

MANAGEMENT REPORT

January-September 2021

Q3 Report according to IFRS

Report Date: 10.11.2021

Name of the trading company: ANTIBIOTICE S.A.

Head Office: Iasi, 1 Valea Lupului St.

Phone number: 0232/209000, Fax 0232/209633

Fiscal registration code: RO 1973096

Order number in the Trade Register: J22/285/1991

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: nominative shares, nominal value: 0.10 LEI

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1. Description of the company's activity

Antibiotice S.A. started its activity in 1955, being the first manufacturer of the active substance Penicillin in Romania and South-East Europe.

It is currently the most important Romanian manufacturer of generic medicines, a national and international reference brand which has been continuing its mission of producing quality, safe and efficient medicines to give people the hope of a healthy life.

Antibiotice has five production plants reunited in three divisions:

1. Oral Solid Products Division, which integrates the Capsules Plant and Tablets Plant;
2. Topical Products Division, including the Ointments & Suppositories Plant;
3. Sterile Products & APIs Division, which integrates the Parenteral Products Plant and Biosynthesis Plant.

Antibiotice S.A. has the most complex manufacturing structure in Romania, with 8 distinct manufacturing flows, on which the following pharmaceutical dosage forms are produced: penicillin powders for injection, penicillin capsules, non-beta-lactam capsules, cephalosporin capsules, tablets, ointments, creams, gels, suppositories, pessaries, active substances obtained by biosynthesis, the latter being unique in the country.

The manufacturing flows are audited and certified by the National Agency for Medicines and Medical Devices in Romania (NAMMDR), according to the Good Manufacturing Practice (GMP) requirements.

Nystatin, the active substance produced by Antibiotice S.A. is the USP reference standard. Our company obtained also the Certificate of Suitability with the European Pharmacopoeia (CEP) for Nystatin issued by EDQM (European Directorate for the Quality of Medicines).

Three sterile powders for injection are FDA certified, thus being able to be marketed also in the US market.

The processes in our company are carried out according to the Integrated Management System of Quality, Environment, Health and Occupational Safety. This framework governs all processes, starting from research-development, supply, production, control up to the distribution of medicines to patients. Certified for the first time in 2007, the Integrated Management System, Quality, Environment, Occupational Health and Safety was recertified in January 2020, after the audit conducted by TUV Rheinland Cert GmbH.

Our company has a modern Research & Development Center, this unit contributing to the achievement of a portfolio of over 150 finished medicinal products from 11 therapeutic classes (anti-infectives, cardiovasculars, dermatologicals, medicines for the digestive tract and central nervous system). Most of them are prescription drugs, but the company also has over-the-counter (OTC) drugs, dietary supplements and medical devices in its portfolio, designed to prevent disease and increase quality of life.

For conducting the phase I clinical studies and bioequivalence studies, Antibiotice S.A. set in 2006 its own Center for Clinical Studies authorized by the National Agency for Medicines and Medical Devices of Romania (NAMMDR) to conduct clinical trials, an authorization that is renewed every 3 years according to the legislation in force. Meeting the Good laboratory practice (GLP) as well as Good Clinical Practice (GCP) requirements is ensured by the

inspections conducted by the NAMMDR once every 2 years followed by the issuance of the related certificate of compliance.

Antibiotice SA is a trading company in which the majority shareholder is the Ministry of Health with 53.0173% of the subscribed and paid-up capital. Bucharest Stock Exchange (BVB) is the regulated market in which the securities issued by Antibiotice SA are traded in the PREMIUM category.

The main Antibiotice shareholders (extracted from the Shareholders' Registry) on 30.09.2021:

- Ministry of Health¹ - 53.0173%,
- S.I.F. Oltenia² - 26.1846%
- Other legal entities and individuals - 20.7981%

Ownership:

- Legal persons - 87.0622%
- Natural persons - 12.9378%

Antibiotice in the capital market

Antibiotice S.A. Iasi, issuer of securities under the ATB symbol, has been listed in the PREMIUM category of the Bucharest Stock Exchange since 1997.

The Antibiotice shares are included in the BET-Plus index which comprises the Romanian companies listed on the BVB market that meet the minimum selection criteria, except for financial investment companies.

From **September 20, 2021** our company is included in BET-BK index used as a benchmark by fund managers, but also by other institutional investors.

Stock market capitalization of Antibiotice on December 31, 2021 was 381.32 million LEI.

In this period 74,634,113 shares were traded, worth 40.27 million LEI, with an average price of 0.5396 LEI/share.

	Antibiotice shares - ATB / Regular market				
	2017	2018	2019	2020	30.09.2021
Number of shares	671,338,040	671,338,040	671,338,040	671,338,040	671,338,040
Stock market capitalization (thousand LEI)*	361,180	326,942	341,040	326,270	381,320
Stock market capitalization (thousand EUR)*	77,511	70,100	71,370	66,935	77,080
Stock market capitalization (thousand \$)*	92,813	80,259	79,873	82,163	89,401
Total traded value (million LEI)	12	9	15	14	40
No. of traded shares	21,113,565	17,109,263	30,364,292	27,085,005	74,634,113
Opening price (LEI/share)	0,5320	0,5200	0,5780	0,5120	0,4940
Maximum price (LEI/share)	0,5420	0,5920	0,5780	0,5550	0,5880
Minimum price (LEI/share)	0,4200	0,5200	0,4550	0,4130	0,4800
Price at the end of the period (LEI/share)	0,5270	0,5380	0,4870	0,4860	0,5680
Average price (LEI/share)	0,5032	0,5585	0,5028	0,5079	0,5396

* Calculation based on the share price in the last trading day of that year

¹ Majority shareholder

² Significant shareholder

In the first nine months of 2021, Antibiotice S.A. continued to apply consistently the management plans and to follow the strategic directions established by the Strategic Organization and Development Plan 2020-2028, with the following objectives:

- doubling the turnover: 140 million EUR;
- a gross profit of 14 million EUR (10% of the turnover);
- business internationalization: 50% of the turnover;
- strengthening the position of world leader in the production of the active substance Nystatin;
- streamlining the activities by digitizing and computerizing the company;
- optimizing the number of employees, in compliance with the period;
- average net salary: 1,500 EUR/employee;
- added value: 60 million EUR.

Our company constantly improves the system of planning, correlation and operational follow-up of the activities carried out in order to ensure the sustainable growth of the business and maximize profitability.

2021 is the first stage in achieving the above-presented desiderata. On 30.09.2021, the main indicators were as follows:

- **turnover amounted to 247.82 million LEI**, reaching the value planned for 30.09.2021. Of the total planned value for 2021, the achieved percent of the indicator represented 67%;
- **gross profit of 18.68 million LEI** reached the value planned for 30.09.2021. Of the total planned value for 2021, the achieved value of the indicator represents 62%.

The planned profit was achieved in the Q3 in compliance with the strategy included in the Income & Expenditure Budget and the production and sales estimated in the Q4 will lead to the achieving the planned turnover and profit.

The managerial measures for the strategic development and adaptation to the realities of the domestic and international market are grouped on five pillars:

- Pillar 1 - Strategic adaptation of human resources;
- Pillar 2 - Strategic adaptation of the product portfolio;
- Pillar 3 - Continuous improvement of the integrated management system (Quality, Environment, Occupational Health and Safety);
- Pillar 4 - Strategic planning and performance management;
- Pillar 5 - Corporate Governance.

2. Strategic adaptation of human resources

In the first nine months of 2021, Antibiotice S.A. had an average number of 1,415 employees.

The activity carried out by the Human Resources Department is closely related to the objectives of the Strategic Organization and Development Plan. The main directions are:

a) Completing the staff, training the necessary competencies to achieve the objectives and increasing the degree of involvement

In the period 01-09.2021, the staff structure was reorganized and adapted on key organizational components of the company (sales, research, production) by substantiating and implementing the decisions for reorganizing the activities.

The staff needed for achieving the objectives was identified through a detailed analysis of the current staff in each department and completed through attracting new staff able to replace the retired employees or develop new activities.

To ensure the future workforce, in 2001 the Human Resources Unit has been running 4 projects:

The 6th edition of the Perfoma+ project intended to identify young talents, being targeted students from the Faculty of Pharmacy, Faculty of Chemistry and the Faculty of Chemical Engineering and Environmental Protection.

Between September 27 - October 2021 the courses and practical trainings were carried out.

Dual education

Our company has been continuing the partnerships started in the previous school year with the pre-university education institutions:

- Technology High School "Petru Poni" Iasi;
- Technological High School of Mechatronics and Automation.

Within these partnerships, through the Iasi County School Inspectorate, a dual education was organized, 15 pupils being under training for the profession of chemical operator for medicines and cosmetics and 10 pupils for the profession of electrician - low voltage networks, in the period 2020-2023 (a three-year study period).

Participation as a partner of the "Gheorghe Asachi" Technical University in the project with European funds POCU 131181 for the insertion of the graduates through training courses (PRACTEH).

In this project one of our research employees is a mentor for the students of the Faculty of Chemical Engineering and Environmental Protection, facilitating their professional orientation and transition from school to professional life. This project offers us perspectives in knowing and attracting graduates for employment in company.

Partner of the Faculty of Chemical Engineering and Environmental Protection in the ROSE_StepUP project, "Reacts Chemically with the Environment from TUIASI-RCM TUIASI". This project consisted of online meetings with high school students in order to promote the partnership between academia and economics, with the presentation of the possibilities of achieving a professional career as a chemical engineer.

b) Continuous training program for employees

An average number of 34 training hours per employee has been planned in 2021.

In the first 9 months, our company provided an average number of 24.6 continuous professional training hours per employee, compared to the planned number of 24 hours per employee.

We mention here some of the most important topics covered:

- "Change Control, Investigation & Deviation", attended by 55 employees from different departments of the company;
- Process management, internal training organized by the Quality Assurance Department, 127 participants;
- EudraVigilance - pharmacovigilance training - for certifying the person responsible for pharmacovigilance.
- "GMP refresher" online training attended by 130 employees involved in GMP-related activities;
- Other topics: "Pharmaceutical Sales & Marketing Optimization", "Investor Relations, Professional Guidelines - Investor Relations Officer", "Theory and Praxis", "PRIA Drugs

& Medicine Publicity”, ”Process Scale-up, Validation & Technology Transfer”, ”Decision analysis & portfolio management”, “Nitrosamine Impurities”, ”Energy Management”.

