

Press release

For immediate distribution

Contact: Mrs. Mihaela Melinte, Communication & PR Coordinator

e-mail: mihaela.melinte@antibiotice.ro

Phone: +40232.209.402

Iași, August 14, 2020

The exports during the first six months of 2020 supported the Antibiotice business in the midst of the pandemic

Today, August 14, Antibiotice SA (symbol ATB) submitted to the Bucharest Stock Exchange the report containing the economic and financial results related to the first semester of 2020.

The Antibiotice business, in the context of the pandemic

With the onset of the SARS-CoV-2 virus pandemic at the end of the first quarter of 2020, our organization's strategy was recalibrated to meet two key objectives:

- To support the Romanian medical system, strongly affected by this unprecedented crisis, with the medicines used in the symptomatic and asymptomatic treatment schemes for Covid 19;
- To maintain the health and safety of its employees.

Thus, Antibiotice reconfigured its manufacturing structure and reintroduced into manufacturing the products Paracetamol and Novocalmin® (metamizole sodium), which, at that time, were on the list of products missing from pharmacies, but necessary in the treatment schemes for patients suffering from Covid -19.

At the same time, the research-development project of the Hydroxychloroquine product was accelerated, so that a stock of medicines, at the disposal of the Ministry of Health, in the event of internal requests, can be provided in optimal time.

During the first months of the pandemic our company's solidarity with the Romanian medical system also materialized into a financial aid and donations in highly necessary sanitary materials and medicines, for ten hospitals in Romania.

In the same area of concern, the company initiated and completed the research of three biocidal products, which can be reproduced on its own manufacturing lines.

At the end of June, Antibiotice had already produced the first two surface disinfectant solutions, packaged in 1 liter and 5 liter bottles, according to the authorization issued by the Cantacuzino Institute, and a new hand sanitizer gel formula will be sent to an external laboratory for analysis, in order to be accredited and introduced in the company's portfolio.

Throughout this period, the company supported the medical system and the distribution partners, with its entire portfolio of 150 products, managing to purchase, under conditions of transport restrictions and protectionist policies of some states, the active substances needed to continue the manufacture of pharmaceutical products.

During the first semester, revenues from sales amounted to 146.38 million lei

In this atypical context, the revenues from sales and more precisely the revenues from the sale of pharmaceutical products to internal and external partners achieved during the first six months were worth 146.38 million lei, which represents 85% of the value obtained during the same period of the year 2019.

It is worth mentioning that, in the context of the declining local pharmaceutical market, the export businesses have balanced revenues by increasing their share to 50% during the first half of 2020 (compared to 42% in 2019).

Our company achieved, during the same period, total revenues amounting to 182 million lei, compared to 206 million lei, obtained during the first half of 2019. This indicates a degree of achievement of 88.3% of this indicator, compared to the year 2019.

Related to these total revenues, the operating revenues are worth 179 million lei, compared to 203 million lei as recorded in 2019 - a degree of achievement of 88%, similar to the trend of operating expenses, which are worth 155.5 million lei, compared to 175.2 million lei in 2019.

According to those listed above, the gross result of the first six months was worth 19.4 million lei, compared to 24.9 million lei achieved in the first half of 2019, i.e. a degree of achievement of 78%.

The consolidation of sales on the international markets, the premise for balancing our company's turnover

In the first six months of 2020, marked by the crisis of the new coronavirus, our company honored contracts worth 73.8 million lei on the international market, achieving an increase of 2%, compared to the previous year, when exports amounted to 72, 7 million lei.

Antibiotice responded to the requests of both traditional partners and those from international health systems and supported them with medicinal products associated with the treatment of Covid-19, although the conditions were not the most favorable. The measures to restrict sales to the foreign market (imposed by the emergency and alert legislation), the disruption of land and air transport of

goods to all parts of the world and the increase in the volume of documentation required by the Ministry of Health for export approval, have required the identification of fast and efficient solutions.

