

THE INCOME AND EXPENDITURE BUDGET FOR THE YEAR 2023

thousand lei

		INDICATORS	No.	Achieved/ Preliminary previous year 2022	Proposals for current year 2023	% 6=5/4	Estimate s for 2024	Estimate s for 2025	% 9=7/5 10=8/7 11=8/4		
0	1								9	10	11
VI		REVENUE FROM EUROPEAN FUNDS	39								
VII		ELIGIBLE EXPENDITURE FROM EUROPEAN FUNDS, of which	40								
	a)	material expenses	41								
	b)	wages expenses	42								
	c)	expenses regarding the provision of services	43								
	d)	advertising and publicity expenses	44								
	e)	other expenses	45								
VIII		SOURCES OF INVESTMENT FINANCING, of which:	46	58,438	88,556	152	96,999	106,749	110	110	183
IX	1	Budget allocations	47								
		budget allocations related to the payment of commitments from previous years	48								
IX		INVESTMENT EXPENSES	49	58,438	88,556	152	96,999	106,749	110	110	183
X		SUBSTANTIATION DATA									
1		Number of the staff estimated at the end of the year	50	1,341	1,350	101	1,350	1,300	100	96	97
2		Total average number of employees	51	1,355	1,350	100	1,350	1,300	100	96	96
3		Average monthly earnings per employee (lei/person) determined on the basis of wages expenses	52	6,853	8,080	118	8,322	8,505	103	102	124
4		The average monthly earnings per employee (lei/person) determined on the basis of wages expenses, recalculated according to the annual law of the state	53	6,619	7,067	107	7,279	7,439	103	102	112
5		Labor productivity in value units per average total staff (thousand lei/person)(Row2/Row51)	54	377	422	112	500	619	119	124	164
6		Labor productivity in value units per total average number of employees recalculated according to the annual Law on the state budget	55								
7		Labor productivity in physical units per total average staff (quantity of finished products/person)	56								
8		Total expenses per 1000 lei total income (Row 57 =(Row6/Row1)x1000)	57	921	914	99	908	902	99	99	98
9		Outstanding payments	58	0	0		0	0			
10		Outstanding receivables	59	19,200	18,200	95	17,300	16,500	95	95	86

The values of the preliminary indicators for 2021 were not subject to external financial audit.

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

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

GENERAL DIRECTOR
EC. IOAN NANI

FINANCIAL DIRECTOR
EC. PAULA COMAN

Detailing the economic and financial indicators provided in the income and expenditure budget and their distribution by quarters

INDICATORS	No.	Achieved in 2021	Estimations in the previous year 2022	Proposals for the current year 2023				% 7=6/5	% 8=5/3a		
				Approved Preliminary / Achieved according to the Decision	of which:						
					Q I	Q II	Q III				
	2	3	3a	4	5	6a	6b	6c	6	7	
TOTAL INCOME (Row 1=Row 2+Row 22)	1	388,925	448,605	521,974	157,700	327,171	431,395	580,496	111	134	
Total operating income (Row 2=Row 3+Row 8+Row 9+Row 12+Row 13+Row 14), of which:	2	383,826	444,492	511,432	155,300	321,971	423,794	569,215	111	133	
a) of the production sold (Row 3=Row 4+Row 5+Row 6+Row 7), of which:	3	258,142	321,020	380,324	96,088	205,853	310,905	431,248	113	147	
a1) sale of the products	4	255,930	320,780	379,301	95,981	205,616	310,608	430,891	114	148	
a2) provided services	5	2,069	240	845	127	237	297	357	42	41	
a3) royalty and rent	6	143		174					0	122	
a4) other income	7	0	4						0	0	
b) from the sale of goods	8	110,279	111,294	103,338	32,733	64,806	94,145	129,264	125	94	
c) from subsidies and operating transfers related to the net turnover (Row 9=Row 10+Row 11), of which:	9	0	0	0	0	0	0	0	0	0	
c1) subsidies, according to the legal provisions in force	10										
c2) transfers, according to the legal provisions in force	11										
d) from the production of fixed assets	12	10,548	10,314	13,461	3,381	5,752	7,422	10,367	77	128	
e) income related to the cost of production in progress	13	712	24	12,005	23,055	44,972	10,655	-2,352	-20	1,686	
f) other operating income (Row 14=Row 16+Row 19+Row 20+Row 21), of which:	14	4,145	1,840	2,304	43	588	667	688	30	56	
f1) from fines and penalties	15										
f2) from the sale of assets and other capital operations (Row 16 = Row 17 + Row 18), of which:	16										
- tangible assets	17										
- intangible assets	18										
f3) from subsidies for investments	19										
f4) from the capitalization of CO2 certificates	20										
g) other incomes	21	4,145	1,840	2,304	43	588	667	688	30	56	
h) Financial income (Row 22=Row23+Row24+Row25+Row26+Row27), of which:	22	5,099	4,113	10,542	2,400	5,200	7,601	11,281	107	207	
a) from capital assets	23										
b) from financial investments	24										
c) from exchange rate differences	25	5,095	4,108	10,540	2,400	5,200	7,600	11,280	107	207	
d) from interest	26	4	5	2	0	0	1	1	50	50	
e) from other financial income	27										