Also, a series of topics covered the professional development and improvement area, for departments and support functions: management skills, public speaking, human resources manager, HR Profiler, recruitment techniques, English, efficient sales techniques and acquisitions, negotiation and contracting courses, digital marketing skills development. Continuous professional training was achieved following the major topics established by the training plan but also the opportunities, either by accessing training with non-reimbursable funds, or by registering for free webinars offered by training providers, on specific professional topics, personal development and software skills.

c) Increasing our employees’ motivation

The need to increase employee retention and attract competitive employees from the labor market required the optimization of the system of evaluation, reward and motivation of employees. Four stages of this process were established:

1. analysis of the strategic staff;
2. reanalysis of the motivational package;
3. identification of new benefits;
4. implementation of the updated system.

As an objective for 2021, the staff turnover rate due to voluntary departures must not exceed 5%.

In the first nine months of 2021, the staff turnover rate due to voluntary departures was 3.75%.

d) Improving the organizational climate and orienting the organizational culture towards innovation and performance

The diagnostic study of climate and employee job satisfaction is conducted as part of the organizational culture pillar “Antibiotice, a company worth working for”.

The purpose of the study is to measure employee satisfaction about the position held and assess their perception on the organizational climate, interpersonal and interstructural collaborative relationships and measures taken in the company for the protection and safety of employees during the pandemic.

The action plan has been approved by our management and will be implemented by the end of 2022.

The employee satisfaction degree established as an objective for the current year is 8%, and the **climate study revealed a degree of employee satisfaction of 8.3%**.

Our company established five communication pillars of organizational culture which will contribute to the strategic orientation of human resources towards innovation, creativity, efficiency and professionalism. These are:

- Antibiotice, a company worth working for
We live healthy in a healthy company
- In service of life for a lifetime
- Antibiotice, a friendly and responsible brand
- Antibiotice, a company oriented towards knowledge and performance
- Antibiotice, Romanian tradition and continuity

Since May, **Club a+** has been offering the employees and their families the facilities for practicing sports in the gym, outdoor field and in the Friendship Park, an approach that is part of the project **"We live healthy in a healthy company"**. From its opening until the end of September, the gym had a number of 200 appointments for individual or group sports activities.

As regards the pillar "Antibiotice, a company oriented towards knowledge and performance", in 2021 we have been continuing the **Bookster** project through which over 250 employees can borrow books.

We launched during the second quarter **"The learning Pill"** - an internal project through which we share notions and concepts of business, management, communication through posts open to all employees who can express their opinions related to the proposed topics.

3. Antibiotice, a friendly and responsible brand

The Antibiotice's social responsibility strategy focuses on developing campaigns and projects, highlighting the company's commitment on responsible practices to do more and better for people's health.

In the first nine months of 2020, Antibiotice has been involved in the development of the following social responsibility projects, which are part of the company's long-term strategic development direction **"Antibiotice, a friendly and responsible brand"**:

Vaccination center a+

Starting with January 18, 2021, Antibiotice made available to employees and members of neighboring communities, voluntarily, its own Center for Clinical Studies as a vaccination center against Covid-19, with a vaccination capacity of over 120 people daily.

Our Center has a medical office, optimal refrigeration units for storing sera for immunization, reception, toilets and medical / auxiliary staff - qualified doctors and nurses, two different access flows dedicated to the persons to be vaccinated. 21,000 doses of COVID-19 vaccine were administered in the Vaccination Center a+ in the reporting period.

"Choose to be a pharmacist"

Antibiotice was the host for 50 students from disadvantaged backgrounds, included in the project **"Choose to be a pharmacist"**. This program was run by the Faculty of Pharmacy within the University of Medicine and Pharmacy "Grigore T. Popa" Iasi.

The group that visited the company included students from the 10th and 11th grades, who study at schools in the North-East region of Moldova and 3 students from UMF as well as two university professors (mentors) from the Faculty of Pharmacy.

During the meeting, the students learned some of the secrets of the profession of pharmacist and what it means to actually work in a company that has been contributing for over six decades to improving people's health.

The visit of the students enrolled in the program included the Quality Control laboratories and production areas in the Ointments & Suppositories Plant. Our pharmacists explained to the young people, aspirants to this profession, the production stages, from ingredients to the finished product, working procedures and importance of quality control for each of the products in the Antibiotice portfolio.

Antibiotice supports the World Patient Safety Day. Commitment to patient safety

Each year, the World Health Organization (WHO) selects a topic of global concern for patient safety, where action is needed to reduce the damage that can be avoided through health care. The theme chosen in 2021 to celebrate this day was "Safety in maternal and newborn care."

Antibiotice joined the approach of the World Health Organization, carrying out information actions for both the general and specialized public, for raising awareness of the benefits of maternal care during pregnancy, birth and care of the newborn. Thus, our company launched an online information campaign, in which health professionals spoke about the pregnancy related risks, about safety in the care of the newborn or about the pharmacovigilance activity, part of this extensive safety process. Pharmacovigilance includes all activities of detection, evaluation and prevention of adverse drug reactions.

4. Evaluation of the Antibiotice product portfolio

The Antibiotice portfolio comprises:

- over 150 de medicines for human use from 11 therapeutic areas;
- medicines for veterinary use;
- the active substance Nystatin;
- biocidal products.

The product portfolio of the **Sterile Products & API's Division** comprises the active substance Nystatin, products for injection and biocides.

The Injectables portfolio has 34 medicinal products for human use, of which:

- 32 prescription products belonging to the therapeutic class - Antiinfectives for systemic use (17 B-lactam penicillins, 9 cephalosporins, 4 carbapenems, 2 other antibacterials);
- 2 over-the counter products (OTCs).

The product Tigeciclina Atb 50 mg powder for infusion solution, an antibiotic from the glycylicycline group, which stops the growth of bacteria that cause infections has been on sale since the 3rd quarter of the current year.

Topical Products Division has a portfolio comprising 50 products traded in 2021, of which 48 products are for human use and the other 2 are for veterinary use.

Half of the products for human use are prescription medicines and the other half are OTCs. As regards the veterinary products, both of them are prescription medicines.

In terms of pharmaceutical form, the **Topical Products Division'** s portfolio is structured as follows:

- 36 products under the form of ointments, creams and gels, covering 5 therapeutic classes:
 - ✓ Dermatological preparations - 21 products;
 - ✓ Musculoskeletal system - 9 products;
 - ✓ Cardiovascular system - 3 products;
 - ✓ Sensitive organs - 2 products;
 - ✓ Genito-urinary tract - 1 product;
 - ✓ Disinfectants - 1 product (in 6 forms of presentation).
 - 9 products under the form of suppositories from 4 therapeutic classes:
 - ✓ Musculoskeletal system - 3 products;
 - ✓ Digestive tract - 2 products;
 - ✓ Central nervous system - 3 products;
 - ✓ Cardiovascular system - 1 product.
- 3 products under the form of pessaries, from the genitourinary system class.

The hand disinfectant Sanygel has been traded since the third quarter both in the medical and non-medical field, having all the necessary approvals. The product has the following forms of presentation: 50 ml, 100 ml, 200 ml, 500 ml, 1 L, 5 L bottles.

Oral Solid Products Division has a portfolio comprising 73 products for human use manufactured in two production plants: Tablets Plant and Capsules Plant.

The Tablets Plant's portfolio comprises 51 products manufactured by 3 methods: direct compression, dry granulation and wet granulation.

Capsules Plant produces 22 products on three distinct manufacturing flows: penicillins, non-penicillins and cephalosporins.

In terms of therapeutic classes, **Oral Solid Products Division** has a portfolio comprising:

- ✓ Digestive tract - 5 products;
- ✓ Blood and hematopoietic organs (antithrombotics) - 1 product;
- ✓ Cardiovascular system - 21 products;
- ✓ Antiinfectives for systemic use - 27 products, of which: 6 of them are β -lactam penicillins, 5 cephalosporins, 2 tetracyclines, 6- quinolones and macrolides and 8 antituberculous drugs;
- ✓ Systemic hormonal preparations -iodotherapy - 1 product;
- ✓ Musculoskeletal system - 1 product;
- ✓ Central nervous system - 8 products;
- ✓ Respiratory system - 1 product.

The portfolio of this Division comprises also 8 food supplements promoted under the **Nutriensa** brand.

Promotion of the Antibiotic portfolio is a priority activity in the company's long-term development strategy, achieved through:

- strengthening partnerships with health professionals through promotional actions on the main concepts: Antibiotics of the third millennium, We are where we need to be, Quality of life and Women's health;
- identification of new consumers for the products from our portfolio through screening programs;
- identification of prescribing habits and treatment behaviors of physicians through testing programs;
- partnerships with pharmacy chains for promoting the non-RX portfolio in their catalogs;
- accessing alternative promotion channels: online, TV; e-commerce - partner pharmacies for the non-RX products.

Evaluation of the Research & Development activity

The research-development activity enriches the company's product portfolio, by pursuing the established strategic directions, common to the three divisions:

- a) developing the anti-infectives portfolio for maintaining our position as a leader in the generic antiinfectives market;
- b) developing the topicals portfolio for maintaining our position as a leader in the Romanian market;
- c) developing the portfolio of products for chronic diseases, to support the needs of the health system in Romania;

- d) developing the product portfolio to support the quality of life:
 - 1. with a medical prescription;
 - 2. without a medical prescription (OTCs, medical devices, food supplements, cosmetics);
- e) developing the project of vertical integration of Nystatin:
 - 1. developing the international market of Nystatin;
 - 2. vertical integration of Nystatin;
- f) developing the portfolio comprising sterile solutions/ pre-filled syringes;
- g) developing the disinfectants and biocides portfolio.

Following these directions of portfolio development, our Research-Development activity is focused on 50 projects, the research plan for each division being as follows:

- Oral Solid Products Division: 13 products (11 Rx products and 2 non-Rx products);
- Topical Products Division: 21 products (7 Rx products, 7 non-Rx products, 6 medical devices and 1 biocid);
- Sterile Products & APIs Division: 6 products (5 Rx drugs for injection and 1 RX product - oral suspension).

