities, as well as preparing and managing the specific documentation in accordance with specific legislative rigors.

National Agency for Medicines and Medical Devices of Romania and National Bioethics Commission authorized in August 2020, the protocol for conducting a phase IV clinical study for a product. The clinical study will take place in 12 investigation centers in Iasi, Bucuresti, Cluj - Napoca, Sibiu, Craiova. Our specialists prepared the documentation for conducting the bioequivalence study for two products. The protocols of the two studies, together with the related documentation, were submitted to the authorities (NAMMDR and CNBMDMR) in July, in order to obtain the approvals for the development of the study.

#### ➤ **Complex manufacturing structure adapted to international quality standards (GMP and FDA)**

In the context of increasing competitiveness and the need to make the activity of the manufacturing plants profitable, we made the decision to reunite the five manufacturing plants on the Antibiotice site in three product divisions, as follows:

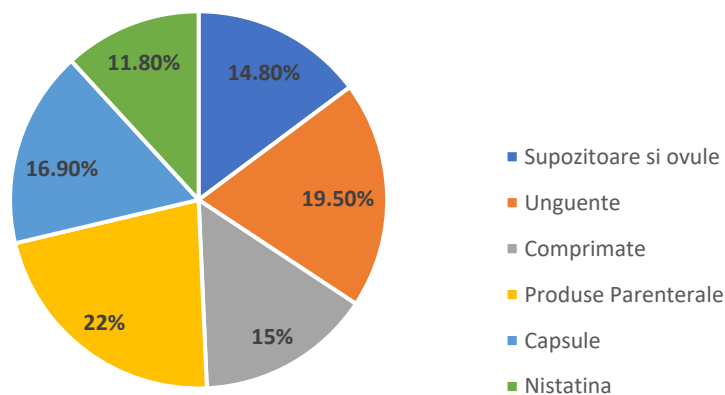
1. **Solid Oral Dosage Form Division**, which integrates the activities of the Capsule Plant and Tablet Plant;
2. **Topical Division**, integrating the Ointment & Suppository Plant;
3. **Sterile Products and Nystatin**, which integrates the activities of the Parenteral Plant and Biosynthesis Plant.

The Q3 2020 production materialized in 318 million pharmaceutical units in the form of tablets, capsules, parenterals, topicals (ointments, creams, gels), suppositories, pessaries. The active substance Nystatin was produced in a quantity comparable to that made in the same period of 2019.

The total value of the Q3 2020 production was 258.7 million LEI, on the 8 manufacturing flows, as follows:

**Value distribution of production made in the first 9 months of 2020  
(% of the total value of the production made)**

Distributia Valorică a Producției Realizate în 9 luni 2020  
(% din total valoare Producție Realizată)



### 3. Accelerated sustainable development through efficient investments

In the first 9 months of 2020 our company completed investment objectives amounting to 36.71 million LEI, of the total amount of 71.75 million LEI, approved for the whole year 2020 (rectified in August 2020), through the investment plan (according to the contracts concluded with the partner companies and with the agreed work schedules).

According to the annual program, the structure of investments in the first nine months of 2020 was as follows:

#### ✓ Research & Development investments

In the first nine months of the year, our company invested in research-development 6.11 million LEI (out of the total amount of 11.90 million LEI, planned for 2020, rectified in August 2020).

#### ✓ **Investments in new manufacturing sites**

The planned investment for the continuation of the works at the new manufacturing plant for ointments and suppositories has the value of 19.64 million LEI. An amount of 10.91 million LEI were used in the first nine months. The works for performing the clean rooms and the related installations continued, correlated with the installation of the equipment and technological installations for the production and transport of the utilities.

#### ✓ **Investments for modernizing the existent manufacturing sites**

In order to refurbish the 8 manufacturing flows, our company invested 0.73 million LEI in the first nine months of 2020 for purchasing equipment, installations and laboratory equipment (out of the total of 2.28 million LEI allocated for 2020, rectified in August 2020).

#### ✓ **Investments in product quality control, environmental protection, occupational safety and health**

Increasing the accuracy of laboratory analysis methods and reviewing monographs in pharmacopoeias have required investments in state-of-the-art equipment to maintain the quality standards of manufactured products and comply with legal requirements to protect the environment and employees. The amount invested in the first three quarters of 2020 was 1.8 million LEI (of the annual total of 2.97 million LEI rectified in August 2020).

#### ✓ **Investments for rehabilitating the industrial site**

In the reporting period, Antibiotice invested 11.67 million LEI (of the total annual sum of 29.13 million LEI, rectified in August 2020) in the rehabilitation of auxiliary buildings and constructions, transport and storage infrastructure and logistics, maintenance infrastructure, production and distribution of utilities, IT infrastructure, as well as for the rehabilitation of land released after demolition and decommissioning.

#### ✓ **Investments in social responsibility projects**

In the first three quarters of 2020, our company invested 5.48 million LEI (of the total amount of 5.83 million LEI for 2020) in projects for its employees: “Friendly brand” which consisted in arranging the common areas (locker rooms, social groups, dining rooms, training rooms) and “We live healthy in a healthy company” which included: modernization of the Penicilina sports hall and the project for the community called “Friendship Park”.

### **4. Adapting our human resources to the company’s strategic directions**

Objectives, measures, performance indicators and expected results of the Human Resources Department for 2020 were established taking into account the levels planned and achieved in the previous years and the fact that a constant improvement of the activity is necessary for the years to come.

These objectives were aimed at:

- ✓ **Ensuring non-discriminatory staffing, training of skills needed to achieve goals and increasing involvement**
- ✓ **Reorganizing our company for supporting the strategic objectives for the next 10 years**

In order to align with the new trends in the pharmaceutical market, for the efficiency and resettlement of the way of working in fields such as IT, marketing, business development, data security protection, logistics, medical research, a significant functional reorganization took place in our company.

- ✓ **Attracting new employees in compliance with Antibiotice's development objectives**

Now in its fifth edition, the Perform a+ program aims to provide practical training and selection of employees through partnerships with the Iasi university environment. In 2020, the addressability of this project was extended, in order to attract master students, doctoral students of the Faculty of Pharmacy and Faculty of Chemistry within the "Al. I. Cuza" University of Iasi and "Gheorghe Asachi" Technical University of Iasi. This approach has been implemented due to the need to attract chemical engineers in specific activities.

By the end of the third quarter, an average of 25 hours of training per employee were conducted - with a focus on internal training in the field of quality assurance and compliance with GDPR and information confidentiality rules.