INDICATORS	No.	Achieved in 2021	Estimations in the previous year 2022	Proposals for the current year 2023				% 7=6/5	% 8=5/3a	
				Preliminary / Achieved			of which:			
				Approved according to the Decision	Q I	Q II	Q III	Year		
	2	3	3a	4	5	6a	6b	6c	7	8
AL EXPENSES (Row 28=Row 29+Row 130)	28	358,622	416,105	480,736	145,652	298,766	396,642	530,489	110	134
Operating expenses (Row29=Row30+Row78+Row85+Row113), of which:	29	349,567	408,300	466,328	141,791	292,028	386,645	516,550	111	133
A. Expenditure on goods and services (Row30=Row31+Row39+Row45), of which:	30	196,446	235,392	253,355	92,332	191,552	237,967	316,447	125	129
A1 Expenditure on stocks (Row31=Row32+Row33+Row36+Row37+Row38), of which:	31	161,796	197,881	197,919	72,816	152,645	186,169	246,680	125	122
a) raw material expenses	32	74,159	104,046	107,411	42,287	93,200	103,373	133,083	124	145
b) expenditure on consumables, of which:	33	11,989	8,566	14,518	3,172	7,777	11,020	14,551	100	121
b1) spare part expenses	34	2,335	1,560	2,121	550	1,350	2,050	2,804	132	91
b2) fuel costs	35	1,970	2,000	2,603	770	1,590	2,280	2,977	114	132
c) expenditure on materials in the nature of inventory items	36	679	450	610	255	476	646	946	155	90
d) energy and water costs	37	14,115	23,250	22,970	10,710	18,739	23,986	33,369	145	163
e) expenditure on goods	38	60,854	61,569	52,410	16,392	32,453	47,144	64,731	124	86
A2 Expenditure on services performed by third parties (Row39=Row40+Row41+Row44), of which:	39	3,806	3,862	4,006	1,092	2,668	4,072	5,445	136	105
a) maintenance and repair expenses	40	1,736	1,962	1,939	440	1,390	2,230	2,793	144	112
b) rent expenses (Row 41=Row 42+Row 43) of which:	41	319	300	272	82	191	234	420	154	85
b1) - to operators with full/majority state equity	42									
b2) - to private-equity operators	43	319	300	272	82	191	234	420	154	85
c) insurance premiums	44	1,751	1,600	1,795	570	1,087	1,608	2,232	124	103
A3 Expenses with other services performed by third parties(Row45=Row46+Row47+Row49+Row56+Row61+Row62+Row66+Row67+Ro	45	30,844	33,649	51,430	18,424	36,239	47,726	64,322	125	167
a) collaborators expenses	46									
b) expenses related to commissions and fees, of which:	47	578	800	3,176	453	803	1,103	1,403	44	549
b1) legal counsel expenses	48									
c) protocol, advertising and publicity expenses (Row 50+Row 52), of which:	49	11,704	15,300	22,156	9,550	17,740	23,103	30,276	137	189
c1) protocol expenses, of which:	50	693	500	707	250	490	653	1,000	141	102
- gift vouchers according to Law no.193/2006, with subsequent amendments	51									
c2) advertising and publicity expenses, of which:	52	11,011	14,800	21,449	9,300	17,250	22,450	29,276	136	195
- gift vouchers for advertising and publicity expenses according to Law no. 193/2006, with subsequent amendments	53									
- gift vouchers for marketing campaigns, market research and promotion on existing or new markets according to Law no. 193/2006, with subsequent amendments	54									
- product promotion expenses	55	11,011	14,800	21,449	9,300	17,250	22,450	29,276	136	195
d) Sponsorship expenses, according to the G.E.O. no.2/2015 (Row56=Row57+Row58+Row60), of which:	56	451	461	423	34	157	174	450	106	94
d1) sponsorship expenses in medical and health sector	57	195	184	169	14	63	70	180	107	87