To the above-mentioned ones, 5 projects for the active substance Nystatin are added, as well as a nitrosamine impurities risk analysis project for all the products in the portfolio and activities for supporting the research with the necessary microbiological analyses.

Some studies are in progress for improving the quality of Nystatin by upgrading the long-term stability (3 years) from storage temperatures between 2 and 8 degrees to storage temperatures of up to 25 degrees Celsius. Following the favorable results of analyzes performed, the documentation for the registration of variations was submitted to the main international authorities: EDQM (Europa) and USFDA (USA).

Besides our own research-development activity, we aim at extending our product portfolio by concluding out-licensing, co-development, contract manufacturing and co-marketing partnerships in the European Union markets and also in other markets with high growth potential in perspective.

In the first 9 months of 2021 we identified, evaluated and selected partners. We are currently in the process of negotiating with them for signing commercial contracts.

In the reporting period we concluded a contract for two Rx products intended for treating digestive tract and metabolism diseases. The procedures for obtaining the marketing authorizations will be started.

Following the selection of our partners, we are in the final phase of negotiating commercial contracts for seven Rx products: three dermatologicals, three products for the musculoskeletal system and one product for treating the diseases of the respiratory system.

5. Continuous improvement of the Integrated Management System (Quality, Environment, Occupational Health and Safety)

An integrated management system is a logical and systematic managerial approach, which allows optimal strategic and operational decisions, which take into account all the essential aspects that lead to efficient operation, in terms of quality, environment and health and occupational safety.

➤ Occupational health and safety

Maintaining and developing an effective occupational health and safety management system within our company is the guarantee for creating an optimal framework for managing and

eliminating work-related risks, as well as for improving the environment and relations between employees.

➤ **Environmental responsibility**

The Environmental Protection Department manages the prevention of pollution and continuous improvement of the environmental performances, acting in order to comply with the requirements of the environmental legislation.

Also, in order to obtain the renewed Integrated Environmental Authorization, the collaboration with the Regional Center for Public Health Iasi was completed by elaborating the study for evaluating the impact of the activity on the population's health, carried out in June 2021. The study was prepared according to the regulations in the field, based on the documentation submitted by the beneficiary and consists of a combination of procedures, methods and tools based on which it can be established whether a plan / project can have potential effects on the health of the population in the targeted area.

The evaluation showed that the investment consisted in building the new plant for topical products determines positive effects from a socio-economic and administrative point of view, on a long-term basis, related to the operation period, while the eventual negative effects related to the construction period, can be kept under control by applying adequate measures. The study to evaluate the impact of our company's activity on the population's health was submitted to the Iasi Environmental Protection Agency and is a document based on which the integrated environmental permit was renewed.

At the end of September 2021, our company obtained Integrated Environmental Permit issued by the Environmental Protection Agency Iasi.

Quality of environmental factors (water, air, soil, groundwater)

In order to monitor the quality of environmental factors, our own laboratory and laboratories of the third parties made analyses on emissions / emissions of air pollutants, as well as determinations on the quality of water entering the pre-treatment plant and discharged into the municipal sewerage system, of conventionally clean water discharged into the natural emissary, as well as of the the quality of groundwater.

No exceedances of the maximum allowed concentrations established by the Integrated Environmental Authorization and Water Management Authorization were recorded.

Antibiotice is a company responsible for environmental protection while proactively ensuring the compliance with product safety requirements. So, in the period January-September 2021, the Center for Clinical Studies performed determinations by advanced testing methods, for traces of penicillins from groundwater samples, taken from observation boreholes located in the perimeter of the company.

No traces of penicillins were identified, which shows the coordination of manufacturing processes, without possible negative influences on the soil and groundwater in the area related to the company.

6. Our sales in the domestic and international markets

In the reporting period, our company recorded a net turnover amounting to 247.83 million LEI, higher by 21% compared to the value recorded on 30.09.2020. Export accounts for 39% of this value.

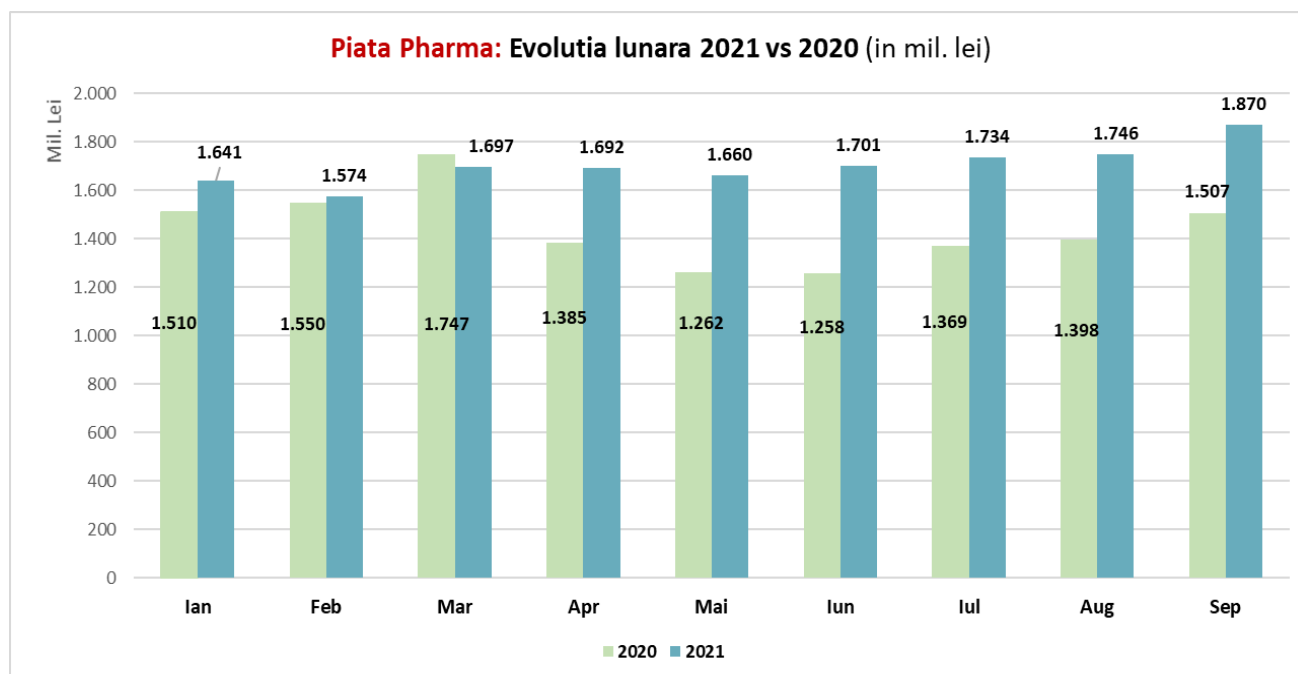
Antibiotice is the world leader in the production of Nystatin, covering 55% from the international market.

6.1 Antibiotice in the domestic market

Evolution of the pharmaceutical market in Romania³

In the first 9 months of 2021, the value of medicines released to patients in Romania was 15.3 billion LEI (distribution price), higher by 18 % compared to the similar period of 2020. Graphically, the monthly evolution of total sales in the pharma market, the first 9 months of 2021 vs the first 9 months of 2020 is as follows:

Pharma Market: monthly evolution: 2021 -2020 (million LEI)



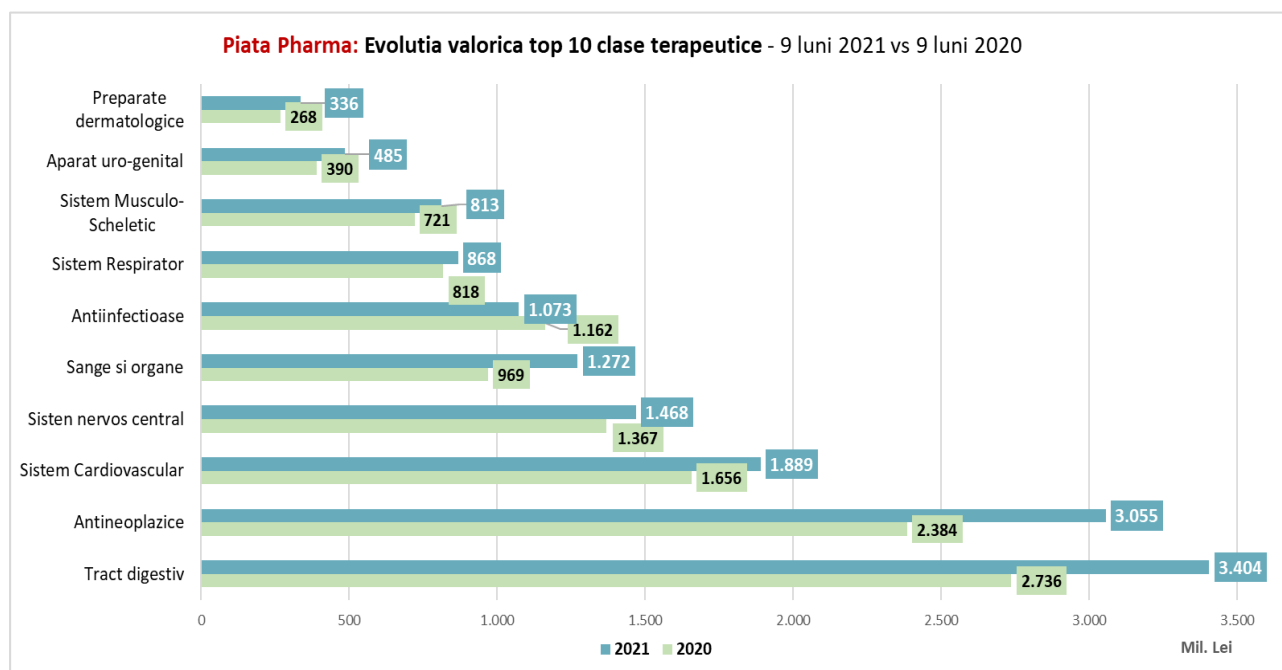
By market segments, the sales situation in the total market was as follows:

- hospital, the sales increased by 29% from 1.7 billion LEI to 2.2 billion LEI;
- national pharmacy chains, the sales increased by 20%, from 4,5 billion LEI to 5.4 billion LEI;
- independent pharmacies and pharmacy minichains, the sales increased by 14.93%, from 6,7 billion LEI to 7.7 billion LEI.