- ✓ **Measures to improve the employee reward system**

In order to increase our employees' satisfaction and improve staff retention, a reward system and a policy of financial and non-financial motivation were adopted.

Also, following the project of ranking the positions with higher education and secondary education, based on analyzes of the current salary system compared to the levels of similar positions in the labor market, as well as the ranking of positions based on their complexity, a salary alignment program that will run in several stages was established. The first stage was applied in January 2019. The salary adjustments have been applied starting with the second quarter of 2020.

- ✓ **Improving the organizational climate and focusing the organizational culture towards innovation and performance**

In the first quarter of 2020 the actions provided in the Plan of Measures for the period 2019 - 2020 regarding the improvement of the organizational climate were continued. The implementation of the plan so far has focused on the development of new communication tools in all common areas within the company, organization of internal events for the development of interpersonal communication, development of action plans to improve conditions in common social areas.

In June this year, the study on the organizational climate and degree of satisfaction of employees with their position was carried out, based on the opinions expressed by them in the applied questionnaire. Comparatively, 6 dimensions were evaluated that influence the satisfaction of the employees towards the occupied positions (according to the Hackman-Oldham model). The conclusions of this year's study show that the level of employee satisfaction has increased to 8.5 in 2020, compared to two years ago, when the score was 7.51 (given on a scale of 1 to 10). The target level planned for 2020 was at least 8%.

## **5. Integrated quality management**

### **Certified quality**

Confidence in the quality, efficiency and safety of the company's products increases by keeping under control and improving the Integrated Management System.

### **Inspections conducted by authorities**

During 01.01.2020-30.09.2020, no inspections of the regulatory authorities were carried out. Given the specifics of this period due to the COVID -19 pandemic, Antibiotice has adapted to the regulations and requirements of national and European authorities, in accordance with *Notice To Stakeholders-Question and Answers, on Regulatory Expectations for Medicinal Products for Human Use During Covid 19 Pandemic*, issued by the European authority. Thus, the National Agency for Medicines and Medical Devices ordered the extension of the certificates, until 31.12.2021:

- GMP certificate no. 040/2017/RO for non-sterile products in form of capsules, tablets, coated tablets, suppositories;
- GMP certificate no. 023/2018/RO for non-sterile semi-solid products;
- GLP certificate no. 49/05.07.2017
- 

### **Audits conducted by certification bodies**

In the period 01.01.2020-30.09.2020 no inspections of the certification authorities were carried out. The ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018 certificates were issued following the audit conducted in the period 02.12.2019-05.12.2019 issued by the TUV Rheiland certification body.

### **Audits conducted by our customers**

In the first nine months of 2020, three audits took place on the manufacturing flow of Nystatin, active substance and on the manufacturing and control flow of the parenteral products

### **Occupational health and safety**

By maintaining and developing an effective occupational health and safety management system within the company we create an optimal framework for managing and eliminating work-related risks and for improving the environment and relationships between employees.



The principles and measures of the occupational safety system are established and followed, through the Prevention & Protection Plan, by the Occupational Safety and Health Committee (CSSM), organized in our company.

The Prevention & Protection Plan for 2020 includes several measures aimed at permanently improving the working conditions and prevention of work accidents and occupational diseases.

### **Measures to prevent the spread of the SARS-CoV-2 virus among our employees**

In mid-February, as the coronavirus epidemic has spread from China to the rest of the world, the Antibiotice's management nominated a Crisis Cell. This organizational structure has continuously monitored, step by step, the impact and evolution of the epidemic worldwide, activated the links with the competent medical and governmental authorities so that they can anticipate and take the most appropriate measures, in line with the evolution of the epidemic nationwide.

With the rigorous application of safety measures in the entire company, we were able to optimally continue all the activities.

### **Isolation Center a+ for our own employees and collaborators**

The Crisis Cell of Antibiotice took the initiative to set up an inpatient center within the Clinical Unit of the Center for Clinical Studies. Called the Isolation Center a+, this inpatient center has 4 wards with 8 beds, is properly equipped (with disinfectants and cleaning materials, first-line medicines to treat respiratory diseases, personal protective equipment, as well as hygiene materials), and it can treat light forms of the current disease.

### **Environmental responsibility**

Antibiotice has a specialized department responsible for preventing the pollution and continuously improving the company's environmental performances, acting in order to comply with the requirements of environmental legislation.

By obtaining the Integrated Environmental Permit no. 1/10.01.2011 issued by the Regional Environmental Protection Agency Bacau, revised in 2018 and valid for a 10-year period, Antibiotice proves to be a company that meets the environmental requirements.

### **Solidarity and responsibility**

The "Science and Soul" Foundation in partnership with the Regional Blood Transfusion Center (CRTS) Iași organized the 19<sup>th</sup> edition of the campaign "Donate blood!" Put your soul to life!" As part of this action, in June, 70 Antibiotice employees donated 32 liters of blood for saving over 150 lives, thus meeting the need for life-saving blood in hospitals. The Antibiotice Center for Clinical Studies, the host of the event, allowed the action to take place in conditions of maximum safety. The team of employees of the Center ensured the observance of all the rules of sanitary hygiene and distance that are imposed in order to ensure the quality and security of the donation act. The Center for Clinical Studies is the only DSP certified center in Iași in which CRTS Iasi can collect blood.

Supporting for 19 years the "Pro Ruralis" Association, the "Antibiotice - Science and Soul" Foundation contributes to the education of children with special skills and higher IQ, but without material possibilities, thus giving them the chance for professional and personal

development. At the beginning of this school year, the “Antibiotice - Science and Soul” Foundation donated five tablets to the five “ProRuralis” scholarship students so that they could participate in online courses and access the resources and digital tools needed in the educational process.

The Management Report was prepared on the basis of financial data that were not subject to financial audit.

## **Conclusions**

### **Antibiotice in 30.09.2020:**

- Sales income in the international market represented 53.6% of total sales income;
- Gross profit amounted to 18.65 million LEI, at the level of the planned value;
- New entries in the production - two disinfectant solutions for surfaces packaged in 1 l and 5 l bottles;
- Permanent concern for identifying necessary measures to prevent the spread of SARS-CoV-2 virus among our employees.