INDICATORS	No.	Achieved in 2021	Estimations in the previous year 2022	Proposals for the current year 2023				% %	
				Preliminary / Achieved			of which:		
				Approved according to the Decision	Q I	Q II	Q III	Year	
d2)	2	3	3a	142	184	5	6a	6b	7=6/5 8=5/3a
d2) sponsorships expenses for education, social services and sport, of which:	58	59	93	169	14	63	70	180	7 8 119
- for sports clubs									
d3) sponsorship expenses for other actions and activities	60	114	85	7	31	35	90	106	75
e) expenditure on the transport of goods and persons	61	2,783	3,000	4,409	1,400	2,700	3,700	4,944	112 158
f) travel, secondment, transfer expenses, of which:	62	290	300	813	418	872	1,148	1,691	208 280
- daily allowance expenses (Row 63=Row 65), of which:	63	27	30	39	13	27	38	71	182 144
-internal	64	18	20	19	13	27	38	71	374 106
-external	65	9	10	20					0
g) postal and telecommunications charges	66	575	550	523	144	274	434	565	108 91
h) bank commissions and similar charges	67	528	450	581	141	266	379	475	82 110
i) other expenditure on services provided by third parties, of which:	68	289	450	551	231	504	694	1,000	181 191
j) insurance and security expenses	69								
l2) expenses regarding the maintenance and operation of the computing technique	70								
l3) expenses on professional training	71	289	450	551	231	504	694	1,000	181 191
l4) expenses with the revaluation of tangible and intangible assets, of which:	72								
-related to goods of the nature of the public domain	73								
l5) expenses with the services performed by the subsidiaries	74								
l6) expenses regarding the recruitment and placement of the management staff according to the Government Emergency Ordinance no. 109/2011	75								
l7) expenses with auction announcements and other announcements	76								
l) other expenses	77	13,646	12,338	18,798	6,053	12,923	16,991	23,518	125 138
l3 Expenses with taxes, fees and similar payments (Row 78=Row 79+Row 80+Row 11+Row 82+Row 83+Row 84), of which:	78	35,351	32,639	38,511	9,991	20,235	29,789	39,794	103 109
a) expenses with tax for the activity of exploitation of mineral resources	79								
b) expenses with the royalty for the concession of public goods and mineral resources	80								
c) license fee expenses	81								
d) authorization fee expenses	82								
e) environmental tax expenses	83								
f) expenses with other taxes and fees	84	35,351	32,639	38,511	9,991	20,235	29,789	39,794	103 109
l.. Staff costs (Row 85=Row 86+Row 99+Row 103+Row 112), of which:	85	111,053	120,034	120,310	33,367	68,831	106,277	140,245	117 108
l0) Salary related expenses (Row 86=Row 87+ Row 91)	86	105,658	114,483	114,614	32,252	65,048	101,284	134,129	117 108
l1) Salary costs (Row 87=Row 88+Row 89+Row 90), of which:	87	98,992	107,030	107,215	30,319	60,761	93,283	123,960	116 108
a) basic wages	88	89,157	95,257	95,054	26,984	54,077	83,022	110,324	116 107
b) benefits, premiums and other bonuses related to the basic salary (according to	89	9,835	11,773	12,161	3,335	6,684	10,261	13,636	112 124
c) other bonuses (according to the CLA)	90								

INDICATORS	No.	Achieved in 2021	Estimations in the previous year 2022	Proposals for the current year 2023			% 7=6/5	% 8=5/3a		
				Preliminary / Achieved						
				Approved according to the Decision	5	6a				
	2	3	3a	4	5	6b	6c	7		
C2 Bonuses (Row 91=Row 92+Row 95+Row 96+Row 97+ Row 98), of which:	91	6,666	7,453	7,399	1,933	4,287	8,001	10,169		
a) social expenditures provided by Art.25 of the Law no. 227/2015 on the Fiscal Code (*, as subsequently amended and supplemented, of which:	92	719	1,199	1,236	255	729	804	1,280		
- nursery vouchers, according to Law no. 193/2006, with subsequent amendments;	93									
- gift vouchers for social expenses according to Law no. 193/2006, with subsequent amendments;	94									
b) meal tickets;	95	4,379	4,298	4,209	1,678	3,355	5,038	6,730		
c) holiday vouchers;	96				0	203	203	203		
d) expenses on the participation of the employees in the profit obtained in the .	97	1,568	1,956	1,954	0	0	1,956	1,956		
e) other expenses according to the CLA.	98									
C3 Other staff expenses (Row 99 = Row 100 + Row 101 + Row 102), of which:	99									
a) expenses on compensatory payments related to staff redundancies	100									
b) expenses on the due wages rights based upon some court decisions	101									
c) wages expenses related to restructuring, privatization, special administrator, other commissions and committees (Row 103=Row 104+Row 107+Row 110+	102									
C4 Expenditure related to the mandate contract and other management and control bodies, commissions and committees (Row 103=Row 104+Row 107+Row 110+)	103	3,070	3,031	3,134	423	2,363	2,788	3,211		
a) for directors/directorship	104	1,659	1,654	1,620	188	1,277	1,466	1,654		
-fixed component	105	433	433	433	108	216	325	433		
-variable component	106	1,226	1,221	1,187	80	1,061	1,141	1,221		
b) for the Management Board/Supervisory Board, of which:	107	1,146	1,104	1,218	154	925	1,080	1,234		
-fixed component	108	619	617	618	154	308	463	617		
-variable component	109	527	487	600	0	617	617	617		
c) for censors	110									
d) for other commissions and committees established by law	111	265	273	296	81	161	242	323		
C5 Expenses with the contributions due by the employer	112	2,325	2,520	2,562	692	1,420	2,205	2,905		
D. Other operating expenses (Row 113=Row 114+Row 117+Row 118+Row 119+Row 120+Row 121), of which:	113	6,717	20,235	54,152	6,101	11,410	12,612	20,064		
a) expenses with increases and penalties (Row 114=Row 115+Row 116), of which:	114	1,885	9	24	1	10	12	20		
- to the general consolidated budget	115	1,065	2	13	0	5	6	7		
- to other creditors	116	820	7	11	1	5	6	13		
b) expenses related to fixed assets	117									
c) expenses related to transfers for staff payment	118									
d) other expenses	119									
e) depreciation expenses for tangible and intangible assets	120	24,431	21,450	22,548	6,100	12,400	19,100	26,644		
								92		