According to the information from the sell out Cegedim database, the top of the first 5 therapeutic classes in the Romanian pharmaceutical market, according to the share in the planned value sales in the first 9 months of 2021 were: Digestive tract, Oncology, Cardiovascular System, Central Nervous System, Blood and blood organs. These represent 95.7% of the total sales in the market. The situation on 30.09.2021 compared to 30.09.2020 for the top 10 therapeutic classes is as follows:

³ According to CEGEDIM Sell Out Romania 08.2021, the values are expressed in PPP (Pharmacy Purchasing Price)

Pharma market - Value evolution of the first 10 therapeutic classes the first 9 months of 2021 vs the first 9 months of 2021



In the first 9 months of 2021, the **relevant market of the Antibiotic products** recorded an increase of 19.4%, (compared to the first 9 months of 2020 (from 1,716 billion LEI to 2.049 billion LEI).

By market segments, the situation is as follows:

- hospital, the sales increased by 44.7%, from 63.45 million LEI to 91.82 million LEI;
- national pharmacy chains, the sales increased by 27.8%, from 656.4 million LEI to 838.9 million LEI;
- independent pharmacies and pharmacy minichains, the sales increased by 12.2%, from 996.4 million LEI to 1.118 billion LEI.

Antibiotic sales in the Romanian pharmaceutical market

Antibiotic SA followed the market trend in the first 9 months of 2021. The value of sales to patients amounted to 277.7 million LEI, higher by 22.8% compared to the first 9 months of 2020 (226.1 million LEI).

By market segments, the situation is as follows:

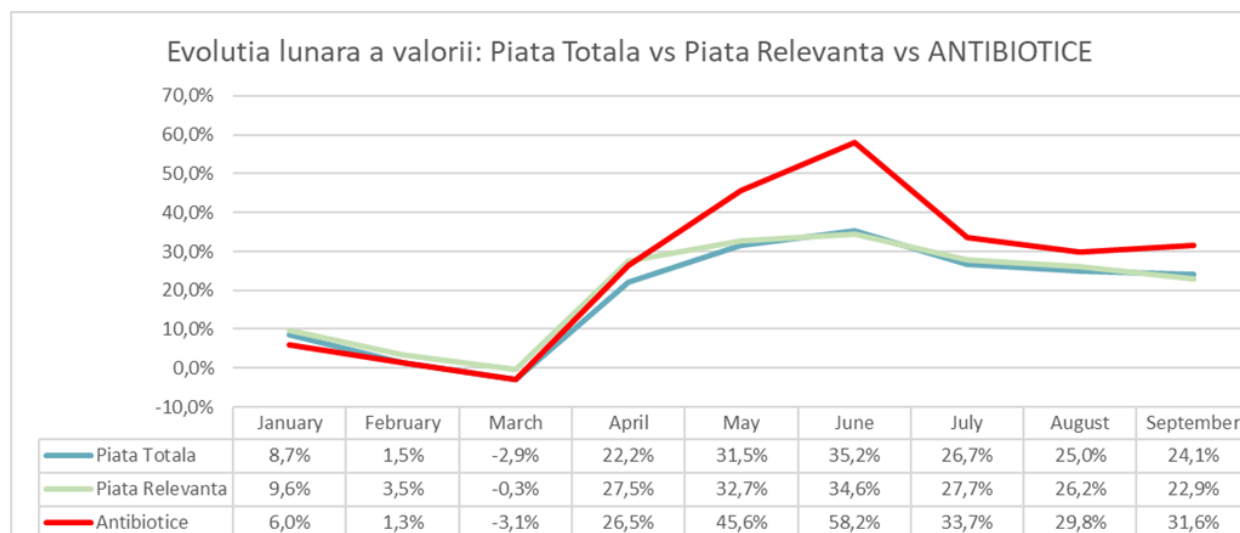
- hospital, the sales increased by 46.2%, from 53.2 million LEI to 77.8 million LEI;
- national pharmacy chains, the sales increased by 22.9%, from 63 million LEI to 77,4 million LEI;
- independent pharmacies and pharmacy minichains, the sales increased by 11.6%, from 109.9 million LEI to 122.6 million LEI.

On all the three segments, Antibiotic oriented itself towards a more favorable sales structure, taking advantage of the unit price as a strategic element.

Antibiotic supports various therapies (Covid-19, chronic diseases etc.) through its own products: anti-infectives, cardiovasculars, antipyretic products (such as Paracetamol range,

Ibufen 400 mg), Nutriensa products (Fluxiv range, Imunofix tablets, Equilibra capsules, Silithor capsules, Soriso tablets) and disinfectants.

The graph below shows the comparison among the monthly evolution of Antibiotice sales, sales in the total market and in the relevant market.



In the period 01-30.09.2021 the net value sale was 150.13 million LEI, divided per each division as follows:

- Sterile Products: 71.7 million LEI;
- Topical Products: 43.3 million LEI;
- Produse Oral Products: 35.13 million LEI

6.2 Business Internationalization

The development strategy implemented in recent years has turned Antibiotice in an international company, with representative offices in Vietnam, Republic of Moldova, Ukraine and Serbia.

Antibiotice has an active global presence and exports its products to all continents, managing to make valuable medicines accessible to patients in over 70 countries around the world. The export value of finished products and Nystatin is 95.6 million LEI. We exceeded our goals to the sales of finished products and we made an in-depth analysis of the world consumption of Nystatin-based finished products to determine the future sales.

6.2.1 Export of finished products

In the period January-September 2021 the export value of finished products was 60.02 million LEI, in line with the planned value and profit margin. We achieved this by consolidating the sales in the Antibiotice territories as well as accessing opportunities from other territories:

- Consolidating the sales in the markets where Antibiotice has its own representative offices: Vietnam, Republic of Moldova, Serbia and Ukraine;
- developing the company's presence in the North America and Canada markets;
- extending the company's presence in the EU markets with anti-infectives - sterile powders for injection (Denmark, UK, Holland, Czech Republic, Hungary, Lithuania).

In order to reach the long-term goal of increasing the value of exports, our company has been continuing to expand its business in 23 countries, developing 14 projects.

6.2.2 Export of Nystatin

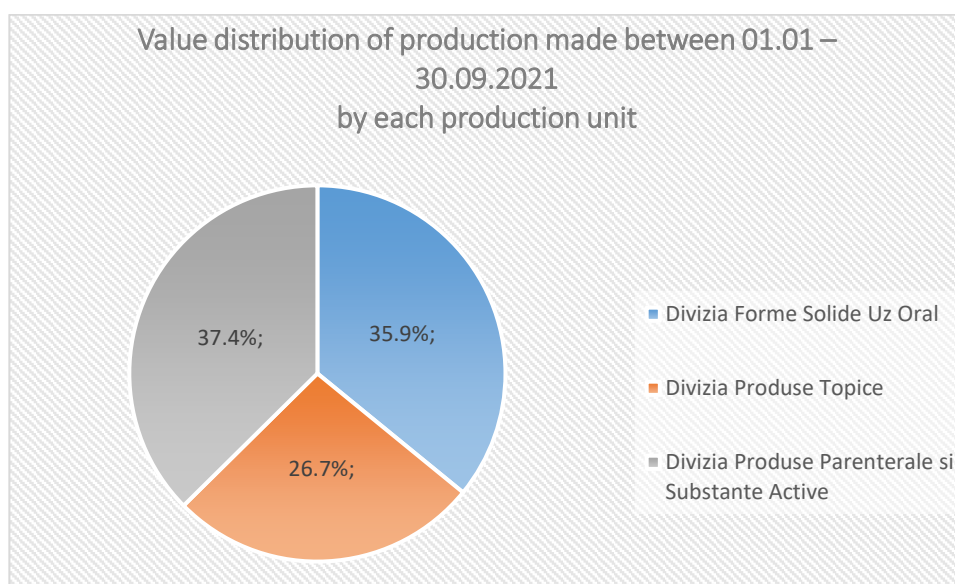
The SARS-Cov 2 virus pandemic has reduced the demand and production of medicines containing the active substance Nystatin, which determined us to rethinking the sales strategy, based on an optimized quantitative sales structure that would return the best price / degree of demand coverage in the market.

The main export markets are: North-America, Europe, Asia-Pacific, Middle East and Latin America.

7. Analysis of the production activity

Between 01.01-30.09.2021 the production activity materialized in 244.7 million pharmaceutical units in the form of tablets, capsules, parenterals, topicals (ointments, creams, gels), suppositories, pessaries, biocidal products in all the three production divisions.

In terms of value, the total production made in the first nine months of the current year amounted to 239.9 million LEI.



- Oral Solid Products Division
- Topical Products Division
- Sterile Products & APIs Division

Production achieved is the result of correlating the existing stock and the sales plan for each product.

8. Analysis of the supply activity from the domestic and international market

As regards the procurement of raw materials and consumables from the domestic and international market, our company has been pursuing the following objectives:

- identifying new suppliers in order to increase the flexibility in negotiation and secure the supply of raw materials to ensure the sustainability of the projects that our company aims to develop in the future;
- permanent analysis of the evolution of raw material prices;
- permanent analysis of the need for raw materials and materials in order to avoid creating stocks without movement and with slow movement.

9. Economical-financial indicators

Based on the data included in the Q3 financial statements, the main economic-financial indicators proved an efficient economic management, thus fulfilling the main objective of the financial management - to set up and use in an optimized way the economic-financial resources.