**Vice President of the Management Board**  
**Ioan NANI**

**Financial Director**  
**Paula COMAN**

**ANTIBIOTICE S.A.**

Simplified individual interim financial  
statements unaudited on the date and  
for the nine-month period ended  
September 30, 2020

**ANTIBIOTICE S.A.**  
**INTERIM FINANCIAL STATEMENTS**  
September 30, 2020

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**ANTIBIOTICE SA**  
**STATEMENT OF COMPREHENSIVE PROFIT**  
September 30, 2020  
(all amounts expressed in LEI, if not mentioned otherwise)

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	NOTE	30-09-20 (unaudited)	30.09.19 (unaudited)
<b>Sales revenue</b>	<b>3</b>	<b>203,438,537</b>	<b>242,409,623</b>
Other operating revenue	4	29,207,806	31,210,309
Revenues related to the costs of product stocks		41,292,457	22,948,136
Capitalized income generated by the entity's activity		4,796,009	3,464,736
Expenses with raw materials and consumables	5	(85,409,968)	(105,565,481)
Expenses with employee benefits	6	(77,693,150)	(70,937,450)
Expenditure on amortization and depreciation		(16,436,707)	(15,809,493)
Other operating expenses	7	(76,332,679)	(80,136,736)
<b>Operating profit</b>		<b>22,862,305</b>	<b>27,583,645</b>
Financial income	8	72,844	82,747
Financial expenses	8	(4,288,463)	(3,519,987)
<b>Pre-Tax Profit</b>		<b>18,646,686</b>	<b>24,146,404</b>
Current and deferred income tax expense	9	(604,267)	(2,585,244)
<b>Profit</b>		<b>18,042,419</b>	<b>21,561,160</b>
<b>Total comprehensive profit</b>		<b>18,042,419</b>	<b>21,561,160</b>
<b>Earnings per share</b>	<b>10</b>	<b>0.026875</b>	<b>0.032117</b>

*The Explanatory Notes from 1 to 22 are an integrating part of the Simplified Individual Interim Financial Statements.*

Drafted by:

General Director  
Ioan NANI

Financial Director  
Paula COMAN

**ANTIBIOTICE SA**  
**STATEMENT OF FINANCIAL POSITION**

September 30, 2020

(all amounts expressed in LEI, if not mentioned otherwise)

	NOTE	30-09-20 (unaudited)	31-12-19 (audited)
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	383,753,630	363,616,611
Intangible fixed assets	12	18,787,142	16,385,709
<b>TOTAL FIXED ASSETS</b>		<b>402,540,772</b>	<b>380,002,320</b>
<b>CURRENT ASSETS</b>			
Stocks	13	142,123,322	73,975,988
Trade and similar receivables	14	219,085,487	338,159,774
Cash and cash equivalents	15	4,987,978	1,877,409
<b>TOTAL CURRENT ASSETS</b>		<b>366,196,787</b>	<b>414,013,171</b>
<b>TOTAL ASSETS</b>		<b>768,737,559</b>	<b>794,015,491</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and similar liabilities	16	64,515,711	72,337,840
Amounts due to credit institutions	17	101,908,341	125,875,879
Tax and current tax liabilities		9,157,443	13,267,396
Short-term provisions		-	-
Subsidies for investments	18	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>175,581,495</b>	<b>211,481,115</b>
<b>LONG -TERM LIABILITIES</b>			
Subsidies for investments	18	2,849,452	3,079,169
Deferred tax	19	25,902,151	25,531,938
Amounts due to credit institutions	17	71,692,755	57,080,354
<b>TOTAL LONG -TERM LIABILITIES</b>		<b>100,444,358</b>	<b>85,691,461</b>
<b>TOTAL LIABILITIES</b>		<b>276,025,853</b>	<b>297,172,576</b>

*The Explanatory Notes from 1 to 22 are an integrating part of the Simplified Individual Interim Financial Statements.*

Drafted by:

General Director  
Ioan NANI

Financial Director  
Paula COMAN

**ANTIBIOTICE SA**  
**STATEMENT OF FINANCIAL POSITION**

on September 30, 2020

(all amounts expressed in LEI, if not mentioned otherwise)

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	NOTE	30-09-20 ( unaudited)	31-12-19 ( audited)
<b>Share capital and reserves</b>			
<b>Share capital</b>	<b>20</b>	<b>264,835,156</b>	<b>264,835,156</b>
Revaluation reserves	21	48,846,389	50,804,319
Legal reserves	21	13,426,761	13,426,761
Other reserves	21	216,684,047	200,655,367
Retained earnings	22	(69,123,067)	(56,432,683)
Distribution of profit		-	(7,269,283)
Current profit		18,042,419	30,823,278
<b>TOTAL EQUITY</b>		<b>492,711,706</b>	<b>496,842,915</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>768,737,559</b>	<b>794,015,491</b>

*The Explanatory Notes from 1 to 22 are an integrating part of the Simplified Individual Interim Financial Statements.*

Drafted by:

General Director  
Ioan NANI

Financial Director  
Paula COMAN

**ANTIBIOTICE S.A.**  
**CASH FLOW STATEMENT**

on September 30, 2020

(all amounts expressed in LEI, if not mentioned otherwise)

	<b>30-09-20</b>	<b>30-09-19</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>I. Cash flows from operating activities</b>		
Cash receipts from sales of goods or services	334,340,025	283,884,946
Cash receipts from royalties, fees, commissions and other revenue	(1,441,320)	(958,837)
Cash payments to suppliers of goods and services	(154,584,542)	(143,860,755)
Cash payments to and on behalf of employees, payments made by the employer in connection with the staff	(74,582,130)	(67,056,163)
VAT paid	-	-
Contributions to the Ministry of Health and Ministry of Environment	(27,003,493)	(31,727,769)
Other paid duties, taxes, and similar levies	(1,601,533)	(604,278)
<b>Operating cash flow</b>	<b>75,127,007</b>	<b>39,677,145</b>
Interest charged	1,424	7,010
Interest paid	(4,017,682)	(3,339,073)
Income tax / dividends paid	(1,756,412)	(2,612,315)
<b>Net cash flows from operating activities</b>	<b>69,354,336</b>	<b>33,732,766</b>
<b>II. Cash flows generated by investments</b>		
Cash payments for purchasing land and fixed assets, intangible assets and long-term assets	(37,361,706)	(44,862,868)
<b>Net investment cash flow</b>	<b>(37,361,706)</b>	<b>(44,862,868)</b>
<b>III. Cash flows from financing activities</b>		
Receipts from long-term loans	13,371,419	18,343,944
Dividends paid	(18,123,119)	(6,115,592)
<b>Net cash flows from financing activities</b>	<b>(4,751,700)</b>	<b>12,228,352</b>
Gains / losses from exchange rate differences	(162,823)	(447,043)
<b>Net increase / (decrease) in cash</b>	<b>(27,078,107)</b>	<b>651,208</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(123,998,470)</b>	<b>(98,352,547)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(96,920,363)</b>	<b>(97,701,340)</b>
 <b>Cash and cash equivalents at the end of the period include:</b>	 <b>(96,920,363)</b>	 <b>(97,701,340)</b>
Bank accounts and cash	4,987,978	4,415,589
Credit lines	(101,908,341)	(102,116,929)
	<b>(96,920,363)</b>	<b>(97,701,340)</b>

