

Antibiotice, a first-rank company in the relationship with its investors*

*Presentation for investors
October 2020*



Antibiotice

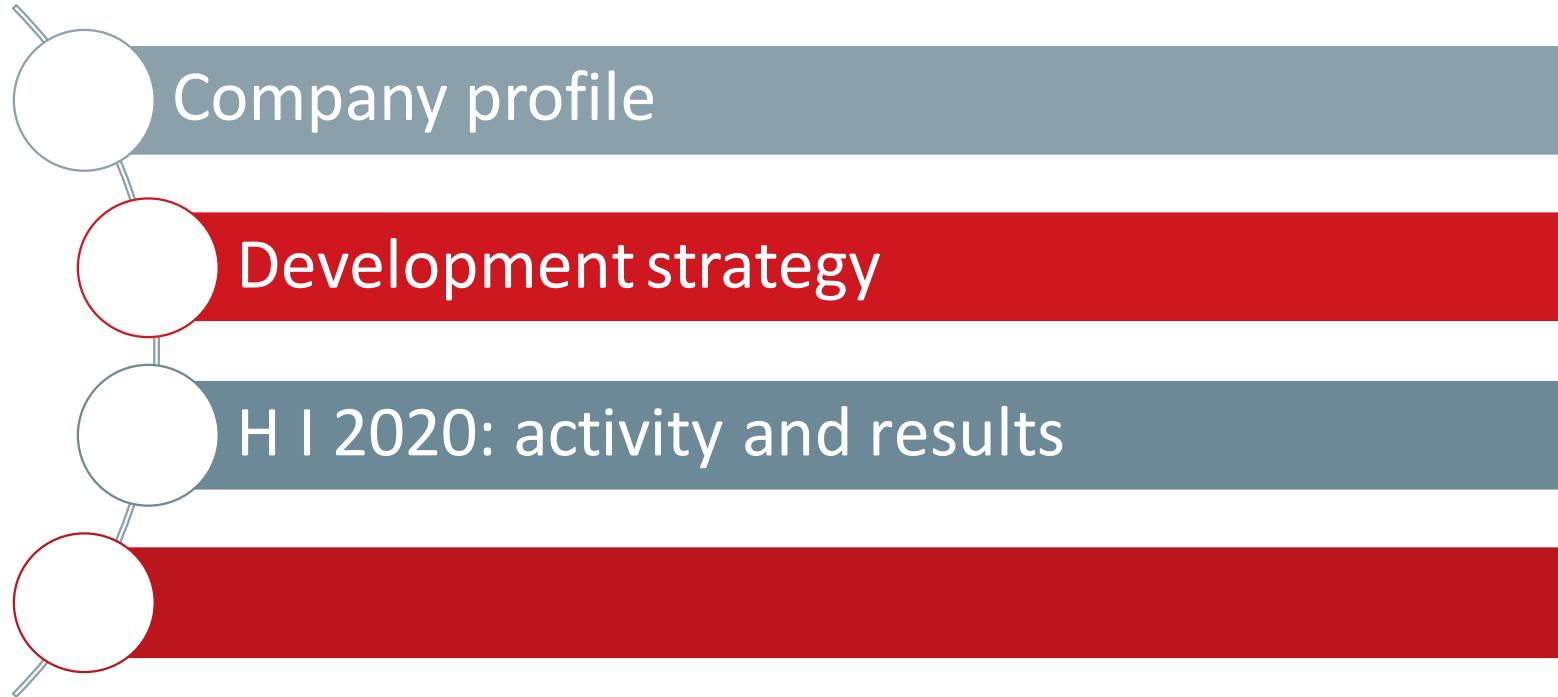


*According to the VEKTOR indicator of the Romanian Investors Relations Association (ARIR)

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Contents



Company Profile



Antibiotic



Antibiotice in brief

Antibiotice today

The main manufacturer of generic anti-infective medicines in Romania.

World leader in production of the active substance Nystatin: 65% which is a USP reference standard.

A **150-product portfolio** from 12 therapeutic classes.

Invests 5% of its turnover in research-development projects.

Social Responsibility programs supported by the „Antibiotice - Science and Soul” Foundation.

Mission

We make our valuable medicines more accessible to patients, physicians and pharmacists. We always put our strength to the service of those who need our support.

BVB: ATB	2019	H I 2020
Turnover (thousand LEI)	391,7	146,4
Stock market capitalization (million LEI)	341	359,2
Number of shares (million)	671	671

Leader in an attractive market

Domestic position and market share

#1

- Leader in the antiinfectives class in the generic category (31.06% market share)

#1

- Leader in the hospital segment, RX and OTC medicines (15.6%)

#1

- Leader in terms of quantity in the following segments: ointments (23.9%), suppositories (42.5%) and injectable powders (72,9%)

#4

- Among the 129 prescription generic manufacturers (8.07%)

#20

- In the total pharmaceutical market (1.89%)