INDICATORS		REFERENCE DATE			VARIATION	
Name	Calculation formula	30.09.2021	30.09.2020	BVC 30.09.2021	30.09.2021/ 30.09.2020	30.09.2021 /IEB 30.09.2021
1	2	3	4	5	6=3/4	7=3/5
Profitability of gross profit (%)	Gross profit/Turnover	8	9	8	0.89	1.00
Gross profit profitability + claw back tax (%)	Gross profit+ claw-back tax /Turnover	15.7	19.9	15.8	0.79	0.99
Return on Assets (ROA) (%)	Net profit/Total assets	2	2	2	1	1
Return on Equity (ROE) (%)	Net profit/Equity	3	3	3	0.98	0.93
EBITDA (Earnings before interest, taxes, depreciation, amortization) (LEI)	Net profit +taxes+ interest +amortizations	39,915,598	39,638,179	38,769,732	1.01	1.03
Degree of global indebtedness (%)	Total liabilities/Total assets	29%	36%	32%	1.24	1.10
General liquidity ratio (number of hours)	Current assets/Current liabilities	2.19	2.09	2.13	1.05	1.03
Working capital (LEI)	Permanent capital - Net fixed assets	185,793,523	190,615,292	184,100,000	0.97	1.01
Working capital requirement (LEI)	Stocks+Receivables- Short-term creditors	256,149,848	287,535,653	257,000,000	1.12	1.00
Net treasury (LEI)	Working capital - Working capital requirement	-70,356,325	-96,920,361	-72,900,000	1.38	1.04

The values of the above-mentioned indicators are at the planned level and reflect a profitable and efficient activity.

EBITDA - an important indicator that expresses the result of the operational activity unaffected by the value of expenses with taxes, fees, depreciation and amortization is at the budgeted level.

The degree of global indebtedness that represents the level of all debts 251 million LEI (commercial: 63.88 million LEI, current taxes and fees: 8.09 million LEI, operational credits:

74.1 million LEI, investment credit: 70.9 million LEI, investment grants: 2,5 million LEI, deferred tax: 31.6 million LEI) relative to the total assets worth 844.4 million LEI is by 29%, above the planned level and below the average of our branch of activity (35%).

The general liquidity ratio indicator, which reflects the company's ability to pay short-term obligations on current assets, is optimal (according to international usage, current liquidity should be around 2).

One of our company's medium and long-term objectives is to maintain and improve the **financial balance**, based on the principle of aligning the maturity of assets and liabilities, ensuring that the value of current assets is higher than the value of current debts and the value of permanent capital (equity + long-term debt) to exceed the value of fixed assets.

In the reference period, as a result of the permanent concern for improving the financial balance, the value of the net cash indicator is lower by 27% (26.6 million LEI) compared to the value from the same period of the previous year.

-LEI-

SYNTHESIS INDICATORS	30.09.2021	30.09.2020	IEB 30.09.2021	30.09.2021/ 30.09.2020	30.09.2021/ BVC 30.09.2021
1	2	3	4	5=2/3	6=2/4
Net turnover	247,829,528	204,015,696	246,081,000	121%	101%
Gross profit	18,684,393	18,646,686	18,648,000	100%	100%
Total expenses per 1,000 lei total income	926	928	931	100.2%	100.5%
Arrears	0	0	0	100%	100%

On 30.09.2021 the net turnover was 247.83 million LEI, by 21% higher compared to the value recorded in the similar period of the previous year and at the same level with the planned one. Export represented 39% of the total value.

Gross profit was 18.68 million LEI, at the same level as the value recorded on 30.09.2020 and with the planned one.

10. Analysis of the financial situation

Analysis of fixed assets

- LEI -

Indicators	30.09.2021	31.12.2020	30.09.2021/ 31.12.2020
1	2	3	4=2/3
FIXED ASSETS, of which:	501,962,103	487,590,385	1.03
Tangible fixed assets	474,695,781	467,880,779	1.01
Intangible assets	27,266,322	19,709,606	1.38

On 30.09.2021 the book value of the tangible assets from the Antibiotice patrimony was 474,7 milioane lei, by 1% higher than the value recorded at the beginning of 2021. Intangible assets, represented by know-how, research-development projects, software licenses recorded a value of 27.27 million LEI, by 38% higher than the value recorded on 31.12.2020.

The value of fixed assets is closely correlated with the achievement of the investment program, which aims both to maintain the good functioning of existing assets, but also to develop new assets to contribute to business growth. It is also imperative to make investments in research

and product portfolio development. Of great importance are also the investments in the auxiliary fields, which ensure the support of the productive activities, such as: investments in the production of utilities, investments in the structure of roads and storage, investments in digitization and automation. Another component of the investments is the one necessary to fulfill some legal requirements in the field of quality assurance, environmental protection, emergency situations.

The investments planned in 2021 are worth 93.52 million LEI, approved by the General Meeting of Shareholders held on 21.04.2021 through the Decision no. 4. An amount of 43.02 million LEI were budgeted for the first nine months.

The investment objectives achieved on 30.09.2021 amounting to 32.51 million LEI:

a) Research-Development Investments

Research-Development is one of the most dynamic activities of the company, with an upward evolution that contributes to the sustainable consolidation of the future portfolio.

b) Investments in new production sites

A main investment objective is a new capacity for production of topicals. The supplier of the clean room system currently conducts the qualification activities. Technological tests and the authorization of the manufacturing site by the National Agency for Medicines and Medical Devices will be the next steps.

c) Investments in the modernization of the existing manufacturing sites

For refurbishing the manufacturing flows of the medicinal products in all the three divisions, our company planned to purchase equipment, installation and laboratory devices in 2021. A significant number of these investments was made in the first nine months of 2021.

d) Adapting the service infrastructure, utility supply and distribution, transport and connection to the national road system, storage of raw materials and finished products to the development trend of the industrial site

In 2021, Antibiotice has planned investments for the rehabilitation of some auxiliary buildings and constructions, infrastructure and logistics for transport and storage, production and distribution of utilities, as well as for the rehabilitation of the lands released after the demolition and decommissioning.

e) Integrated Management System (Quality, Environment, Occupational Health and Safety)

The increase of the precision of the laboratory analysis methods and revision of the monographs from the pharmacopoeia imposed investments in equipment, which would allow the maintenance of the quality standards of the manufactured products and the observance of the legal requirements for the protection of the environment and employees.

f) Investments in information technology, telecommunications and process digitization

The company has adapted to this period, making the most of the possibilities of work, training and communication in the online environment.

Within the digitization and computerization plan, Antibiotice considered as a priority to accessing software for the efficiency of the human resources, quality, research activities but also for the security of the data and information at all levels of the company.

g) Investments in human resources - Training platform, development of mentoring components, investments for social responsibility projects

In 2021, for supporting social responsibility projects, investments were scheduled consisting of: design for the Center for personal development and professional training a+, arrangement of Club a+ at the Penicilina sports hall, landscaping of green spaces inside the company.

Analysis of current assets**- LEI -**

Indicators	30.09.2021	31.12.2020	30.09.2021/ 31.12.2020
1	2	3	4=2/3
CURRENT ASSETS, of which:	342,521,265	375,409,434	0.91
Stocks	105,152,104	108,691,209	0.97
Trade receivables	233,554,347	260,388,767	0.90
Cash and cash equivalents	3,814,814	6,329,458	0.60

The objective of optimizing the storage time in the market and the actions undertaken in this respect determined the decrease of the value of the stocks compared to the level registered at the beginning of the year by 3%.

Stocks in each category are closely analyzed and managed.

The value of the stock of raw materials and materials of 43.9 million LEI comprises active substances essential for carrying out the activity, in the current context generated by the forecasted increases of the prices, an extended duration of the international transports being a lever for continuing the production and sales activity.

The value of stocks of finished products and goods is analyzed monthly concurrently with the change in market consumption, which is in a continuous dynamic. Thus compared to 01.01.2021, their value is lower, having a different structure with an optimal storage duration.

The permanent preoccupation for the optimizing the commercial relationships led to a 10% decrease of the receivables, compared to the beginning of 2021. On 30.09.2021 the number of days was 241 compared to 258 days planned for this period.

Analysis of current and long-term debts**-lei-**

Indicators	30.09.2021	31.12.2020	30.09.2021/ 31.12.2020
1	2	3	4=2/3
Current liabilities, of which:	156,727,742	186,696,827	0.84
Trade and similar debts	63,832,696	66,103,990	0.97
Amounts owed to credit institutions	84,805,995	95,568,514	0.89
Debts from current taxes and fees	8,089,050	11,189,134	0.72
Long-term debts, of which:	94,474,044	99,030,942	0.95
Amounts owed to credit institutions	60,355,800	65,444,478	0.92

Pursuing the objective of improving the degree of bank indebtedness, through the measures already taken, on 30.09.2021 the value of the short - term loan contracted to finance the operational activity was lower by 11% compared to the value at the beginning of the year.

The amounts due in the short term to credit institutions included the rates related to the loan for financing investments with maturity in a period of up to 12 months.

Also, the value of debts represented by long-term bank credit decreased by 8%. Since April this loan has been repaid according to the schedule.

The value of the degree of indebtedness indicator (total liabilities/tatal assets) was 29%, below the level planned for this period (32%).

On 30.09.2021 our company did not register outstanding obligations to the state budget.

Cash flow

From the current activity, the receipts and payments generated a surplus of 36.18 million LEI, the receipts from the clients were made according to the planning depending on the maturities of receivables. The cash flow from the investment activity recording payments amounting to 19.44 million LEI, represented by the amounts paid to suppliers of fixed assets, both from the cash from the operational activity and from the available amounts from the long-term bank credit contracted for financing the investments in the new Ointements & Suppositories Plant.

11. Corporate Governance

Corporate governance is one of the key elements for improving efficiency and economic growth as well as for maintaining the confidence of investors. Corporate governance involves a set of relationships among the management, Management Board and shareholders. Corporate governance provides also a structure through which the company's objectives are established, and the means of achieving and monitoring them are determined. The goals pursued are the following:

- to motivate enough the management and the Management Board to achieve the objectives of interest for the company and its shareholders;
- to monitor the implementation;
- to create the effective intervention mechanism for the necessary corrections in the actions of the management and Management Board;
- to make the activity of the company transparent, providing all shareholders and stakeholders with relevant information.