*The Explanatory Notes from 1 to 22 are an integrating part of the Simplified Individual Interim Financial Statements.*

Drafted by:

General Director  
Ioan NANI

Financial Director  
Paula COMAN



**ANTIBIOTICE S.A.**  
**STATEMENT OF CHANGES IN EQUITY**

September 30, 2020

(all amounts expressed in LEI, if not mentioned otherwise)

	Subscribed capital	Adjustments on capital	Reserves	Other reserves	Current profit	Result from revaluation reserves	Distribution of profit	Revaluation reserves	Result reported from correcting the errors	Result after applying IAS/IFRS for the first time	Result after applying IAS 29 for the first time	TOTAL
<b>31- 12 -18</b>	<b>67,133,804</b>	<b>197,701,352</b>	<b>13,426,761</b>	<b>190,422,002</b>	<b>34,303,788</b>	<b>14,205,380</b>	<b>(23,537,290)</b>	<b>53,459,596</b>	<b>(1,094,738)</b>	<b>124,408,011</b>	<b>(197,701,352)</b>	<b>472,727,315</b>
Current comprehensive profit	-	-	-	-	30,823,278	-	-	-	-	-	-	30,823,278
Revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax related to the revaluation difference	-	-	-	-	-	-	-	-	-	-	-	-
Result from correcting the errors	-	-	-	-	-	-	(1,094,738)	-	1,094,738	-	-	-
<b>Total other items of the comprehensive profit</b>	-	-	-	-	<b>30,823,278</b>	-	<b>(1,094,738)</b>	-	<b>1,094,738</b>	-	-	<b>30,823,278</b>
Transfer of revaluation surplus	-	-	-	-	-	3,216,934	-	(2,655,277)	-	(561,656)	-	-
Allocation of other reserves *	-	-	-	2,964,082	(27,596,110)	-	24,632,028	-	-	-	-	-
Dividends	-	-	-	-	(6,707,678)	-	-	-	-	-	-	(6,707,678)
Mandatory distributions	-	-	-	7,269,283	-	-	(7,269,283)	-	-	-	-	-
<b>31- 12 -19</b>	<b>67,133,804</b>	<b>197,701,352</b>	<b>13,426,761</b>	<b>200,655,367</b>	<b>30,823,278</b>	<b>17,422,314</b>	<b>(7,269,283)</b>	<b>50,804,319</b>	<b>-</b>	<b>123,846,355</b>	<b>(197,701,352)</b>	<b>496,842,915</b>

*The Explanatory Notes from 1 to 22 are an integrating part of the simplified individual interim financial statements.*

**ANTIBIOTICE S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
September 30, 2020  
(all amounts expressed in LEI, if not mentioned otherwise)

	31- 12 -19	67,133,804	197,701,352	13,426,761	200,655,367	30,823,278	17,422,314	(7,269,283)	50,804,319	-	123,846,355	(197,701,352)	496,842,915
Current comprehensive profit	-	-	-	-	-	18,042,419	-	-	-	-	-	-	18,042,419
Revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax related to the revaluation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Result from correcting the errors	-	-	-	-	-	-	-	7,269,283	-	(14,648,313)	-	-	7,379,030-
<b>Total other items of the comprehensive profit</b>						<b>18,042,419</b>		<b>7,269,283</b>		<b>(14,648,313)</b>			<b>25,421,449</b>
Transfer of revaluation surplus	-	-	-	-	-	-	1,957,929	-	(1,957,929)	-	-	-	-
Allocation of other reserves*	-	-	-	-	16,028,682	(12,780,859)	-	-	-	-	-	-	3,247,723-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Mandatory distributions	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>30-09-20</b>	<b>67,133,804</b>	<b>197,701,352</b>	<b>13,426,761</b>	<b>216,684,049</b>	<b>18,042,419</b>	<b>19,380,243</b>	<b>-</b>	<b>48,846,390</b>	<b>(14,648,313-)</b>	<b>123,846,355</b>	<b>(197,701,352)</b>	<b>492,711,706</b>

*The Explanatory Notes from 1 to 22 are an integrating part of the simplified individual interim financial statements.*

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2020

(all amounts expressed in LEI, if not mentioned otherwise)

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## **1. GENERAL INFORMATION**

Antibiotice SA is a joint-stock company based in Iasi, 1 Valea Lupului Street, tax registration code RO 1973096. Antibiotice founded in 1955 and defined as a trading company as per Law 15 / 1990 and Government Decision no. 1200/ 12.11.1990 and is listed on the regulated capital market of the Bucharest Stock Exchange.

Our company's eight manufacturing flows, upgraded and certified according to Good Manufacturing Practice (GMP) standards produce medicinal products in five dosage forms: powders for injectable solutions and suspensions (penicillins), capsules, tablets, suppositories and topical preparations (ointments, gels, creams). Altogether, they form a complex portfolio of more than 150 medicines for human use, designated to treat a wide range of infectious, dermatological, cardiovascular, digestive tract or musculoskeletal system diseases.

All the production facilities are owned by the company and are based on the territory of the head office. Our company has the right of ownership over all the fixed assets registered in the company's accounts.

In the first nine months of 2020, the Management Board convened 7 general meetings – four Ordinary General Meetings (March 6, April 9, May 20, and September 16, 2020) and three Extraordinary General Meetings of Shareholders (April 9, May 20, and September 16, 2020).

All the necessary documents related to the good conduct of the General Meetings were published in time and according to the legislation in force. On the Antibiotice website, there is a section dedicated to shareholders, ([www.antibiotice.ro/investitori/informatii\\_actionari](http://www.antibiotice.ro/investitori/informatii_actionari)) in which documents regarding the General Meetings of Shareholders can be accessed and downloaded: procedures regarding the access to and participation in meetings, the convening notice, completions of the agenda, informative materials, special proxies for representation, voting forms by correspondence, draft decisions, decisions, voting results.