Performance in the external market

40%

of turnover represents exports

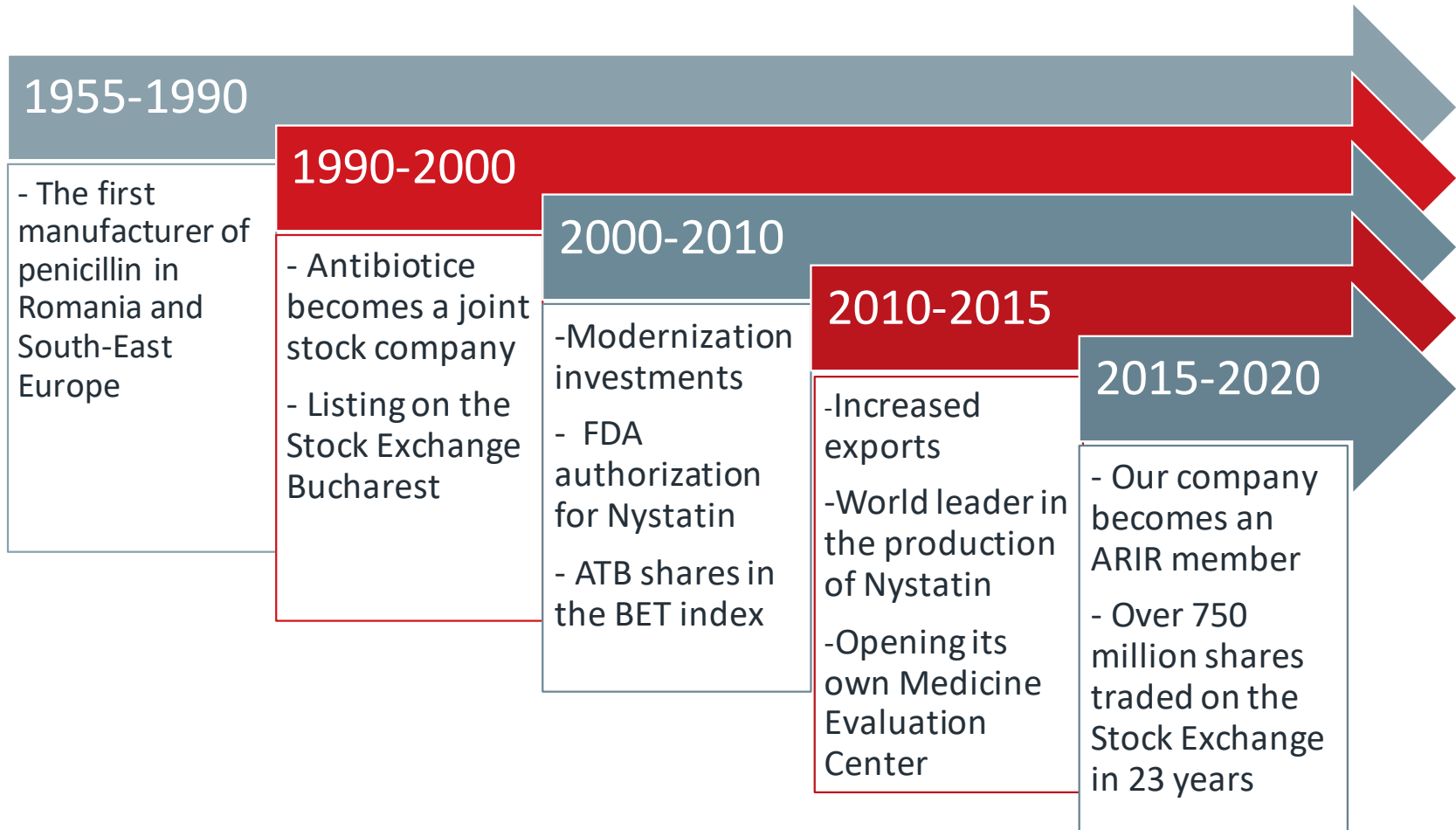
\$10 mil

The largest Romanian exporter în Vietnam

#1

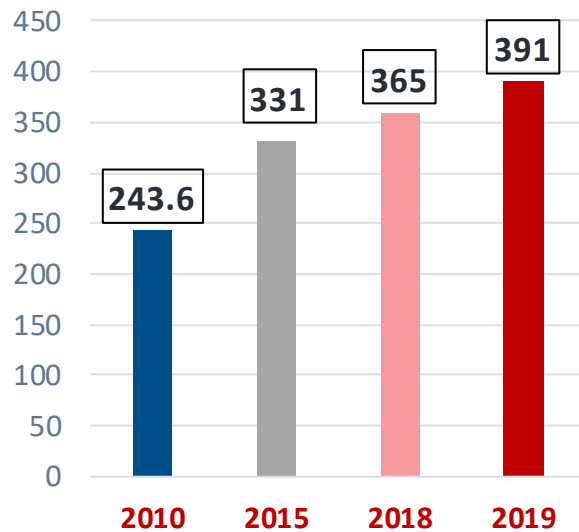
World leader in the Nystatin market

A company with a rich tradition

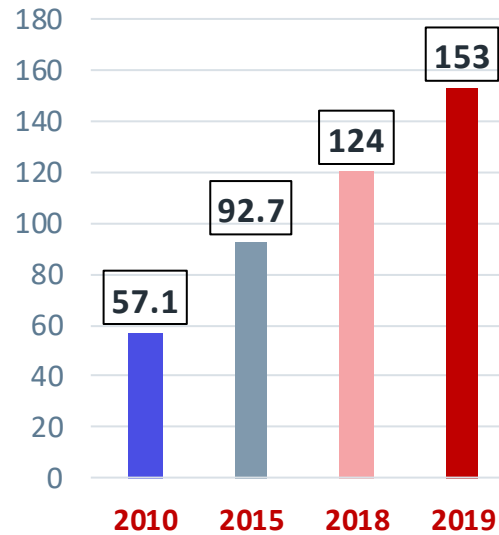


Financial performance

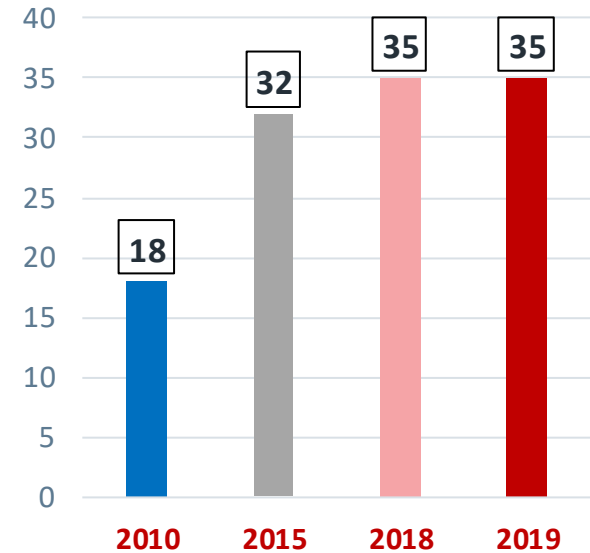
Turnover
million LEI



Export
million LEI

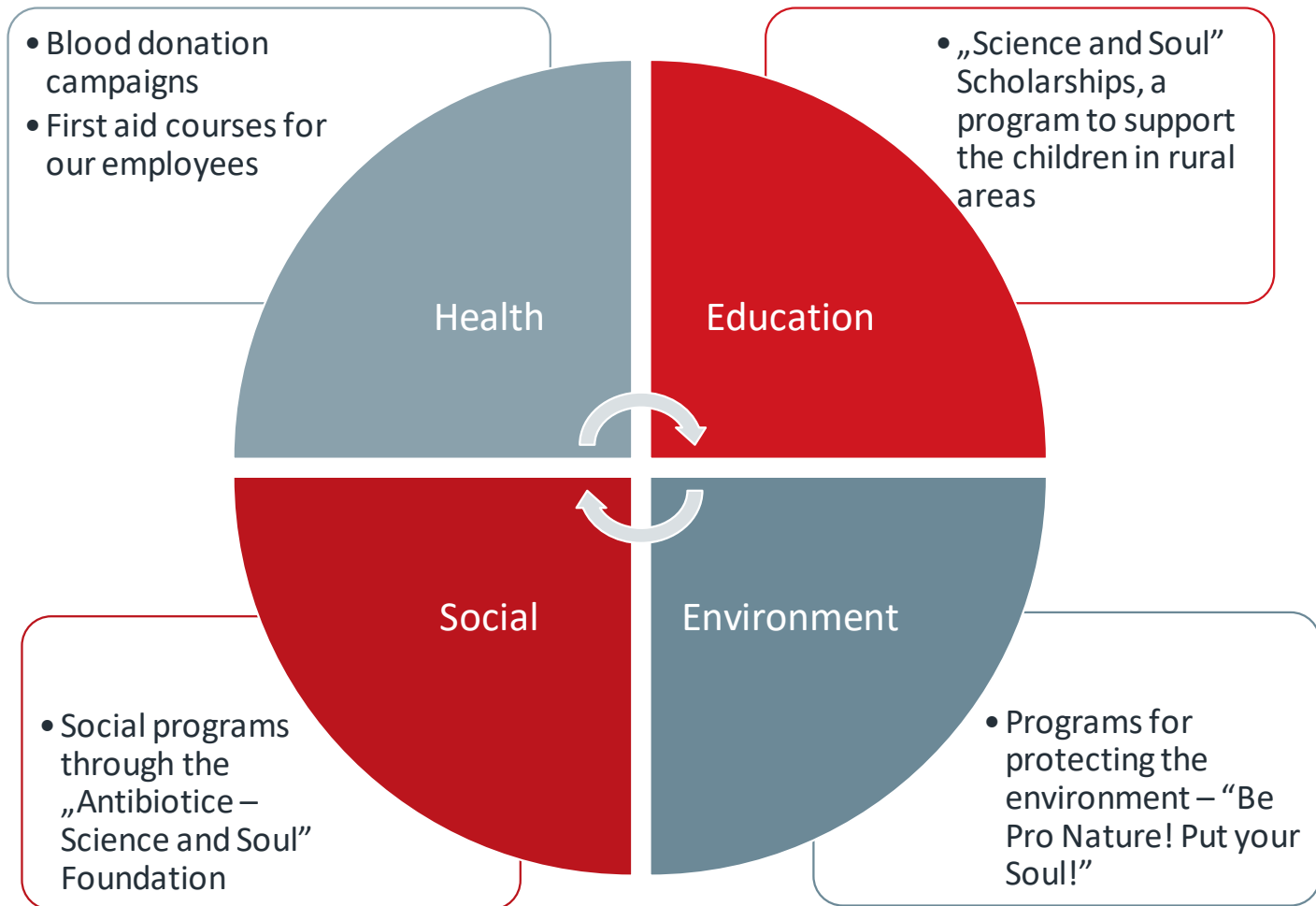


Profit
million LEI

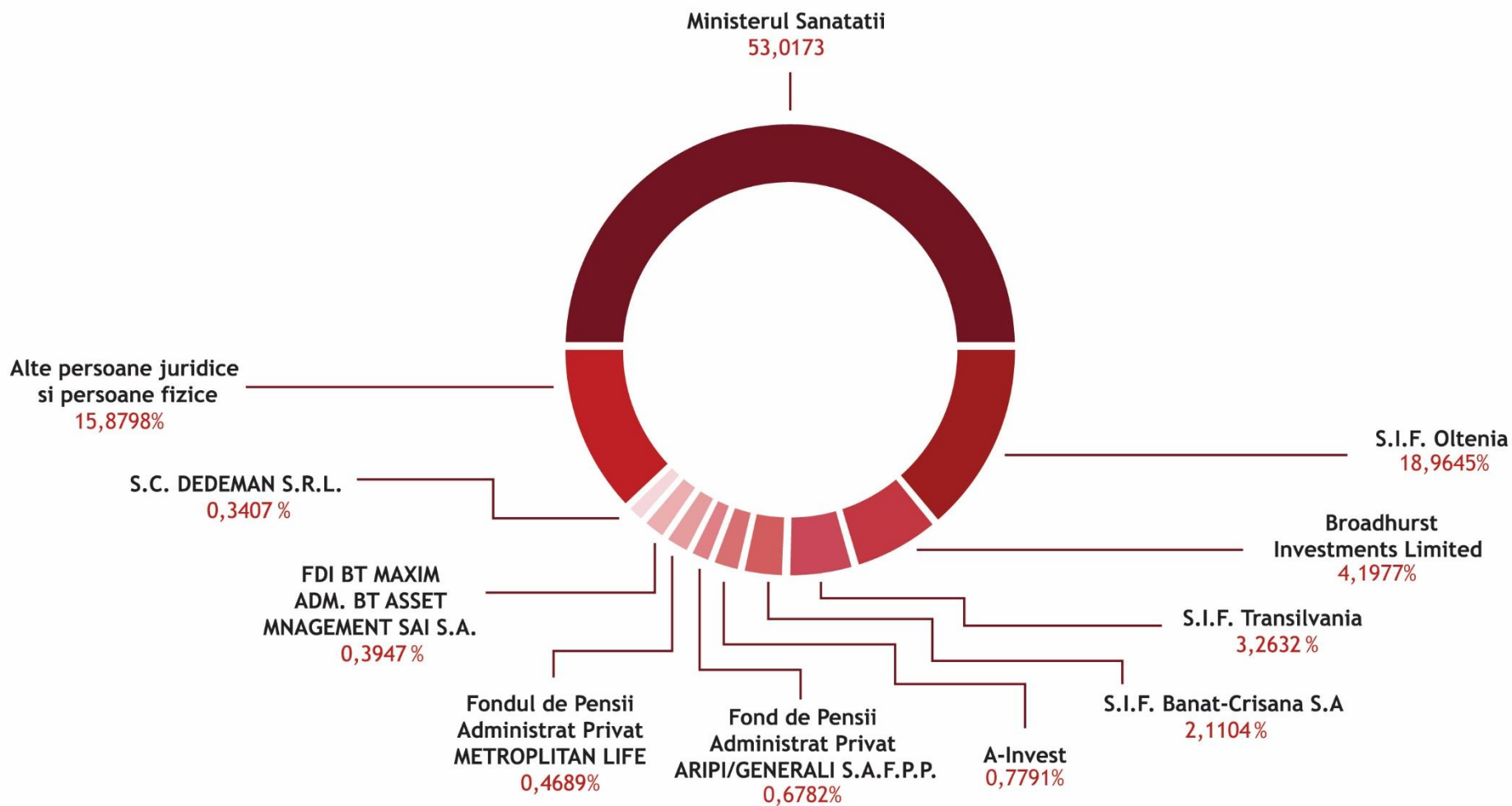


A profitable company

Antibiotice, a responsible company



Shareholding



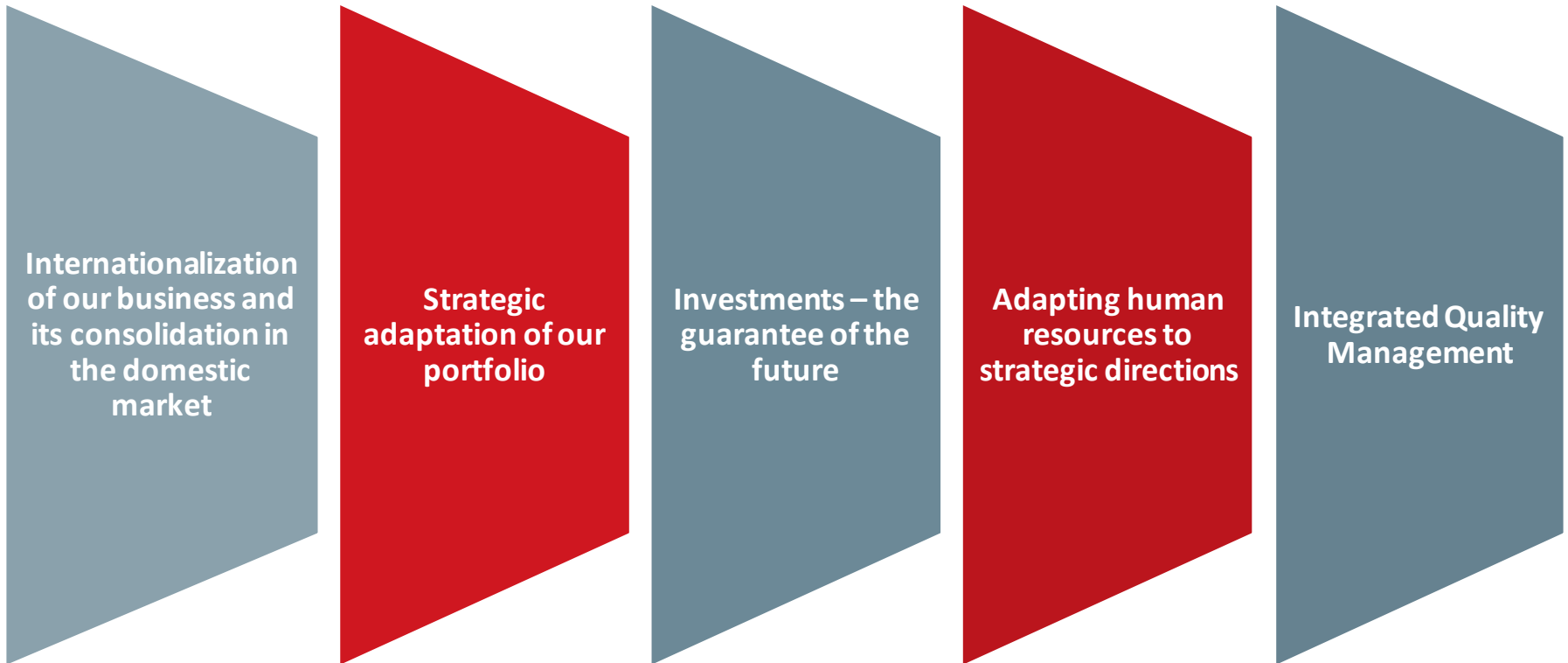
Development strategy



Antibiotic



Strategic development pillars



+ Quick adapting to the extraordinary pandemic situation

Evolution of the main economic-financial indicators

No.	Indicators	2000	2005	2010	2015	2020 – valori estimate
1.	Turnover(mil. LEI), of which:	62,2	163,5	243,6	331,7	377,7
2.	Export sales (mil. LEI)	12,1	20,4	57,1	92,7	158,0