The organizational framework for the Antibiotice corporate governance system consists of:

- General Meeting of Shareholders
- Management Board
- General Director
- Legal and Corporate Governance Department
- The Audit Committee within the Management Board
- Internal Audit Office, which reports directly to the Management Board

The regulatory framework of the Antibiotice corporate governance system consists of :

- Law no. 31/1990 on the trading companies;
- GEO no. 109/2011 on corporate governance of public enterprises;
- Law no. 24/2017 on the issuers of financial instruments and market operations ;
- ASF Regulation no. 5/2018 on the issuers of financial instruments and market operations ;
- The Articles of Incorporation of Antibiotice S.A.
- Corporate Governance Code of Antibiotice S.A.
- Code of Ethics of Antibiotice S.A.

The adopted and applied corporate governance framework:

- protects the shareholders' rights;
- ensures fair treatment of all shareholders;
- recognizes the role of third parties with interests in the company;
- guarantees information and transparency;
- ensures the responsibility of the Management Board towards the company and shareholders.

On the Antibiotice website there is a section dedicated to shareholders (www.antibiotice.ro/investitori/informatiiactionari), where you can access and download documents related to General Shareholders' Meetings: procedures for access and participation in meetings, convening, agenda additions, information materials, special proxies, voting forms by correspondence, draft decisions, decisions, voting results.

Antibiotice S.A. on 30.09.2021:

- Ranked 1st in the relevant market, with a 13.5% market share;
- Leader in terms of quantity for the following pharmaceutical dosage forms: ointments (20.0%), suppositories and pessaries (32.1%) and powders for injection (62.6%);
- Leader in the segment of prescription and OTC generic drugs sold in hospitals, with a 15.2% market share;

The Management Report was prepared based on unaudited financial data.

The current Management Report is accompanied by the simplified individual interim financial statements not audited on and for the nine-month period ended September 30, 2021, prepared in accordance with IFRS adopted by the European Union.

General Director,
Ioan Nani, Economist

Financial Director,
Paula Coman, Economist

ANTIBIOTICE S.A.

Simplified individual interim financial statements unaudited on and for the nine-month period ended on September 30, 2021

ANTIBIOTICE SA
STATEMENT OF THE COMPREHENSIVE INCOME

on September 30, 2021

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

	NOTE	30.09.21 (unaudited)	30.09.20 (unaudited)
Sales revenues	3	245,743,259	203,438,537
Other operating revenues	4	37,503,957	29,207,806
Revenues relative to costs of product stocks		(9,885,310)	41,292,457
Capitalized income generated by the entity's activity		7,283,524	4,796,009
Expenses with raw materials and consumables	5	(95,787,579)	(85,409,968)
Staff-related expenses	6	(81,638,167)	(77,693,150)
Expenditure on amortization and depreciation		(17,908,369)	(16,436,707)
Other operating expenses	7	(63,850,690)	(76,332,679)
Operating profit		21,460,625	22,862,305
Financial income	8	3,425	72,844
Financial expenses	8	(2,779,657)	(4,288,463)
Pre-tax profit		18,684,393	18,646,686
Current and deferred income tax expenses	9	(455,208)	(604,267)
Profit		18,229,185	18,042,419
Total comprehensive result		18,229,185	18,042,419
Earnings per share	10	0.027154	0.026875

The explanatory notes from 1 to 24 are an integrating part of the simplified individual interim financial statements

Drafted by:

General Director
Ec. Ioan NANI

Financial Director
Ec. Paula COMAN

ANTIBIOTICE SA
SITUATIA POZITIEI FINANCIARE

la 30 septembrie 2021

(toate sumele sunt exprimate in LEI, daca nu este mentionat altfel)

	NOTE	30.09.21 (unaudited)	31.12.20 (audited)
ASSETS			
FIXED ASSETS			
Tangible fixed assets	11	474,695,781	467,880,779
Intangible fixed assets	12	27,266,322	19,709,606
TOTAL FIXED ASSETS		501,962,103	487,590,385
CURRENT ASSETS			
Stocks	13	105,152,104	108,691,209
Trade and similar receivables	14	233,554,347	260,388,767
Cash and cash equivalents	15	3,814,814	6,329,458
TOTAL CURRENT ASSETS		342,521,265	375,409,434
TOTAL ASSETS		844,483,368	862,999,818
LIABILITIES			
CURRENT LIABILITIES			
Commercial and similar liabilities	16	63,832,696	66,103,990
Amounts due to credit institutions	17	84,805,995	95,568,514
Tax and current tax liabilities		8,089,050	11,189,134
Short-term provisions		-	13,528,900
Subsidies for investments	18	-	306,289
TOTAL CURRENT LIABILITIES		156,727,742	186,696,827
LONG -TERM LIABILITIES			
Subsidies for investments	18	2,543,162	2,466,591
Deferred tax	19	31,575,082	31,119,874
Amounts due to credit institutions	17	60,355,800	65,444,478
TOTAL LONG-TERM LIABILITIES		94,474,044	99,030,943
TOTAL LIABILITIES		251,201,786	285,727,770

The explanatory notes from 1 to 24 are an integrating part of the simplified individual interim financial statements

Drafted by:

General Director
Ec. Ioan NANI

Financial Director
Ec. Paula COMAN

ANTIBIOTICE S.A.
STATEMENT OF THE FINANCIAL POSITION (continued)
 On September 30, 2021
 (all amounts are expressed in LEI, if not mentioned otherwise)

	NOTE	30.09.21 (unaudited)	31.09.20 (audited)
Share capital and reserves			
Share capital	20	264,835,156	264,835,156
Reevaluation reserves	21	114,803,273	116,636,526
Legal reserves	21	13,426,761	13,426,761
Other reserves	21	233,852,036	231,136,239
Reported result	22	(51,864,829)	(60,698,493)
Distribution of profit		-	(14,452,190)
Current result		18,229,185	26,388,049
TOTAL EQUITY		593,281,582	577,272,048
TOTAL EQUITY AND LIABILITIES		844,483,368	862,999,818

The explanatory notes from 1 to 24 are an integrating part of the simplified individual interim financial statements

Drafted by:

General Director
 Ec. Ioan NANI

Financial Director
 Ec. Paula COMAN

ANTIBIOTICE S.A.
CASH FLOW STATEMENTS

on September 30, 2021

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

	30.09.21	30.09.20
	(unaudited)	(unaudited)
I. Cash flows from operating activities		
Cash collection from the sales of goods and provision of services	287,710,610	334,340,025
Cash collection from royalties, fees, charges and other revenue	1,970,525	(1,441,320)
Cash payment to suppliers of goods and services	(143,510,791)	(154,584,542)
Cash payments to and on behalf of employees, payments made by the employer for its employees	(78,722,441)	(74,582,130)
VAT paid	(1,897,621)	-
Contributions to the Ministry of Health and the Ministry of the Environment	(21,028,973)	(27,003,493)
Other duties, taxes, and similar levies	(2,101,306)	(1,601,533)
Operating cash flow	42,420,003	75,127,007
Interest charged	3,425	1,424
Interest paid	(2,705,640)	(4,017,682)
Income tax / dividends paid	(3,600,692)	(1,756,412)
Net cash flows from operating activities	36,117,095	69,354,336
II. Cash flows generated by investments		
Cash payments for purchasing land and fixed assets, intangible assets and other long-term assets	(19,443,407)	(37,361,706)
Net cash flows from operating activities	(19,443,407)	(37,361,706)
III. Cash flows from financing activities		
Receipts from long-term loans/reimbursements	(3,656,266)	13,371,419
Dividends paid	(2,086,696)	(18,123,119)
Net cash flows from financing activities	(5,742,963)	(4,751,700)
Receipts from long-term loans/reimbursements	(94,872)	(162,823)
Net increase/(decrease) in cash	10,835,854	(27,078,107)
Cash and cash equivalents at the beginning of the period	(81,192,179)	(123,998,470)
Cash and cash equivalents at the end of the period	(70,356,325)	(96,920,363)
The cash and cash equivalents at the end of the period include:	(70,356,325)	(96,920,363)
Accounts in banks and cash	3,814,814	4,987,978
Credit lines	(74,171,139)	(101,908,341)
	(70,356,325)	(96,920,363)

The explanatory notes from 1 to 24 are an integrating part of the simplified individual interim financial statements

Drafted by:

General Director
Ec. Ioan NANI

Financial Director
Ec. Paula COMAN

ANTIBIOTICE S.A.
MODIFICATIONS OF EQUITY

on September 30, 2021

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

	Subscribed capital	Capital adjustments	Reserves	Other reserves	Current result	Result from revaluation reserves	Profit distribution	Revaluation reserves	Reported result from the correction of errors	Result following applying IAS/IFRS for the first time	Result following applying IAS 29 for the first time	TOTAL
31.12.19	67.133.804	197.701.352	13.426.761	213.189.459	30.823.278	17.422.314	(7.269.283)	50.804.319	(7.000.410)	123.846.355	(197.701.352)	502.376.597
Current global result	-	-	-	-	26,388,049	-	-	-	-	-	-	26,388,049
Reserve from revaluation	-	-	-	-	-	-	-	81,627,152	-	-	-	81,627,152
Deferred tax relative to the revaluation difference	-	-	-	-	-	-	-	(13,060,344)	-	-	-	(13,060,344)
Result of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Total other items of the global result					26,388,049			68,566,808	(14,648,313)			94,954,857
Transfer of reevaluation surplus	-	-	-	-	-	3,307,470	-	(2,734,601)	-	(572,869)	-	-
Allotment of other reserves	-	-	-	3,494,590	(10,763,873)	-	7,269,283	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Mandatory distributions	-	-	-	14,452,190	(20,059,405)	-	-	-	-	-	-	(20,059,405)
31.12.20	67,133,804	197,701,352	13,426,761	231,136,239	26,388,049	20,729,784	(14,452,190)	116,636,526	(7,000,410)	123,273,485	(197,701,352)	577,272,048

The explanatory notes from 1 to 24 are an integrating part of the simplified individual interim financial statements.