## **2. ACCOUNTING POLICIES**

### ***2.1 Declaration of conformity***

These simplified individual interim financial statements have been prepared in accordance with the International Financial Reporting Standards, Interpretations and International Accounting Standards (collectively referred to as “IFRSs”) issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union (“adopted IFRSs”).

The accounting records of the Company are maintained in LEI, in accordance with Order no. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards.

These simplified individual interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union. They do not include all the information required for a complete set of IFRS financial statements and must be read in conjunction with the Company's annual financial statements as of December 31, 2019. However, certain selected explanatory notes were included to explain events and transactions that are

**ANTIBIOTICE S.A.**  
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significant to the understanding of changes in the Company's financial position and performance since the last individual annual financial statements for the year ended December 31, 2019.

The simplified individual interim financial statements for the nine-month period ended September 30, 2020 are not audited and have not been reviewed by an independent auditor.

The main accounting policies applied to the preparation of the financial statements are set out below. The policies were consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in accordance with adopted IFRS requires the use of certain crucial accounting estimates. It is also necessary for the company's management to take decisions related to the application of accounting policies. The areas in which decisions were taken and significant estimates were made in the preparation of financial statements and their effect are shown below:

### ***2.2 Bases of assessment***

The simplified individual interim financial statements were prepared using the historical/depreciated cost convention, except for the tangible fixed assets presented at revalued cost by using the fair value as assumed cost and the items presented at the fair value, i.e. financial assets and liabilities at fair value through the profit and loss account, and financial assets available for sale, except for those for which the fair value can not be reliably established.

These financial statements were prepared for general purposes, for the use of persons who know the provisions of International Financial Reporting Standards, applicable to trading 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 another user.

### ***2.3 Functional and presentation currency***

The company's management considers that the functional currency, as defined by IAS 21 "Effects of exchange rate variation" is the Romanian LEU („RON” or „LEU”). Separate financial statements are presented in LEI, the values being rounded to the nearest leu, the currency that the Company chose as the presentation currency.

Transactions made by the company in a currency other than the functional currency are recorded at the rates in force at the date when the transactions take place. Monetary assets and liabilities in foreign currencies are converted at the rates in effect at the reporting date. Profit and loss arising from the 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 the monetary assets and liabilities denominated in the foreign currency are reflected in the statement of comprehensive income.

The exchange rates of the main foreign currencies according to BNR reporting were as follows:

	<b>30. 09. 20</b>	<b>31.12.19</b>
EUR	4.8698	4.7793
USD	4.1617	4.2608

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**2.4 Critical accounting assessments and estimates**

As a result of the uncertainties inherent in business activities, many items in financial statements cannot be precisely assessed, but only estimated. Estimation involves judgements based on the latest available reliable information.

The use of reasonable estimates is an essential part of preparing financial statements and does not undermine their reliability.

An estimate may need review if changes occur regarding the circumstances on which the estimate was based or as a result of new information or subsequent experiences. By its nature, the review of an estimate does not relate to prior periods and is not the correction of an error in the current period. Any effect, if any, on future periods is recognized as income or expense in those future periods.

The company makes certain estimates and assumptions about the future. The estimates and judgments are continuously evaluated based on historical experience and other factors, including forecasting future events that are believed to be reasonable under the existing circumstances. In the future, concrete experience may differ from these estimates and assumptions.

The significant reasoning used by management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates were the same as those applied to the individual financial statements on the date and for the financial year ended December 31, 2019.

**3. SALES INCOME**

Sales income includes the following items:

<b>Description</b>	<b>30.09. 2020</b>	<b>30.09.2019</b>
	<b>(unaudited )</b>	<b>(unaudited )</b>
Finished product sales	216,625,801	255,353,144
Sales of goods	44,780,745	57,600,538
Trade discounts	(57,968,008)	(70,544,059)
<b>Total</b>	<b><u>203,438,537</u></b>	<b><u>242,409,623</u></b>

Sales income was mainly driven by sales of finished products directly to pharmaceutical distributors. On 30.09.2020, the Intra and Extra-Community sales amounted to 109,069,512 LEI compared to 97,151,070 LEI on 30.09.2019.

Our company makes sales income in individual values greater than 10% of total sales from 5 clients.

**4. OTHER OPERATING INCOME**

Other operating income includes the following:

<b>Description</b>	<b>30.09. 19</b>	<b>30.09.19</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>

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Rental income	176,806	57,223
Income from research & studies	48,564	331,006
Income from various activities	351,788	236,299
Income from indemnities, fines and penalties	0	165,078
Other operating income	2,338,780	1,456,899
Income from adjustments for depreciation of current assets	14,598,311	19,594,740
Income from provisions for risks and expenses	6,362,643	4,998,241
Exchange rate differences	5,330,914	4,370,822
<b>Total</b>	<b>29,207,806</b>	<b>31,210,309</b>

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

Expenditures on raw materials and consumables consist of:

<b>Description</b>	<b>30.09.2020</b> <b>(unaudited)</b>	<b>30.09.2019</b> <b>(unaudited)</b>
Raw materials	49,757,975	58,124,772
Auxiliary materials	7,591,874	4,840,393
Goods	24,023,046	38,232,284
Expenditure on fuel and spare parts	3,113,690	3,601,430
Inventory items	583,294	491,169
Other consumables	340,090	275,433
<b>Total</b>	<b>35,409,968</b>	<b>105,565,481</b>

**6. PERSONNEL EXPENSES**

Staff expenses consist of:

<b>Description</b>	<b>30.09.2020</b> <b>(unaudited)</b>	<b>30.09.2019</b> <b>(unaudited)</b>
Wages	67,836,772	62,478,713
Civil contracts	1,519,777	1,118,666
Taxes and social contributions	2,157,346	2,010,381
Other benefits (meal vouchers)	5,504,978	5,329,690
<b>Total</b>	<b>77,018,873</b>	<b>70,937,450</b>

The company is managed in a unitary system, in accordance with the Law 31/1990 on trading companies, the management of the company being ensured by the Management Board of Antibiotice SA.