3.	Operating income(mil. LEI)	61,9	164,8	248,5	342,1	394,3
4.	Operating expenses (mil. LEI)	49,6	138,5	217,9	304,3	361,1
5.	Operating profit (mil. LEI)	12,3	26,3	30,6	37,8	33,2
6.	Total income (mil. LEI)	63,2	166,5	262,8	349,9	400,0
7.	Total expenses (mil. LEI)	57,3	142,8	244,3	317,9	375,5
8.	Gross profit (mil. LEI)	5,9	23,7	18,5	32,0	24,5
9.	Operating profitability	19,8%	16,1%	12,6%	11,4%	8,8%

No.	Indicators	2000	2005	2010	2015	2020 – estimated values
10.	Gross profitability	9,5%	14,5%	7,6%	9,6%	6,5%
11.	Fixed assets (mil. LEI)	38,9	85,6	168,4	195,5	389,7
12.	Current assets (mil. LEI)	38,4	126,2	223,9	327,3	436,0
13.	Total assets (mil. LEI)	77,5	211,8	392,7	524,5	825,7
14.	Total liabilities (mil. LEI), of which:	27,5	56,2	110,6	138,4	302,7
15.	Current liabilities (mil. LEI)	26,5	54,4	110,6	122,2	219,9
16.	General liquidity (Current assets/Current liabilities)	1,4	2,3	2,0	2,6	1,98
17.	Global solvency (Total assets/Total liabilities)	2,8	3,7	3,5	3,8	2,7