INDICATORS	No.	Achieved in 2021	Estimations in the previous year 2022	Proposals for the current year 2023				% 7=6/5	% 8=5/3a	
				Approved according to the Decision	Preliminary / Achieved					
					Q I	Q II	Q III	Year		
	2			4	5	6a	6b	6	7	
f) adjustments and depreciations for loss of value and provisions (Row 121=Row 122- Row 125), of which:	3	3a	-19,599	-1,224	31,580	0	-1,000	-6,500	-21	
f1) adjustments and provisions expenses	121								-161	
f1.1) provisions on employee participation in profit	122	6,633	8,690	39,944				4,500	11	
f1.2) provisions in connection with the mandate contract	123	2,000	2,000	2,000				2,000	100	
f2) income from provisions and adjustments for impairment or loss of value, of which:	124									
f2.1) from the cancellation of provisions (Row 126=Row 127+Row 128+Row 129), of which:	125	26,232	9,914	8,364	0	1,000	6,500	11,100	133	
- of employee participation in profit	127	2,000	2,000	2,000				2,000	100	
- from impairment of tangible assets and current assets	128	12,703	5,161	4,459				3,000	148	
- income from other provisions	129	11,529	2,753	1,905				1,500	131	
- financial expenses (Row 130=Row 131+Row 134+Row 137), of which:	130	9,055	7,805	14,408	3,861	6,738	9,997	13,939	97	
Financial expenses (Row 131=Row 132+Row 133+Row 134+Row 135), of which:	131	3,519	3,000	3,634	990	1,802	2,741	3,594	99	
a) interest charges, of which:										
a1) related to investment credits	132	1,132	993	1,157	585	992	1,526	1,974	171	
a2) related to credits for the current activity	133	2,387	2,007	2,477	405	810	1,215	1,620	65	
b) exchange rate expenses, of which:										
b1) related to investment credits	134	5,319	4,577	10,626	2,871	4,936	7,256	10,345	97	
b2) related to the current activity	135	1,376	721	1,310	450	1,086	1,671	1,968	150	
c) other financial expenses										
GROSS RESULT (profit/loss) (Row 138=Row 1-Row 28)	136	3,943	3,856	9,316	2,421	3,850	5,585	8,377	90	
non-taxable income	137	217	228	148					0	
non tax deductible expenses	138	30,303	32,500	41,238	12,048	28,405	34,753	50,007	121	
CURRENT CORPORATE TAX	139								136	
SUBSTANTIATING DATA										
Total operating income, of which: (Row 2)	140	451	461	436	34	162	180	457	105	
a) - income from subsidies and transfers	141	0	800	4,080	0	0	0	6,000	97	
b) - other revenues that are not taken into account when determining the labor productivity and gross result, according to Annual Law on the State Budget	142	383,826	444,492	511,432	155,300	321,971	423,794	569,215	111	
Total operating expenses, of which: (Row 29)	143								133	
- other operating expenses that are not taken into account when determining the labor productivity and gross result in the previous year, according to the Annual Law on the Wages expenditure (Row 86), of which: ***)	144									
a) gross result achieved in the previous year, according to the Annual Law on the Wages expenditure (Row 86), of which: ***)	145	349,567	408,300	466,328	141,791	292,028	386,645	516,550	111	
Number of employees estimated at the end of the year	146									
Average number of employees	147	105,658	114,483	114,614	32,252	65,048	101,284	134,129	117	
a) Average monthly earnings per employee (LEI/employee) determined on the basis of salary costs (Row 147/Row 149/1/12*1000)	148								108	
a) Average monthly earnings per employee (LEI/employee) determined on the basis of salary costs (Row 147/Row 149/1/12*1000)	149	1,410	1,350	1,355	1,350	1,350	1,350	1,350	100	
a) Average monthly earnings per employee (LEI/employee) determined on the basis of salary costs (Row 147/Row 149/1/12*1000)	150	6,245	7,067	7,049	x	x	x	8,280	117	
									113	