Remuneration granted to the members of the Management Board and Executive Team is presented in the following table:

<b>Description</b>	<b>30.09.2020</b> <b>(unaudited)</b>	<b>30.09.2019</b> <b>(unaudited)</b>
Wages	3,459,501	4,557,225

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Civil contracts	1,519,777	1,118,666
Taxes and social contributions	166,612	130,111
<b>Total</b>	<b>5,155,890</b>	<b>5,806,002</b>

**7. OTHER OPERATING EXPENSES**

Other operating expenses include the following:

<b>Description</b>	<b>30.09.2020</b> <b>(unaudited)</b>	<b>30.09.2019</b> <b>(unaudited)</b>
Utilities	8,118,047	7,811,120
Repairs	1,210,523	1,372,967
Rent	326,945	259,058
Insurances	1,200,748	1,305,113
Bank fees	771,451	936,975
Advertising & promotion of products	4,388,680	4,679,454
Travel & transport	2,054,073	2,424,955
Post & telecommunications	326,910	343,640
Other services provided by third parties	7,799,386	9,913,544
Other taxes	26,131,303	32,912,851
Environment protection	702,313	673,796
Loses and adjustments of uncertain receivables	13,608,195	11,380,400
Exchange rate differences	7,952,447	5,069,700
Sundries	1,741,658	1,053,163
<b>Total</b>	<b>76,332,679</b>	<b>80,136,736</b>

**8. FINANCIAL INCOME AND EXPENSES**

Net financial income consists of:

<b>Description</b>	<b>30.09.20</b> <b>(unaudited)</b>	<b>30.09.19</b> <b>(unaudited)</b>
Interest income	1,424	7,010
Other financial income	71,421	75,737
Interest expenses	(3,872,264)	(3,379,740)
Other financial expenses	(416,200)	(140,247)
<b>Total</b>	<b>(4,215,619)</b>	<b>(3,437,237)</b>

Other financial expenses are settlement discounts on the receivables settled before maturity, materialized in bonuses granted to the company's clients for the anticipated payment of the amounts owed by them.

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

<b>Description</b>	<b>30.09.20</b> <b>(unaudited)</b>	<b>30.09.19</b> <b>(unaudited)</b>
Current tax	234,054	2,344,819
Deferred tax expense/ income	370,213	211,917
Taxes specific to certain activities	0	28,508
<b>Total</b>	<b>604,267</b>	<b>2,585,244</b>

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**10. EARNINGS PER SHARE**

<b>Description</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Net profit (A)	18,042,419	21,561,160
Number of ordinary shares (B)	671,338,040	671,338,040
<b>Earning per share (A/B)</b>	<b>0.026875</b>	<b>0.032117</b>



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**11. TANGIBLE FIXED ASSETS**

	Land	Buildings	Technical installations & equipment	Other installations, equipment & furniture	Tangible fixed assets in progress	Total
<b>COST</b>						
<b>December 31, 2018</b>	108,306,000	108,332,084	184,961,323	7,544,355	26,453,168	435,596,930
Acquisitions	-	14,778,786	11,944,316	220,134	71,530,159	98,473,395
Outputs	-	10,160	3,129,954	65,985	26,943,237	30,149,336
<b>December 31, 2019</b>	108,306,000	123,100,710	193,775,685	7,698,504	71,040,090	503,920,989
Acquisitions	-	8,619,521	7,464,091	273,876	34,406,843	50,764,331
Outputs	-	424,193	13,775,861	67,402	16,357,488	30,624,944
<b>September 30, 2020</b>	108,306,000	131,296,038	187,463,915	7,904,978	89,089,445	524,060,376
<b>AMORTIZATION</b>						
<b>December 31, 2018</b>	-	1,726,725	117,626,773	5,306,514	-	124,660,012
Cost of the period	-	6,320,323	11,827,657	406,234	-	18,554,214
Outputs	-	10,160	3,129,954	65,984	-	3,206,098
<b>December 31, 2019</b>	-	8,036,888	126,324,476	5,646,763	-	140,008,126
Cost of the period	-	5,407,667	8,555,390	306,767	-	14,269,824
Outputs	-	424,193	13,775,861	67,402	-	14,267,456
<b>September 30, 2020</b>	-	13,020,362	121,104,005	5,886,128	-	140,010,495
<b>PROVISION</b>						
<b>December 31, 2018</b>	-	51,600	244,652	-	-	296,252
<b>2019 Outputs</b>	-	-	-	-	-	-
<b>December 31, 2019</b>	-	51,600	244,652	-	-	296,252
<b>2020 Outputs</b>	-	-	-	-	-	-
<b>September 30, 2020</b>	-	51,600	244,652	-	-	296,252
<b>NET VALUES</b>						
<b>September 30, 2020</b>	108,306,000	118,224,076	66,115,258	2,018,851	89,089,445	383,753,630
<b>December 31, 2019</b>	108,306,000	106,553,759	67,089,898	2,237,841	26,453,168	363,616,611
<b>December 31, 2018</b>	108,306,000	108,332,084	184,961,323	7,544,355	26,453,168	310,640,665

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***Depreciation of fixed assets***

Accounting depreciation is calculated using the straight-line method. For the fixed assets, new entries in the first three quarters of 2020, such as installations, machines and measuring and control devices, the useful lives were established taking into account:

- estimated level of use based on the use of the asset' capacity;
- repair and maintenance program performed by ANTIBIOTICE SA for installations and equipment;
- moral wear and tear determined by possible changes in the production process according to the structure of the product portfolio provided by the company.

The inventory value of tangible fixed assets constituted as pledges or guarantees was 80,124,775 LEI.

**12. INTANGIBLE FIXED ASSETS**

Intangible fixed assets include in-house development projects, legal documentations (for licenses and patents) as well as software licenses.

Changes in the acquisition cost and amortization related to the intangible fixed assets are presented in the following table:

	<b>30.09.20</b>	<b>31.12.19</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Initial balance	30,776,615	26,250,866
Inputs	6,392,784	5,836,186
Outputs	1,594,750	1,310,438
Final balance	35,574,649	30,776,615
<b>Amortization</b>		
Initial balance	14,390,906	11,222,150
Cost of the period	2,396,600	3,168,756
Final balance	16,787,506	14,390,906
<b>Net value</b>	<b>18,777,143</b>	<b>16,385,709</b>

**13. STOCKS**

	<b>30.09.20</b>	<b>31.12.19</b>
<b>Description</b>	<b>(unaudited)</b>	<b>(audited)</b>
Raw materials and consumables	49,155,017	29,314,160
Production in progress	4,217,149	3,146,451
Semi-finished and finished products	65,118,351	33,849,505
Goods	23,632,805	7,665,872
<b>Total</b>	<b>142,123,322</b>	<b>73,975,988</b>

The value of inventories constituted as guarantees was 22,878,301 LEI.