18.	Added value	33,2	90,2	128,7	173,4	197,8

Responsibility, Cooperation and Partnerships

- Analysis, evaluation and limitation of expenses corroborated with achieved revenues and urgent needs;
- Balance of financial flows of receipts and payments, on each currency to limit financial expenses;
- Sustained investments for future development;
- Partnerships with customers and suppliers.

Internationalization of our business and its consolidation in the domestic market

Strategic objectives

Nystatin, active substance - strengthening our world leadership position

Increasing product sales in both Antibiotice and assimilated territories

Territorial expansion through portfolio development and access to new markets



50

internationally
registered products

4

countries with
Antibiotice
representative
offices: Vietnam,
Republic of
Moldova, Ukraine,
Serbia

6

new internationalization
projects
(4 projects for finished
products and 2 projects
for Nystatin)

Strengthening the internal market



Antibiotice



Strategic objectives

#1

- Strengthening the leading position on the hospital segment by adapting our portfolio and commercial policies

#1

- Strengthening the leading position on the Anti-infectives class – generic medicines

#1

- Strengthening the leading position in terms of quantity on the topical segment to make the most of the investment in the most modern flow of topical products in the South – East of Europe

#4

- Consolidation of our position in the top 5 manufacturers of prescription generic medicines by completing the portfolios for chronic diseases (diabetes, cardiovascular conditions)

29%

- Development of the non-RX portfolio on the concepts *Quality of Life, Women's Health, Nutriensa*

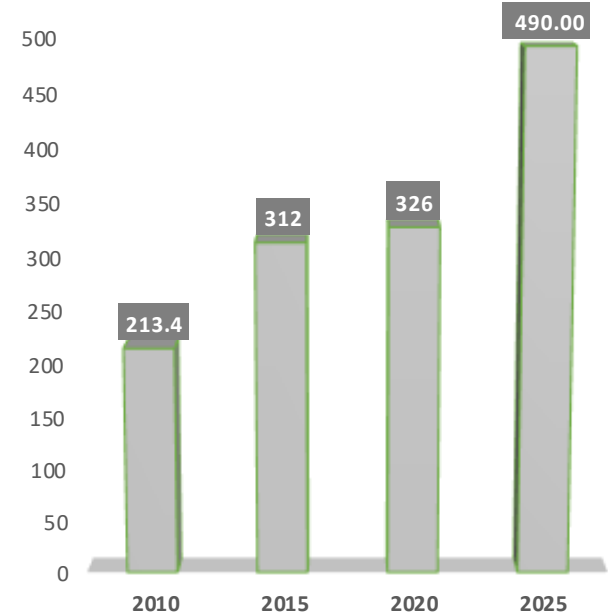
Media

- Increasing and consolidating the awareness of Nutriensa brand

National chains

- Development of integrated partnerships with national chains for the fruition of production capacities

GROSS TURNOVER – INTERNAL MARKET (MIL LEI)