ANTIBIOTICE S.A.
MODIFICATIONS OF EQUITY

on September 30, 2021

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

	Subscribed capital	Capital adjustments	Reserves	Other reserves	Current result	Result from revaluation reserves	Profit distribution	Revaluation reserves	Reported result from the correction of errors	Result following applying IAS/IFRS for the first time	Result following applying IAS 29 for the first time	TOTAL
31.12.20	67,133,804	197,701,352	13,426,761	231,136,239	26,388,049	20,729,784	(14,452,190)	116,636,526	(7,000,410)	123,273,485	(197,701,352)	577,272,048
Current global result	-	-	-	-	18,229,185	-	-	-	-	-	-	18,229,185
Reserve from revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax relative to the revaluation difference	-	-	-	-	-	-	-	-	-	-	-	-
Result of error correction	-	-	-	-	-	-	-	-	7,000,410	-	-	7,000,410
Total other items of the global result	-	-	-	-	18,229,185	-	-	-	7,000,410	-	-	25,229,595
Transfer of reevaluation surplus	-	-	-	-	-	-	-	(1,833,253)	-	-	-	-
Allotment of other reserves	-	-	-	2,715,797	(26,388,049)	1,833,253	14,452,190	-	-	-	-	(9,220,062)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Mandatory distributions	-	-	-	-	-	-	-	-	-	-	-	-
30.09.21	67,133,804	197,701,352	13,426,761	233,852,036	18,229,185	22,563,037	-	114,803,273	-	123,273,485	(197,701,352)	593,281,582

The explanatory notes from 1 to 24 are an integrating part of the simplified individual interim financial statements.

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

on September 30, 2021

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

1. GENERAL INFORMATION

Antibiotice SA, based in Iasi, Valea Lupului street no. 1, tax registration code RO 1973096 was founded in 1955 and was defined as a trading company as per Law 15/1990 and Government Decision no. 1200/12.11.1990. Its shares are traded on the regulated capital market of the Bucharest Stock Exchange.

Our company's 8 manufacturing lines, upgraded and certified according to the Good Manufacturing Practice (GMP) standards, produce medicinal products in 5 dosage forms: powders for injectable solutions and suspensions (penicillins), capsules, tablets, suppositories and topical preparations (ointments, gels and creams). Altogether they form a complex portfolio of more than 150 medicinal products for human use designed to treat a wide range of infectious, dermatological, cardiovascular, digestive tract or musculoskeletal system diseases.

All production capacities owned by our company are located at the headquarters. The Company owns the right to ownership of all the fixed assets registered in the company's accounts.

During the first 9 months of 2021, the Management Board met in 3 meetings of shareholders, of which 2 were Ordinary General meetings (April 21, August 26, 2021) and 1 Extraordinary meeting (August 26, 2021).

All the necessary documents related to the good conduct of the General Assemblies 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/informatiiactionari) in which documents regarding the General Meetings of Shareholders can be accessed and downloaded: procedures regarding the access to and the participation in meetings, the notices to attend, completions of the agenda, informative materials, special proxies, correspondence voting forms, draft decisions, decisions and voting results.

2. ACCOUNTING POLICIES

2.1 Declaration of conformity

The current simplified individual interim financial statements have been prepared in accordance with the International Financial Reporting Standards, the Interpretations and International Accounting Standards (collectively referred to as "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("IFRSs adopted");

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 have been 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, 2020.

However, certain selected explanatory notes are included to explain events and transactions that are significant to the understanding of changes in the Company's financial position and

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performance since the latest individual annual financial statements as of and for the fiscal year ended on December 31, 2020.

The simplified individual interim financial statements as of and for the nine-month period ended on September 30, 2021 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 have been applied consistently to all the years presented, unless stated otherwise.

The preparation of the financial statements in accordance with the 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 have been taken and significant estimates have been made in the preparation of financial statements and their effect are shown below:

2.2 The bases of assessment

These simplified individual interim financial statements are prepared using the historical cost convention / depreciated cost except for the fixed tangible assets at revalued cost by using the fair value as deemed cost and the items presented at the fair value, i.e. the financial assets and liabilities at fair value through the profit and loss account and the financial assets available for sale, except for those for which the fair value cannot be reliably determined.

These financial statements have been prepared for general purposes, for the use of persons who know the provisions of the 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 by any other user.

2.3 The functional and presentation currency

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

The 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. The monetary assets and liabilities in foreign currencies are converted at rates in effect at the reporting date. The 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 obligations denominated in foreign currency is reflected in the statement of the comprehensive income.

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The exchange rates of the main foreign currencies as reported by the NBR (National Bank of Romania) are as follows:

	30.09.21	31.12.20
EUR	4.9471	4.8694
USD	4.2653	3.9660

2.4 Critical accounting assessments and estimates

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

The use of reasonable estimates is an essential part for preparing the 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 continually evaluated based upon the historical experience and other factors, including forecasting future events that are believed to be reasonable under the existing circumstances. In the future, the concrete experience may differ from these estimates and assumptions.

The significant reasoning used by the management to apply 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 as of and for the financial year ended on December 31, 2020.

3. SALES INCOME

The sales income includes the following items:

	30.09.2021	30.09.2020
Description	(unaudited)	(unaudited)
Finished product sales	252,505,447	216,625,801
Sales of goods	74,874,399	44,780,745
Trade discounts	(81,636,587)	(57,968,008)
Total	<u>245,743,259</u>	<u>203,438,537</u>

The sales revenues are mainly driven by the sales of finished products directly to pharmaceutical distributors. On 30.09.2021 the intra and extra-community sales amounted to 93,869,682 lei compared to 109,069,512 lei on 30.09.2020.

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Societatea realizeaza venituri din vanzari in valori individuale mai mari de 10% din total vanzari cu un numar de 5 clienti. / The company generates sales revenues in individual values higher than 10% of the total sales with a number of 5 clients.

4. OTHER OPERATING INCOME

Other operating income includes the following:

Description	30.09.21 (unaudited)	30.09.20 (unaudited)
Rental income	143,321	176,806
Income from research and studies	0	48,564
Income from various activities	1,942,948	351,788
Income from indemnities, fines and penalties	10,799	0
Other operating income	3,822,450	2,338,780
Venituri din ajustari pentru deprecierea activelor circulante / Income from adjustments for depreciation of current assets	13,694,999	14,598,311
Income from provisions for risks and expenses	13,528,900	6,362,643
Exchange rate differences	4,360,540	5,330,914
Total	37,503,957	29,207,806

5. RAW MATERIALS, CONSUMABLES AND GOODS

The expenditure on raw materials and consumables consists of:

Description	30.09.21 (unaudited)	30.09.20 (unaudited)
Raw materials	46.578.409	49.757.975
Auxiliary materials	5.030.482	7.591.874
Goods	40.239.999	24.023.046
Expenditure on fuel and spare parts	3.121.776	3.113.690
Inventory items	478.229	583.294
Other consumables	338.684	340.090
Total	95.787.579	85.409.968

6. STAFF COSTS

The staff costs consist of:

Description	30.09.21 (unaudited)	30.09.20 (unaudited)
Wages	73,231,011	67,836,772
Civil contracts	1,188,511	1,519,777
Tax and social contributions	2,210,741	2,157,346
Other benefits (meal vouchers)	5,007,904	5,504,978

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Total	81,638,167	77,018,873
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The company is managed in a unitary system within the meaning of Law 31/1990 on commercial companies; the management of the company is provided by the Management Board of SC Antibiotice SA.

The remuneration granted to the Management Board and the Executive Management is presented in the table below:

	30.09.21	30.09.20
Description	(unaudited)	(unaudited)
Wages	3,390,588	3,459,501
Civil constructs (CA)	1,188,511	1,519,777
Taxes and social contributions	118,883	166,612
Total	4,697,982	5,155,890

7. OTHER OPERATING EXPENDITURE

The other operating expenditure includes the following:

	30.09.21	30.09.20
Description	(naudited)	(unaudited)
Utilities	6,374,028	8,118,047
Repair works	1,392,831	1,210,523
Rent	240,081	326,945
Insurances	1,177,583	1,200,748
Bank fees	419,026	771,451
Advertising & promotion of products	8,708,143	4,388,680
Travel & transport	1,837,704	2,054,073
Post & telecommunications	435,270	326,910
Other services provided by third parties	8,591,060	7,799,386
Other taxes and fees	24,747,324	26,131,303
Environmental protection	570,332	702,313
Loses and adjustments of uncertain receivables	1,847,430	13,608,195
Exchange rate differences	4,491,155	7,952,447
Sundries	3,018,723	1,741,658
Total	63,850,690	76,332,679

8. FINANCIAL INCOME AND EXPENSES

The net financial income consists of:

	30.09.21	30.09.20
Description	(unaudited)	(unaudited)
Interest income	3,425	1,424
Other financial income	0	71,421
Interest expenses	(2,616,224)	(3,872,264)
Other financial expenses	(163,433)	(416,200)
Total	(2,776,232)	(4,215,619)

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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 DEFERED PROFIT TAX EXPENSES AND OTHER TAXES

Description	30.09.21 (unaudited)	30.09.20 (unaudited)
Impozitul curent	0	234,054
Impozit amanat cheltuiala/venit	455,208	370,213
Total	455,208	604,267

10. EARNINGS PER SHARE

Description	30.09.21 (unaudited)	30.09.20 (unaudited)
Net profit (A)	18,229,185	18,042,419
Number of ordinary shares (B)	671,338,040	671,338,040
Earnings per share (A/B)	0.027154	0.026875

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11. TANGIBLE ASSETS

	Land	Buildings	Technical installations & equipment	Other installations, equipment & furniture	Tangible assets in progress	Total
COST						
December 31, 2019	108,306,000	123,100,710	193,775,685	7,698,504	71,040,090	503,920,989
Procurement	-	13,266,229	17,239,576	412,698	41,695,608	72,614,111
Outputs	-	434,193	14,042,420	67,402	30,918,503	45,462,518
Revaluating	81,627,152					81,627,152
December 31, 2020	189,933,152	135,932,746	196,972,841	8,043,800	81,817,195	612,699,734
Procurement	-	18,376,801	23,802,975	666,691	23,384,452	66,230,919
Outputs	-	275	984,195	31,238	42,846,467	43,862,175
September 30, 2021	189,933,152	154,309,272	219,791,621	8,679,253	62,355,180	635,068,478
DEPRECIATION						
December 31, 2019	-	8,036,888	126,324,476	5,646,763	-	140,008,126
Cost of the period	-	7,286,677	11,359,983	411,930	-	19,058,590
Outputs	-	434,192	14,042,420	67,401	-	14,544,013
December 31, 2020	-	14,889,373	123,642,039	5,991,292	-	144,522,704
Cost of the period	-	6,494,089	9,720,026	352,176	-	16,566,291
Outputs	-	275	981,037	31,237	-	1,012,549
September 30, 2021	-	21,383,187	132,381,028	6,312,231	-	160,076,446
PROVISION						
December 31, 2019	-	51,600	244,652	-	-	296,252
Outputs 2019	-	-	-	-	-	-
December 31, 2020	-	51,600	244,652	-	-	296,252
Outputs 2020	-	-	-	-	-	-
September 30, 2021	-	51,600	244,652	-	-	296,252
NET VALUE						
September 30, 2021	189,933,152	132,874,485	87,165,941	2,367,022	62,355,180	474,695,781
December 31, 2020	189,933,152	120,991,773	73,086,150	2,052,508	81,817,195	467,880,779
December 31, 2019	108,306,000	115,012,222	67,206,557	2,051,741	71,040,090	363,616,611

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Depreciation of fixed assets

The accounting depreciation is calculated using the straight-line method. For the new fixed assets, entered in 2021 such as installations, machines and measuring and control devices, the useful life times have been established taking into account:

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

The inventory value of the tangible assets constituted as pledges or guarantees is 49.983.834 lei.