INDICATORS	No.	Achieved in 2021	Approved according to the Decision	Estimations in the previous year 2022			Proposals for the current year 2023			% 7=6/5	% 8=5/3a		
				Preliminary / Achieved			of which:						
				Q I	Q II	Q III	Year						
2	3	3a	4	5	6a	6b	6c	6	7	8			
Average monthly earnings per employee (LEI / employee) determined on the basis of salary costs according to GO 26/2013 [(Row 147 – row 92* - row 97)/Row 149]/12*1000	151	6,109	6,872	6,853	x	x	x	8,080	118	112			
Average monthly earnings per employee (LEI / employee) determined on the basis of salary costs according to GO 26/2013 and the Annual law on the state budget	152	5,772	6,635	6,619	x	x	x	7,067	107	115			
a) Labor productivity in units of value per total average personnel (thousand LEI / employee) (Row 2/Row 149)	153	272	329	377	x	x	x	422	112	138			
b) Labor productivity in value units per total average personnel recalculated according to the annual Law on the state budget	154				x	x	x						
c) Labor productivity in physical units on average total staff (quantity of finished products / person) W=QFP/Row 149	155				x	x	x						
c1) Elements for calculating the labor productivity in physical units, of which	156				x	x	x						
- the quantity of finished products (QFP)	157				x	x	x						
- average price (p)	158				x	x	x						
- value =QFP x p	159				x	x	x						
- share in total operating income = Row 157/Row 2	160				x	x	x						
Outstanding payments	161	0	0	0	0	0	0	0	0	0			
Outstanding receivables, of which:	162	20,241	19,200	19,000	18,500	18,300	18,200	95	95	95			
- from full / majority state-owned operators	163												
- from private equity operators	164	20,241	19,200	19,000	18,500	18,300	18,200	95	95	95			
- from the state budget	165												
- from the local budget	166												
- from other entities	167												
Credits to finance the current activity (the remained balance to be reimbursed)	168	76,433	60,000	23,327	30,000	30,000	22,770	0	0	31			
Total redistributions / distributions according to GEO no.29/2017 from:	169	0	0	0	0	0	0	0	0	0			
- other reserves	170	0	0	0	0	0	0	0	0	0			
- retained earnings	171	0	0	0	0	0	0	0	0	0			

FINANCIAL DIRECTOR
EC. PAULA COMAN

GENERAL DIRECTOR
EC. IOAN NANI

CENTRAL/LOCAL PUBLIC ADMINISTRATION AUTHORITY
The Economic Operator ANTIBIOTICE SA IASI
Headquarters / Address IASI, STR. VALEA LUPULUI NR. 1
Unique registration code 1973096

Addendum no.3

Total income achievement rate

No.	INDICATORS	Estimations for 2021		%	Estimations for the previous year 2020		%
	Approved	Achieved	4=3/2	Approved	Achieved	6	7=6/5
0	1	2	3	4	5	6	7
1.	Total income (row 1+row 2), of which:	395,148	388,925	98	448,605	521,974	116
1.	Operating income	387,138	383,826	99	444,492	511,432	115
2.	Financial income	8,010	5,099	64	4,113	10,542	256

GENERAL DIRECTOR
EC. IOAN NAN

FINANCIAL DIRECTOR
EC. PAULA COMAN

Investment and endowment program and financing sources

thousand lei

		INDICATORS	Investment completion date	Previous year 2022		Value		
				Approved	Achieved Preliminary 2022	Current year 2023	2024	2025
0	1	2	3	4	5	6	7	8
I	1	INVESTMENT FINANCING SOURCES, of which:		64,107	58,438	88,556	96,999	106,749
	1	The company's own sources, of which:		48,950	58,438	66,144	79,500	99,667
		a) - amortization		21,450	22,548	26,644	29,000	34,967
		b) - profit						
		c) - fiscal facilities (Art. 20 and 22 of the Law no. 227/2015 on the Tax Code)		27,500	35,890	39,500	50,500	64,700
	2	Allowances from the budget						
	3	Bank credits, of which:		14,634				
		a) - internal		14,634				
		b) - external						
	4	Other sources, of which:						
		- reserves		523		22,412	17,499	7,082
II	1	INVESTMENT EXPENSES, of which:		64,107	58,438	88,556	96,999	106,749
		Investment expenses		53,107	47,732	77,807	86,250	96,000
	1	Investments in progress, of which:		15,382	17,379	24,682	22,875	27,300
		a) for the goods which are the private property of the economic operator:						
		Product portfolio development	2022	466	449	1,028	3,300	3,750
		Investments in new production sites	2022	2,470	2,341	0	5,250	13,500
		Investments in information technology, telecommunications and process	2022	807	557	4,502	4,500	4,950
		Adapting to the development trends of the industrial platform, of the supply and distribution infrastructures of utilities, green energy, storage of raw materials and finished products, transport and connection to the national road system	2024	7,932	10,317	18,156	7,500	3,000
		Investments in the Integrated Management System (quality, environment, occupational health and safety)	2024	924	967	158	1,500	750
		Investments in the modernization of existing manufacturing sites and equipment	2024	2,783	2,748	838	825	1,350
	2	New investments, of which:		29,524	21,388	31,885	51,450	60,550
		a) for the goods, private property of the economic operator:						
		Product portfolio development	2024	13,611	11,782	16,131	7,700	8,750
		Investments in new production sites	2024	5,510	6,093	500	12,250	31,500
		Investments in information technology, telecommunications and process	2024	8,020	1,565	5,076	10,500	11,550
		Adapting to the development trends of the industrial platform, of the supply and distribution infrastructures of utilities, green energy, storage of raw materials and finished products, transport and connection to the national road system	2024	1,150	1,106	6,015	17,500	7,000
		Investments in the Integrated Management System (quality, environment, occupational health and safety)	2023	1,233	842	4,163	3,500	1,750
	3	Investments in existing tangible assets (upgrades), of which:		8,201	8,965	21,240	11,925	8,150
		a) for the goods, private property of the economic operator:						
		Investments in the upgrading of existing sites and equipment	2024	6,206	6,898	12,230	1,925	3,150
		Adapting to the development trends of the industrial platform, of the supply and distribution infrastructures of utilities, green energy, storage of raw materials and finished products, transport and connection to the national road system	2024	1,995	2,067	9,010	10,000	5,000
	4	Endowment (other acquisitions of property, plant and equipment)						
	5	Reimbursement of rates related to investment credits, of which:		11,000	10,706	10,749	10,749	10,749
		a) - internal		11,000	10,706	10,749	10,749	10,749
		b)- external						