Strategic adaptation of our portfolio

Strategic objectives

Increasing sales in the hospital portfolio

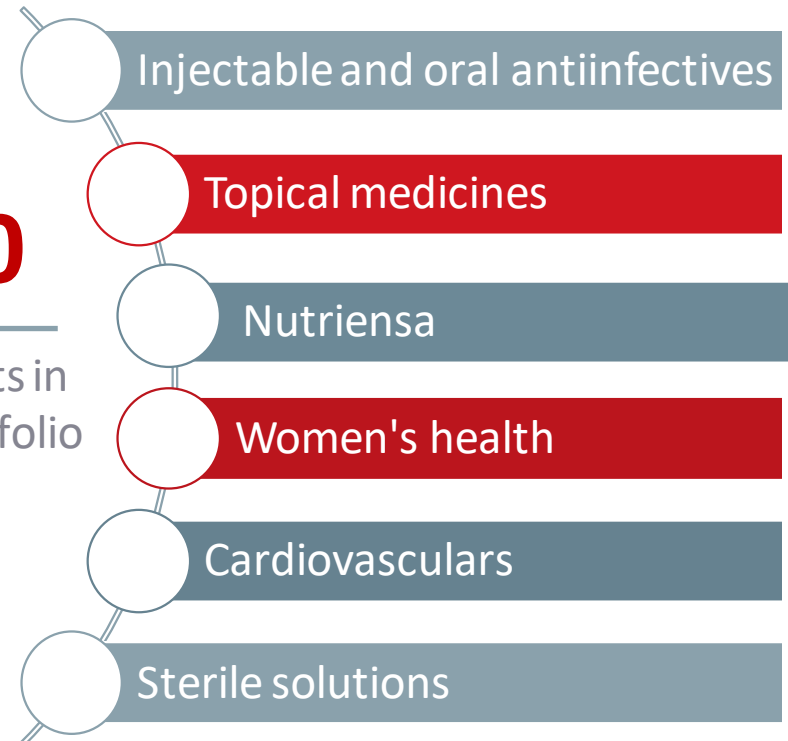
Increasing the production capacity of topicals

Development of new products in all the therapeutic areas

Therapeutic areas

150

Products in
the portfolio



Investments – the guarantee of the future

Building a new manufacturing plant for ointments and suppositories	20 mil EUR
Building a new manufacturing plant for sterile solutions	60 mil EUR
Upgrading, diversifying the assortment range and increasing the capacity for manufacturing the active substance Nystatin	10 mil EUR
Research investments	10 mil EUR
Upgrading the existent manufacturing capabilities	5 mil EUR
Investments in the Product Quality Control	5 mil EUR
Investments in the IT infrastructure	5 mil EUR
Environmental protection, Occupational Safety and Health	2 mil EUR

Indicators (mil. LEI)	2020	2025
Turnover	377,7	710
- export sales	158	332
% export in Turnover	42%	45%
Gross profit	24,5	70
Claw back tax	32,4	54,3
Gross profit+claw back	56,9	124,3
Average number of employees	1,415	1,300

Adapting human resources to the company's strategic directions

Strategic objectives

Supporting professional development

Balanced staff structure

Improving organizational climate

Increasing our employees' motivation

Qualified personnel

1,415

employees

45%

Specialists with higher education

3

Partner universities

Integrated quality management

Integrated quality management system
(quality, environment, occupational health and safety)

International quality certifications:

- EU-GMP for 8 manufacturing flows;
- US - FDA for sterile injectable powders and Nystatin API;
- CoS (Certificat of Suitability) issued by EDQM in 2004, renewed in 2008;
- TÜV Rheinland certificate for integrated management (quality, environment, occupational health and safety);
- Multiple approvals for external customers (about 20 annual audits)

Objective:
Supporting the
business
partnerships



Management
System
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

www.tuv.com
ID 9000004194

Rapid adaptation to the extraordinary pandemic situation

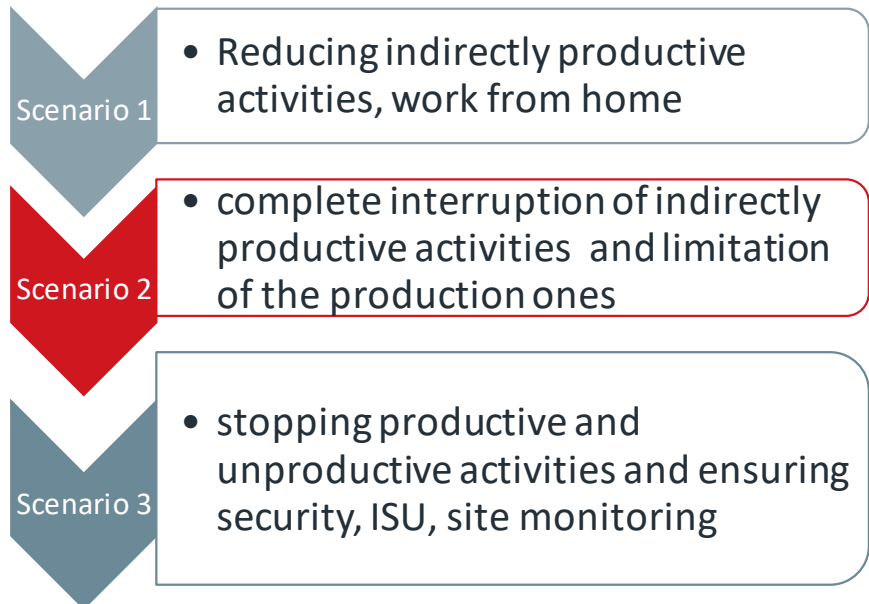
State of emergency

Strategic objectives

Supporting the Romanian medical system with medicines of strict necessity, during the pandemic

Maintaining the health and safety of our employees present on the manufacturing site and continuing the company's activity.