Auctions were awarded in the U.S., the United Kingdom and Hungary for approximately 2.5 million vials of injectable medicinal products and the doubling of the demand for sterile penicillins from the Scandinavian countries (Denmark and Norway) was properly managed.

At the same time, emergency exports were requested from the governments of Lithuania, Latvia and the Netherlands and resources were mobilized to respond positively to the demand for treatment aid in hospitals in developing countries such as Iraq and Yemen.

Regarding the export of Nystatin - a product for which our company is recognized as a world leader - there was an average increase of 6% in consumption to the main customers in North America, Europe, Australia, Asia and Africa. Thus, strong premises for long-term business consolidation have been created, in the context in which Antibiotice intends to quantitatively increase the production of this active substance.

During the first six months the value of sales obtained on exports, for finished medicinal products and Nystatin - active substance managed to support the company's turnover so that, in this period marked by the boomerang effects of the pandemic, exports accounted for 50% of the business for the first semester.

6.4% increase in the consumption of Antibiotice medicinal products in hospitals

In the context of measures taken in 2020, at national level, to limit the spread of the SARS-VOC-2 virus, by limiting physical mobility, reducing hospital admissions and the contact with the medical staff in the first half of 2020, the use of the Antibiotice medicinal products, on the domestic market, was worth 152.3 million lei, which represents 91.2% of the consumption value registered in the middle of last year, of 167 million lei.

This consumption of medicinal products was achieved through two main channels, represented by the system of open circuit (retail) pharmacies and hospitals.

On the retail channel, the value of the medicinal products consumption in the Antibiotice portfolio is in the amount of 112 million lei, which represents 90.3 of the value achieved during the similar period of 2019.

On the hospital channel represented by hospitals, Antibiotice registered a consumption of 40.4 million lei, as compared to 37.9 million lei, which was achieved during the first half of last year, which represents an increase of 6.4%. This increase in consumption through the hospital channel is due to the increased consumption of injectable products such as Meropenem Atb, Amoxiplus®, Ampicillin, Cycloserine Atb, recognized for their therapeutic value.

Safety and protection measures for the continuity of domestic production

In order to carry out its activity continuously and to protect the health and safety of its employees, our company has taken protective measures since the end of February.

Antibiotice has structurally rethought its activity, on three working scenarios, corresponding to the gradual progress in the pandemic. Thus, thanks to a careful and scrupulous management of all activities and potential risks of contamination, none of the 1400 employees of the factory got infected during the first half of 2020 and the activity went on uninterrupted.

During the three and a half months of exceptional situation, our organization has implemented security policies and allocated resources amounting to over 150,000 euros necessary to implement decisions to minimize the risks of viral contamination. Among the measures taken, it is worth mentioning: providing employees with special protective equipment, the constant sanitation and disinfection of spaces, the supplementation of means of transport and the modification of the work schedule, the introduction of work from home, the adaptation of workspaces to the social distance, the preventive testing of employees to limit the possible contamination at the factory.

In summary, the results of the first semester of 2020 are:

- **No case of coronavirus among the 1,400 employees;**
- **Supporting the Romanian health system by reintroducing the medicinal products Paracetamol and Novocalmin®, used in the symptomatic treatment schemes for Covid-19; the acceleration of the Hydroxochloroquine project;**
- **Maintaining a balanced evolution of the income-expenditure-profit indicators compared to 2019, in economic crisis conditions;**
- **A reliable partner for the health systems of the countries where Antibiotice develops commercial relations;**
- **Increasing the share of exports to 50% of the total sales;**

The interested persons can consult the Management Report for the first semester of 2020 on the website of the Bucharest Stock Exchange (www.bvb.ro), of the Financial Supervisory Authority (www.asfromania.ro) or on the website of Antibiotice SA (www.antibiotice.ro), the section “Investors> Financial information> Financial reporting”.