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**14. TRADE AND OTHER RECEIVABLES**

<b>Description</b>	<b>30.09.20</b> <b>(unaudited)</b>	<b>31.12.19</b> <b>(audited)</b>
Trade receivables	232,390,011	362,186,268
Adjustments for trade receivables	(26,160,324)	(34,066,666)
Various debtors and other receivables	6,580,767	5,069,347
Adjustments for various debtors	(3,432,707)	(3,432,707)
<b>Total financial assets, other than cash, classified as loans and receivables</b>	<b>209,377,747</b>	<b>329,756,242</b>
Receivables related to employees	15	155
Other receivables from the State Budget	5,553,430	3,159,069
Advance payments	4,154,295	5,244,308
<b>Total</b>	<b><u>219,085,487</u></b>	<b><u>338,159,774</u></b>

On September 30, 2020 the company recorded adjustments for trade receivables representing customer balance that are unlikely to be collected by the company. The receivables of the company were analyzed and evaluated according to criteria established according to the risks per customer categories.

<b>Analysis of seniority</b>	<b>30.09.20</b>	<b>31.12.19</b>
Receivables - customers	232,390,011	362,186,268
up to 3 months	66,078,362	150,900,438
between 3 and 6 months	32,285,281	68,347,022
between 6 and 12 months	84,698,339	91,877,624
over 12 months	49,328,029	61,061,183
Value adjustments related to receivables- customers	(26,160,323)	(34,066,666)

The fluctuations in the Company's provisions for the impairment of trade receivables are presented in the following table:

<b>Adjustments of receivables</b>	<b>30.09.20</b>	<b>31.12.19</b>
<b>At the beginning of the period</b>	37,499,373	37,002,158
Established during the year	5,475,294	19,117,314
Cancelling the adjustments	(13,381,637)	(18,620,099)
<b>At the end of the period</b>	<b><u>29,593,030</u></b>	<b><u>37,499,373</u></b>

Value of receivables established as guaranties was 197,467,061 LEI.

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**15. CASH AND CASH EQUIVALENTS**

<b>Description</b>	<b>30.09.20</b> <b>(unaudited)</b>	<b>31.12.19</b> <b>(audited)</b>
Available at the bank	4,927,508	1,868,312
Cash and cash equivalents	60,470	9,097
<b>Total</b>	<b>4,987,978</b>	<b>1,877,409</b>

**16. TRADE AND OTHER PAYABLES**

<b>Description</b>	<b>30.09.20</b> <b>(unaudited)</b>	<b>31.12.19</b> <b>(audited)</b>
Trade payables	38,057,235	39,314,006
Suppliers of fixed assets	10,997,121	11,940,928
Employee-related liabilities	2,225,150	3,614,177
Wage provisions	1,461,035	7,149,401
Other debts	207,593	180,029
Outstanding interest	349,666	495,084
Taxes and social contributions	4,993,873	3,414,066
Dividends	5,799,986	5,118,284
Advance money from customers	424,054	1,111,865
<b>Total</b>	<b>64,515,711</b>	<b>72,337,840</b>

**17. AMOUNTS DUE TO CREDIT INSTITUTIONS**

The amounts due to the credit institutions at 30.09.2020 are presented in the following table:

Amounts due to the credit institutions	Value at 30.09.2020
Amounts due in the short term	101,908,341 LEI
Amounts due in the long term (including interest)	71,692,755 LEI

The short-term contract no. IAS3-42-2016/ 17.08.2016 concluded with Unicredit Bank S.A.

Objective	Credit line-working capital
Amount	55,000,000 LEI
Maturity	16.08.2021
Balance on September 30, 2020	48,830,807.68 LEI
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

Credit contract no. IAS3-20-2018/03.05.2018 concluded with Unicredit Bank S.A.

Objective	Investment credit
Amount	15,406,300 EUR
Maturity	02.05.2028
Balance on September 30, 2020	14,721,909.44 EUR (71,692,754.60 LEI)
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

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The short-term contract no. 12/01.07.2013 concluded with Export-Import Bank of Romania - EXIMBANK S.A

Objective	Credit line-working capital
Amount	30,000,000 LEI
Maturity	23.06.2021
Balance on September 30, 2020	10,218,843.02 LEI
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

The short-term contract no. 12239/22.05.2012 concluded with ING BANK N.V. AMSTERDAM- Romanian Branch

Objective	Credit line-working capital
Amount	9,500,000 EUR
Maturity	22.05.2021
Balance on September 30, 2020	42,858,689.87 LEI
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

**The amounts due to the credit institutions at 30.12.2019 are presented in the following table:**

Amounts due to the credit institutions	Value at 31.12.2019
Amounts due in the short term	125,875,879 LEI
Amounts due in the long term (including interest)	57,080,354 LEI

The short-term contract no. IAS3-42-2016/ 17.08.2016 concluded with Unicredit Bank S.A.

Objective	Credit line-working capital
Amount	55,000,000 LEI
Maturity	16.08.2020
<b>Balance on September 30, 2019</b>	54,330,807.68 LEI
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

Credit contract no. IAS3-20-2018/03.05.2018 concluded with Unicredit Bank S.A.

Objective	Investment credit
Amount	15,406,300 EUR
Maturity	02.05.2028
<b>Balance on September 30, 2019</b>	11,943,245.63 EUR (57,080,353.84 LEI)
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

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The short-term contract no. 12/01.07.2013 concluded with Export-Import Bank of Romania - EXIMBANK S.A.

Objective	Credit line-working capital
Amount	30,000,000 LEI
Maturity	24.06.2020
<b>Balance on September 30, 2019</b>	29,592,915.74 LEI
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

The short-term contract no. 12239/22.05.2012 concluded with ING BANK N.V. AMSTERDAM- Romanian Branch

Objective	Credit line-working capital
Amount	9,500,000 EUR
Maturity	22.05.2020
<b>Balance on September 30, 2019</b>	24,021,730.10 LEI 3,251,946.88 EUR ( 15,542,029.72 LEI ) 560,551.01 USD ( 2,388,395.74 LEI )
Warranties	Mortgage contract for buildings, land/ Receivable assignment contract

SC Antibiotice SA has not lodged guarantees and has not pledged or mortgaged its own assets to guarantee obligations in favor of a third party.