ATB crisis cell



Effective protection measures in a crisis situation

State of alert

Adopted measures

- **Measures for protecting our employees**
 - Protection outfits & disinfectants
 - Monitoring the state of health through periodic medical controls
 - Testing the personnel (PCR/quick tests) upon returning to the company after the state of emergency/vacation;
- **Social distancing**
 - Flexible work hours;
 - Work from home;
 - Online meeting platform - Microsoft teams
- **Isolation Center a+**
- **Communication** - informing our employees by using e-mail, FB, posters at work, access area and own means of transport

H I 2020 results

0

Coronavirus-infected employees

0

Days of production interruption

Performance indicators for the executive team

INDICATORS for EXECUTIVE ADMINISTRATORS	Weighting	2020
Sales revenues (mil. LEI)	10%	376,96
Gross profit (mil. LEI)	15%	24,50
Arrears (mil. LEI)	15%	0
Total expenses per 1000 lei income	10%	939
Degree of utilization of production capacity not less than 60%	10%	60%
Government social policies (gender equality, employment, health)	10%	100%
Achieving a degree of customer satisfaction in the internal market of at least 80%	10%	80%
Average number of continuing education hours per employee	10%	32
Monitoring the transparency and communication processes	10%	100%

Semester I 2020: activity and results



Antibiotice



Achievements in the first semester of 2020

146.4 million LEI
registered revenues, of
which 50% export
revenues

Maintaining the position
of world market leader
for the active substance
Nystatin

Adapting the production
to the extraordinary
pandemic situation

Continuation of the
investment program for
the future

Effective protection
measures: no coronavirus
cases among our
employees

Maintaining a balanced
evolution of income-
expenditure-profit
indicators

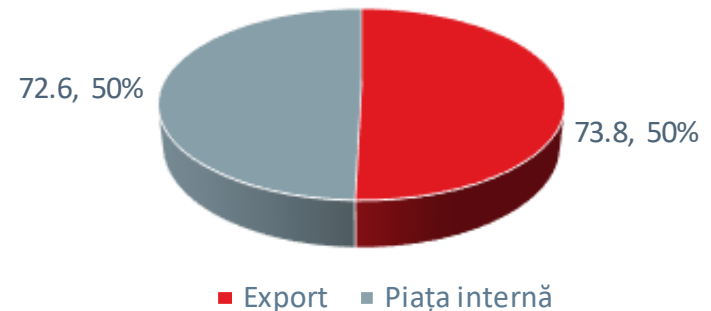
Revenues achieved according to market dynamics

Market dynamics

- Dynamics of the pharmaceutical market was affected by the pandemic
- The demand for anti-infectives associated with the Covid-19 treatment increased.
- The number of consumers in open-circuit and number of hospitalizations decreased.

Results

Revenues (million LEI)



- 146.4 mil. LEI revenues, of which 50% revenues from export;
- The position of world leader in the market of Nystatin was maintained;
- The consumption of Antibiotic medicines in hospitals grew by 6.4%

Strategic adaptation of our portfolio

Achivements

- Reintroducing into manufacturing the medicines Paracetamol and Novocalmin for Covid-19;
- Speeding the research-development project of the product Hydroxychloroquine
- Accessing new markets with the product AmoxiPlus (Amoxicillin/Clavulanate sterile injectable powder 1.2 g): Great Britain and Ukraine.
- Research and testing of three types of disinfectants and production of 2 types of surface disinfectants
- 26 dossiers submitted for authorization and 7 dossiers for re-authorization

A new manufacturing structure

Oral Solids Division

- integrates the activities of the Capsule Plant and Tablet Plant

Topicals Division

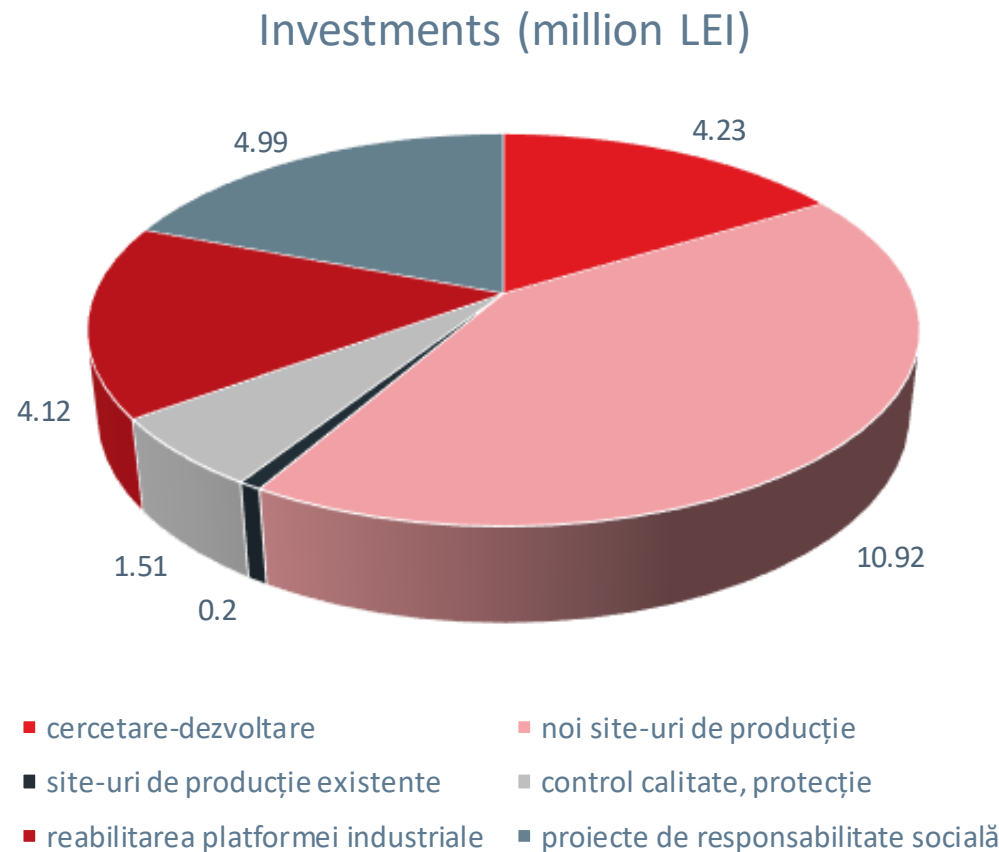
- includes the Ointment & Suppository Plant