12. INTANGIBLE ASSETS

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

The changes in the acquisition cost and the amortization related to the intangible assets are shown in the table below:

	30.09.21	31.12.20
	(unaudited)	(unaudited)
Initial balance	37,142,435	30,776,615
Inputs	9,540,472	8,380,448
outputs	411,961	2,014,628
Final balance	46,270,946	37,142,435
Amortization		
Initial balance	17,432,829	14,390,906
Cost of the period	1,571,795	3,041,923
Final balance	19,004,624	17,432,829
Net value	27,266,322	19,709,606

13. STOCKS

	30.09.21	31.12.20
Description	(unaudited)	(unaudited)
Raw materials and consumables	43,866,342	43,543,406
Production in progress	2,687,743	2,411,294
Semi-finished and finished products	46,492,907	48,516,680
Goods	12,105,112	14,219,829
Total	105,152,104	108,691,209

The value of the stocks constituted as guarantees is 40,534,622 lei.

Stocks in each category are closely analyzed and managed.

The value of the stock of raw materials and consumables is 43,866,342 lei and it includes active substances essential for the development of the activity, in the current context generated by the forecasted increases of the prices and the prolongation of the duration of the international transports is a lever for the continuous achievement of the production and sales activity.

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The value of stocks of finished products and goods is analyzed monthly simultaneously with the change in consumption in the market, which experiences a continuous dynamic.

The result indicates that compared to 01.01.2021, their value is lower, as they have a different structure with an optimal storage duration.

14. TRADE AND OTHER RECEIVABLES

Description	30.09.21 (unaudited)	31.12.20 (audited)
Trade receivables	249,824,312	282,055,518
Adjustments for trade receivables	(23,368,451)	(29,157,464)
Various debtors and other receivables	4,376,055	6,300,228
Adjustments for various debtors	(3,432,707)	(3,432,707)
Total financial assets other than cash, classified as loans and receivables	227,399,209	255,765,575
Receivables related to employees	6	58
Other receivables from the State Budget	1,121,911	1,369,072
Advance payments	5,033,221	3,254,062
Total	233,554,347	260,388,767

The value of receivables constituted as guarantees is 162,492,596 lei.

15. CASH AND CASH EQUIVALENTS

Description	30.09.21 (unaudited)	31.12.20 (audited)
Available in the bank	3,798,707	6,312,210
Cash and cash equivalents	16,107	17,238
Total	3,814,814	6,329,458

16. TRADE AND OTHER LIABILITIES

Description	30.09.21 (unaudited)	31.12.20 (audited)
Trade liabilities	38,089,563	42,443,896
Suppliers of assets	12,776,848	8,386,582
Employee-related liabilities	2,613,360	3,558,591
Other debts	132,916	183,630
Interest to be paid	183,435	364,428
Tax and social contributions	4,644,650	3,754,408
Dividends	3,791,420	5,673,403
Advance payments from customers	1,600,504	1,739,052
Total	63,832,696	66,103,990

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17. AMOUNTS DUE TO CREDIT INSTITUTIONS

The amounts due to the credit institutions on 30.09.2021 are shown in the table below:

Amounts due to credit institutions	Value on 30.09.2021
Amounts due in the short term	84,805,994.98 LEI
Amounts due in the long term (including interest)	60,355,800.07 LEI

The short-term contract number IAS3-42-2016/ 17.08.2016 concluded with Unicredit Bank S.A.

Objective	Credit line – working capital
Amount	55,000,000 LEI
Maturity	16.08.2022
Balance on September 30, 2021	48,670,807.68 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, 2021	70,899,078.50 LEI (14,331,442.36 EUR)
Warranties	Mortgage contract for buildings, land /Receivable assignment contract

The short-term contract number 12239/22.05.2012 concluded with ING BANK N.V. AMSTERDAM – Romanian Branch

Objective	Credit line – working capital
Amount	9.500.000 EUR
Maturity	22.05.2022
Balance on September 30, 2021	25,500,330.83 LEI (5,154,601.85 EUR)
Warranties	Mortgage contract for buildings, land /Receivable assignment contract

The amounts due to credit institutions on 31.12.2020 are shown in the table below:

Amounts due to credit institutions	Value on 31.12.2020
Amounts due on the short term	95,568,514 LEI
Amounts due on the long term (including interest)	65,444,478 LEI

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The short-term contract number 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 December 31, 2020	52,730,807.68 LEI
Warranties	Mortgage contract for buildings, land /Receivable assignment contract

The contract number 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 December 31, 2020	15,071,196.96 EUR (73,387,686.47 LEI)
Warranties	Mortgage contract for buildings, land /Receivable assignment contract

The short-term contract number 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 december 31, 2020	34,790,829.06 LEI (7,144,787.67 EUR)
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 favour of a third party.

18. SUBSIDIES FOR INVESTMENTS

The subsidies for investments have the following structure:

	30.09.21	31.12.20
	(unaudited)	(audited)
Subsidies for investments		
Wastewater treatment plant	1,942,267	2,061,443
Research project-UMF Iasi	24,503	24,503
Other grants from European funds	447,535	519,489
Other grants from state budget funds	88,585	101,283

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Other amounts received in the form of grants	40,272	66,162
Total	2,543,162	2,772,880

The amounts reflected in the account subventions for investments represent values received by the company in the form of grants during the last 10 years for investments in the environmental protection and in increasing the competitiveness of industrial products through financing from the Ministry of Economy, Trade and Business Relations and UEFISCDI Bucharest.

19. DEFERRED INCOME TAX

The variation of debts regarding the deferred tax on profit is shown in the following table:

Description	30.09.21 (unaudited)	31.12.20 (audited)
Initial balance	31,119,874	25,266,930
Cost / (income) deferred tax	455,208	5,587,936
Final balance	31,575,082	31,119,874

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

20. SHARE CAPITAL

The subscribed share capital of the company on September 30, 2021 is 67,133,804 lei, the nominal value of a share is 0,1000 lei/share. Our company has a number of 671,338,040 shares which provide equal rights to the company's shareholders. SC Antibiotice SA has not issued preference shares to shareholders.

According to 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 has 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 retained earnings loss 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:

Reported loss result from the first application of IAS 29	197.701.352
Adjustments of the share capital-the first application of the IFRS	197.701.352

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According to the Order 1690/2012 regarding the modifying and filling out of some accounting regulations, the accountable loss reported, coming from the transition to IFRS, from following for the first time of IAS 29, as well as the one resulting from the use, at the date of transition to the application of IFRS, of the fair value as deemed cost is covered from equity (including the amounts reflected in the account credit 1028 “Adjustments of the share capital”), according to the GMS decision, with compliance of the legal provisions.

21. RESERVES

The reserves include the following components:

Description	30.09.21 (unaudited)	31.12.20 (audited)
Reserves from revaluation of fixed assets	136,670,560	139,000,941
Legal reserves	13,426,761	13,426,761
Deferred income tax recognized on equity	(21,867,287)	(22,364,415)
Other reserves	233,852,036	231,136,238
Reserves from current profit	0	14,452,190
TOTAL	362,082,070	361,199,526

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

Reserve	Description and purpose
Reserves from revaluation of fixed assets	If the book value of a tangible asset is increased as a result of the re-evaluation, then the increase should be recognized in other items of global result and cumulated in equity, as a re-evaluation surplus. The revaluation reserves cannot be distributed and cannot be used to increase the share capital.
Legal reserves	According to 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 cannot be distributed because they have implications on the recalculation of the corporate tax. The difference represents reserves made up of profits.

22. REPORTED RESULT

The reported result includes the following components:

Description	30.09.21 (unaudited)	31.12.20 (audited)
Reported result – a surplus from revaluation reserves	22,563,037	20,729,784
Result reported from error correction	-	(7,000,410)

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The retained earnings arising from the use of fair value as deemed cost at the date of transition to IFRSs	123,273,484	123,273,485
The retained earnings from the adoption of IAS 29 for the first time	(197,701,352)	(197,701,352)
Total	<u>(51,864,829)</u>	<u>(60,698,493)</u>

23. CONTINGENT LIABILITIES

SC Antibiotice SA does not have contingent liabilities on September 30, 2021.

24. ELEMENTS FOLLOWING THE REPORTING PERIOD

No elements of the nature of subsequent events were identified.



CURRENT REPORT

Notice of availability for the Report on 30 September 2021

Antibiotice Iași informs the investors that the *report on 09/30/2021* is available through the *Bucharest Stock Exchange* and *Financial Surveillance Authority* as well as on our website: www.antibiotice.ro (Investors/Financial Information/Financial Reports - 2021, 9 months).

We mention that the above-mentioned report can also be obtained at our company's headquarters (Investor Relations, phone no. 0232 209570, fax 0372 065633, e-mail: relatiicuinvestitorii@antibiotice.ro).

General Director,
ec. *Ioan NANI*



Financial Director,
ec. *Paula-Luminița COMAN*