## 18. SUBSIDIES FOR INVESTMENTS

The subsidies for investments have the following structure:

	<b>30.09.20</b>	<b>31.12.19</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Subsidies for investments</b>		
Waste water treatment plant	2,101,168	2,220,345
Research project-UMF Iasi	24,503	24,503
Other subsidies - European funds	543,473	615,426
Other subsidies - state budget funds	105,516	118,213
Other amounts received as subsidies	74,792	100,682
<b>Total</b>	<b><u>2,849,452</u></b>	<b><u>3,079,169</u></b>

The amounts reflected in the account *Subsidies for investments* represent values received in the last 10 years by the company as subsidies for investments in protecting the environment and increasing the competitiveness of industrial products through financing from the Ministry of Economy, Trade and Business Environment and UEFISCDI Bucharest.

## 19. DEFERRED INCOME TAX

The variation of debts on the deferred income tax is presented in the following table:

<b>Description</b>	<b>30.09.20</b>	<b>31.12.19</b>
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	<b>(unaudited)</b>	<b>(audited)</b>
Initial balance	25,531,938	25,266,930
Cost / (income) deferred tax	370,213	265,008
<b>Final balance</b>	<b>25,902,151</b>	<b>25,531,938</b>

The main components of the deferred income tax are: deferred tax related to the revaluation of fixed assets during the period 2004-2009 and deferred tax related to revaluations in the years 2012 and 2015.

## **20. SHARE CAPITAL**

The subscribed share capital of the company on September 30, 2020 was 67,133,804 LEI, the nominal value of an share being of 0,1000 LEI/share. Our company has 671,338,040 shares which confer equal rights to the company's shareholders. SC Antibiotice SA did not issue shares offering preferential rights to the holding 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. It was applied starting with the balance determined according to GD 500/ 1994, from the reporting date to 31.12.2003, the date when it was considered that the national economy ceased to be hyperinflationary.

Subsequent to 31.12.2003, the share capital increased according to the historical amounts registered with the Trade Registry.

On 31.12.2012, in the balance sheet of the Company there was a loss carry forward result from the application for the first time of IAS 29 "*Financial Reporting in Hyperinflationary Economies*" proposed to be covered from the amount resulting from the application of IAS 29 "*Financial Reporting in Hyperinflationary Economies*" as follows:

Retained earnings – loss from the first application of IAS 29	197,701,352
Adjustments of the share capital - the first application of the IFRS	197,701,352

According to the Order 1690/2012 on amending and supplementing certain accounting regulations, the accounting loss carried forward from the transition to the application of IFRS, from the first adoption of IAS 29, as well as the one resulting from the use, at the date of transition to the application of IFRS, of fair value as a presumed cost is covered from the own capitals (including the amounts reflected in the credit of account 1028 "Adjustments of the share capital"), according to the GMS decision, in compliance with the legal provisions.

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(all amounts expressed in LEI, if not mentioned otherwise)

**21. RESERVES**

The reserves include the following components:

<b>Description</b>	<b>30.09.20 (unaudited)</b>	<b>31.12.19 (audited)</b>
Reserves from revaluation of fixed assets	58,150,461	60,481,330
Legal reserves	13,426,761	13,426,761
Deferred income tax recognized on equity	(9,304,071)	(9,677,011)
Other reserves	216,684,048	193,386,084
Reserves from current profit		7,269,283
<b>TOTAL</b>	<b><u>278,957,199</u></b>	<b><u>264,886,447</u></b>

The following describes the nature and purpose of each reserve within the equity:

<b>Reserve</b>	<b>Description and purpose</b>
Reserves from revaluation of fixed assets	If the book value of a tangible fixed asset is increased as a result of the revaluation, then the increase should be recognized in other items of global result and cumulated in equity, as a revaluation surplus. Revaluation reserves can not be distributed and can not be used to increase the share capital.
Legal reserves	According to the Law 31/1990, at least 5% of the profit is taken each year for the formation of the reserve fund until it reaches at least a fifth of the share capital.
Other reserves	Other reserves include reserves that represent tax incentives that can not be distributed having implications on the recalculation of the profit tax. The difference represents reserves made up of profits.

**22. RETAINED EARNINGS**

The retained earnings include the following:

<b>Description</b>	<b>30.09.20 (unaudited)</b>	<b>31.12.19 (audited)</b>
Retained earnings – surplus from revaluation reserves	19,380,243	17,422,314
Retained earnings from error correction	-	
Retained earnings arising from the use, at the date of transition to the application of IFRS, of the fair value as an assumed cost	123,846,355	123,846,355
Retained earnings from the first adoption of IAS 29	(197,701,352)	(197,701,352)
<b>Total</b>	<b><u>(54,474,754)</u></b>	<b><u>(56,432,683)</u></b>



**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

September 30, 2020

(all amounts expressed in LEI, if not mentioned otherwise)

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**23. CONTINGENT LIABILITIES**

SC Antibiotice SA has no contingent liabilities on September 30, 2020.

**24. EVENTS AFTER THE REPORTING PERIOD**

No subsequent events were identified.

Report date: **12.11.2020**  
Name of issuing company: **Antibiotice SA**  
Headquarters: **Iași, str. Valea Lupului nr. 1, cod poștal 707410, <http://www.antibiotice.ro>**  
E-mail: **[relatiicuinvestitorii@antibiotice.ro](mailto:relatiicuinvestitorii@antibiotice.ro)**  
Telephone/fax no.: **0232 209000 / 0232 209633**  
Unique registration code in the Trade register Office: **RO1973096**  
Order number in the trade Register: **J22/285/1991**  
Subscribed and paid-up capital: **67.133.804 lei**  
Regulated market on which the securities issued are traded: **Bucharest Stock Exchange**

### **Notice of availability for de Annual Report on 30 September 2020**

*Antibiotice Iași* informs the investors that the **Report at 30.09.2020**, is available through the *Bucharest Stock Exchange, Financial Surveillance Authority* as well as through its website: [www.antibiotice.ro](http://www.antibiotice.ro) (Investors/Finanacal Information/Financial Reports -2020 / 9 months).

We mention the fact that the above-mentioned report can also be obtained from our company's headquarters (Investor Relations, fax no. 0372. 065.633, e-mail: [relatiicuinvestitorii@antibiotice.ro](mailto:relatiicuinvestitorii@antibiotice.ro)).

General Director,  
ec. *Ioan NANI*

Financial Director,  
ec. *Paula-Luminița COMAN*