Sterile Products & Nystatin Division

- integrates the activities of the Parenteral Product Plant and Biosynthesis Plant

Continuation of the investment program for the future

Investments amounting to 25.97 million LEI, of the total amount of 78.91 million LEI for the investment program 2020



Effective protection measures in a crisis situation

State of alert

Adopted measures

- **Measures for protecting our employees**
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 - Testing the personnel (PCR/quick tests) upon returning to the company after the state of emergency/vacation;
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H I 2020 results

0

Coronavirus-infected employees

0

Days of production interruption

Balanced economic activity

Indicators	30.06.2019	30.06.2020	06.2020/ 06.2019
Sales income(mil. LEI)	172,4	146,4	0,85
Gross profit (mil. LEI)	24,9	19,4	0,78
Arrears (mil. LEI)	0	0	1,00
Total expenses to 1,000 LEI income	879	894	0,98

Maintaining a balanced evolution of income-expenditure-profit indicators compared to 2019, in economic crisis conditions

Comprehensive income statement

Financial indicators (LEI)	30.06.2019	30.06.2020	30.06.2020/ 30.06.2019
Sales income	172.391.095	146.377.930	0,85
Other operating income	18.686.567	22.243.720	1,19
Revenues related to the costs of product stocks	26.243.033	26.727.927	1,02
Capitalized income from the activity performed by the entity	2.568.485	3.295.615	1,28
Expenditure on raw materials and consumables	78.018.365	66.398.931	0,85
Staff costs	46.888.473	50.146.132	1,07
Depreciation and amortization expenses	10.329.494	10.959.958	1,06
Other operating expenses	57.508.252	48.771.227	0,85
Operating profit	27.144.596	22.368.945	0,82
Net financial income	-2.220.989	-3.017.557	1,36
Pre-tax profit	24.923.607	19.351.388	0,78
Tax expenses	2.604.531	206.134	0,08
Net profit	22.319.076	19.145.254	0,86

Financial statement: assets

Financial indicators (LEI)	31.12.2019	30.06.2020	30.06.2020/ 31.12.2019
ASSETS			
FIXED ASSETS			
Tangible fixed assets	363.616.611	379.243.099	1,04
Intangible fixed assets	16.385.709	18.062.450	1,10
TOTAL FIXED ASSETS	380.002.320	397.305.549	1,05
CURRENT ASSETS			
Stocks	73.975.988	114.080.189	1,54
Trade and similar receivables	338.159.774	272.878.955	0,81
Cash and cash equivalents	1.877.409	3.861.622	2,06
TOTAL CURRENT ASSETS	414.013.171	390.820.766	0,94
TOTAL ASSETS	794.015.491	788.126.315	0,99

Financial statement: liabilities

Financial indicators (lei)	31.12.2019	30.06.2020	30.06.2020 / 31.12.2019
LIABILITIES			
CURRENT LIABILITIES			
Trade and similar debts	72.337.840	79.450.266	1,10
Amounts owed to credit institutions	125.875.879	109.986.199	0,87
Debts from current taxes and fees	13.267.396	5.690.516	0,43
Investment grants			
TOTAL CURRENT LIABILITIES	211.481.115	195.126.981	0,92
LONG-TERM LIABILITIES			
Investment grants	3.079.169	2.926.024	0,95
Deferred tax	25.531.938	25.738.072	1,01
Amounts owed to credit institutions	57.080.354	68.406.475	1,20
TOTAL LONG-TERM LIABILITIES	85.691.461	97.070.571	1,13
TOTAL LIABILITIES	297.172.576	292.197.552	0,98

Financial statement: share capital and reserves

Financial indicators (LEI)	31.12.2019	30.06.2020	30.06.2020/ 31.12.2019
Share capital and reserves			
Share capital	264.835.156	264.835.156	1,00
Revaluation reserves	50.804.319	49.499.028	0,97
Legal reserves	13.426.761	13.426.761	1,00
Other reserves	200.655.367	204.149.957	1,02
Retained earnings	-56.432.683	-55.127.392	0,98
Distribution of profit	-7.269.283	0	
Current result	30.823.278	19.145.254	0,62
TOTAL EQUITY	496.842.915	495.928.763	1,00
TOTAL CAPITAL AND DEBT	794.015.491	788.126.315	0,99

ATB shares on the Stock Exchange

Published on TradingView.com, October 07, 2020 19:20:10 EEST

BVB:ATB, D O:0.5000 H:0.5000 L:0.5000 C:0.5000



TradingView

10,404,214 shares, with a total value of 1,105,555 EUR were traded.

Conclusions

- Market leader in an attractive sector
- An ambitious and responsible development strategy
- Performance indicators in line with the strategy
- Quick adaptation to extraordinary situations
- A first ranked company in the relationship with the investors



Antibiotice



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www.antibiotice.ro