GENERAL DIRECTOR
 EC. IOAN NANI

FINANCIAL DIRECTOR
 EC. PAULA COMAN

Addendum
 no.5

Measures to improve the gross profit and reduce outstanding payments

No.	Measures	Deadline	Previous year 2022		Current year 2023		2024		Influences (+/-)		2025		Influences (+/-)
			Preliminary/Achieved	Gross result (+/-)	Gross result	Outstanding payment	\$	Gross result	Outstanding payments	\$	Gross result	Outstanding payments	
0													
0	Item Measures to improve gross profit and reduce outstanding payments												
1	Measure 1: Increasing sales on the domestic and international market		X	X	X	X	8,769	0	12,996	0	17,414	0	0
	TOTAL Item no. I		X	X	X	X	8,769	0	12,996	0	17,414	0	0
1	Item Reasons diminishing the effect of the no. II measures set out in item no. I												
			X	X	X	X							
			X	X	X	X							
			X	X	X	X							
	TOTAL Item no. II		X	X	X	X	8,769	0	12,996	0	17,414	0	0
1	GENERAL TOTAL Item no. I + Item no. II		41,238	0	41,238	0	8,769	0	12,996	0	17,414	0	0

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S.C. ANTIBIOTICE S.A.
TIN: RO 1973096

SUBSTANTIATION NOTE of the 2023 INCOME & EXPENDITURE BUDGET

From the first product manufactured back in 1955, Antibiotice S.A. has become today:

- ✓ the main Romanian manufacturer of generic medicines;
- ✓ leader in the segment of topical products (creams, ointments, gels) in Romania;
- ✓ leader in the production of beta-lactam antibiotics in Romania;
- ✓ Nystatin produced by Antibiotice is the international reference standard.

Our company's shares have been listed and traded at the Bucharest Stock Exchange, Premium category.

The main shareholders on 31.12.2022 (as extracted from the Register of Shareholders) are:

- Ministry of Health - 53.0173%,
- S.I.F. Oltenia - 27.0379%
- Other legal entities and natural persons - 19.9448%.

The indicators in the Revenue & Expenditure Budget for 2023 were planned by estimating the achievement degree of the 2022 indicators and in line with the company's development strategy, having the following working hypotheses:

- the sales revenue will increase at a 56% rate in the stage 2023-2025 vs. 28% in the stage 2019-2022;
- the share of export will increase from 38% in 2022 to 41% in 2025;
- the share of products manufactured on other sites: from 24.3% in 2022 to 22% in 2025;
- average payment duration (calculated as average supplier balance/turnover): 85-90 days;
- average collection period (calculated as average customer balance/turnover): 170-175 days;
- stock turnover: 1.5 months in distribution, 2.5 months in Antibiotice, 4 months altogether;
- personnel: 1,300 employees on 31.12.2025 from 1,341 on 31.12.2022;
- creșterea productivității muncii: de la 377 mii lei/salariat în 2022 la 619 mii lei/salariat în 2025
- labor productivity will increase from 377 thousand lei/employee in 2022 to 619 thousand lei/employee in 2025;
- increase in the average net salary per employee: from 840 EUR/employee in 2022 to 1,230 EUR/employee in 2025;
- degree of indebtedness (total liabilities/total assets): maximum 25%
- increase in the average selling price: from 1.22 lei/I.U. to 1.40 lei /I.U.
- arrears: 0
- substantiation of business consolidation and strategic development investments: 292 million lei
- maintaining the structure-related correlations of the indicators.

Responsibility for protecting natural resources determines us to make production processes more efficient, always investing in the latest generation equipment and technologies (green energy), to apply solutions to reduce energy consumption.

The Income & Expenditure Budget for 2023 was drawn up in compliance with the legislation in force:

- ✓ Law no. 368/2022 of the state budget for 2023;
- ✓ Ordinance no. 26/2013, on strengthening of financial discipline at the level of some economic operators in which the state or administrative-territorial units are sole or majority shareholders or directly or indirectly hold a majority participation, with the subsequent changes;
- ✓ GO no. 64/2001 regarding the distribution of profit to national societies, national companies and commercial companies with full or majority state capital, as well as to autonomous administrations, with the subsequent amendments and additions;
- ✓ GEO no. 109/2011 on corporate governance of public enterprises, with the subsequent changes;
- ✓ O.M.F.P. no. 3818/2019 on the approval of the format and structure of the income and expenditure budget of the economic operators, as well as its supporting annexes;
- ✓ Law no. 227/2015 on the Fiscal Code with the subsequent amendments and additions.

The exchange rate considered when substantiating the Income & Expenditure Budget is 5.00 LEI/EURO.

For 2023, we estimate total revenues amounting to 580,496 thousand years, total expenses of 530,489 thousand years and a gross profit in value of 50,007 thousand years which, combined with the claw back fee amounting to 34,000 thousand lei, leads to a business return of 14.4%.

According to their nature, the estimated values of income and expenses are presented as follows:

- operating income in the amount of 569,215 thousand lei
- operating expenses in the amount of 516,550 thousand lei
- financial income in the amount of 11,281 thousand lei
- financial expenses in the amount of 13,939 thousand lei.

As regards the main elements of operating expenses, the situation is as follows:

- the expenses with the goods and services planned for 2023 amount to 316,447 thousand lei, by 25% higher compared to the preliminary value for 2022. This increase is influenced by the production structure, quantity manufactured and price of raw materials, electricity, natural gas and the services necessary to carry out the activities;
- the personnel expenses are estimated at the value of 140,245 thousand lei and include two main components: the salary fund and motivational fund. Value of personnel expenses was estimated taking into account the following principles and criteria:
 - legality (Law no. 368/2022 of the State Budget for 2023);
 - stimulating the performance and competitiveness;
 - continuous adaptation to the market dynamics;

- just reward (principle of equal opportunities);
- predictability (career management and professional development);
- ranking of processes and positions according to the nature of the activity and their degree of complexity.

The main motivational elements are:

- meal vouchers, which will be paid differently according to the salary policy revised in 2022;
- vouchere de vacanta - aplicare dupa evaluarea personalului, incepand cu luna aprilie 2023
- vacation vouchers - granted starting with April 2023 after the staff evaluation;
- employee participation in profit sharing.
- protocol expenses for organizing symposia, conferences, product presentations in 2023 are in value of 1,000 thousand lei, which falls within the deductibility limit of 1,140 thousand lei, calculated according to art. 25 para. 3), letter a. of Law no. 227/2015 on the Fiscal Code: „The following expenses have limited deductibility: Protocol expenses within the limit of a 2% quota applied to the accounting profit to which the expenses with the profit tax and protocol expenses are added” $((50,007 + 1,000 + 6,000) \times 2\% = 1,140$ thousand lei).
- sponsorship expenses amount to 450 thousand lei, supporting the social responsibility projects in which the company is actively involved, with a view to the sustainable development of the activity in the long run.

According to art. 25, para. 4) from Law no. 227/2015 on the Fiscal Code, this expense is not tax-deductible and is deducted from the profit tax due at the level of the minimum value of the following:

- a) the value calculated by applying 0.75% to the turnover;
- b) the value representing 20% of the profit tax due.

The administrators' remuneration was substantiated in accordance with the provisions of GEO no. 109/2011:

- art. 37, para. (2) Remuneration of non-executive members of the Management Board consists of a fixed monthly allowance and a variable component. The fixed allowance cannot exceed twice the average gross monthly salary for the last 12 months for the activity carried out according to the main object of activity registered by the company, at the class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment. The variable component is established on the basis of some financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders, different from those approved for executive administrators, determined in compliance with the methodology provided for in art. 3¹ para. (5) and which also aim at the long-term sustainability of the company and ensuring compliance with the good governance principles. The amount of the variable component for the non-executive members cannot exceed a maximum of 12 fixed monthly allowances.
- art.37, para. (3) Remuneration of executive members of the Management Board consists of a fixed monthly allowance which cannot exceed 6 times the average gross monthly salary in the last 12 months for the activity carried out according to the

main object of activity registered by the company, at the class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, and from a variable component. The variable component will be based on financial and non-financial performance indicators, negotiated and approved by the General Meeting of Shareholders, different from those approved for non-executive administrators, determined in compliance with the methodology provided for in art. 31 para. (5).

- art. 37, para. (4) The variable component of the remuneration of the Management Board members is reviewed annually, depending on the level of achievement of the objectives contained in the management plan and degree of fulfillment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders, attached to the mandate contract.
- art. 38 (2) The remuneration consists of a fixed monthly allowance established within the limits provided for in art. 37 para. (3) and from a variable component consisting of a share of the company's net profit, the granting of shares, stock-options or an equivalent scheme, a pension scheme or another form of remuneration based on the performance indicators.

The investments planned for 2023 amount to 77,807 thousand lei, to which the amount of installments to be repaid related to the ongoing long-term loan is added, i.e. 10,749 thousand lei. From the total value estimated for 2023, 53,125 thousand lei represent new investments and 24,682 thousand lei is the value of ongoing investments.

The investment plan aims to support our company's strategic development, the investments that support the growth of turnover being financed as a priority (The Pillar - Investments for strategic development), it contributes to the continuity of production according to industry standards (the Pillar - Investments for business consolidation) and increase the yield of the business.

The projects for our company's strategic development aim at developing the product portfolio, through own research within the Research & Development Center or through investments in new product licenses, as well as investments in new production sites. The products assimilated in the portfolio in 2023 will increase the turnover by over 20% until 2030 compared to the value recorded in 2022. The new manufacturing sites will support the continuity of production for the current and future portfolio as well as the planned volume increases.

In the context of the new socio-economic developments, considering the processes specific to the pharmaceutical industry, our company developed a resilience strategy that includes investments both in green energy production capacities and refurbishment. Among the priority investments for business consolidation in 2023, our company aims to put into operation a solar energy production capacity that ensures 26.4% of the company's energy consumption (by referring to the consumption recorded in 2021), digitization, modeling and automation of specific processes as well as the modernization of existing production capacities.

The company's long-term development directions such as doubling the turnover by 2030 lead to the need for developing the storage areas for raw materials and finished products. The completion of the raw materials and consumables warehouse extension is scheduled for 2023. The construction/assembly works at the finished product warehouse will also begin in 2023.

In 2023, through the Investment Program, our company will take measures to adapt itself to the current economic conditions, to optimize expenses and maximize business returns. 7 projects are planned to reduce the energy consumption (thermal and electrical

energy), in value of 5.6 million lei, which will be recovered in an average period of 3,2 years.

Antibiotice started preparing the documentation for co-financing the investment projects from the funds intended for Romania for the period 2021-2027 through the cohesion policy. Energy efficiency projects (photovoltaic panels), modernization of existing production capacities, establishment of new manufacturing lines for industrial production of new classes of medicines are in various stages of development. Our company conducts also projects for developing its research-development capacity by adopting new technologies.

The horizontal theme of the Investment Program of Antibiotice SA is sustainability. By implementing the projects, the company contributes to the objective of reducing carbon dioxide emissions and the sustainable use of resources. The investments planned in 2023 will ensure the reduction of carbon dioxide emissions with 2,772 tons/year, those planned in 2024 with 3,638 tons CO₂/year, and those planned in 2025 with 4,678 tons CO₂/year.

In 2024 , the investments are estimated at 86,250 thousand lei.

The estimated value of the investments in 2025 is 96,000 thousand lei.

The evolution of board indicators in 2019 and the prospects for the period 2023-2025 are presented below:

Indicators	UM	2019	2020	2021	2022 E	2022 E / 2019	2023	2024	2025	2025/2022
SALES IN THE MARKET	mil. lei	500	506	539	617	23%	725	854	1006	63%
TOTAL INCOME	mil. lei	408	380	389	520		580	686	817	
GROSS TURNOVER	mil. lei	505	452	492	600	19%	700	817	972	62%
NET TURNOVER	mil. lei	388	340	366	481	24%	560	662	800	66%
Net turnover - domestic market	mil. lei	236	182	223	297	26%	353	410	471	59%
Net turnover - international market	mil. lei	152	158	143	184	21%	207	252	329	79%
GROSS PROFIT	mil. lei	19	32	28	41	116%	50	63	80	95%
Work productivity	thousands lei / employee	284	264	272	377	33%	422	500	619	64%
Number of employees	No. of employees	1415	1415	1410	1341		1350	1350	1300	
Taxes and duties, of which:	mil. Lei	95	89	89	94		107	121	138	
<i>Claw back tax</i>	mil. Lei	42	28	29	32		34	40	47	
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	mil. lei	62	55	58	67		80	94	117	
EBIT (Earnings before interest and taxes)	mil. lei	31	38	34	43		53	65	82	
Net Profit	mil. lei	30.8	26.4	29.9	38.2	24%	42	53	67,6	77%

Profitability of gross profit (EBT margin)	%	5%	9%	8%	9%		9%	10%	10%	
Profitability of gross profit + claw back	%	16%	18%	16%	15%		15%	16%	16%	
ADDED VALUE	mil. lei	211	200	185	255	21.1%	280	330	400	57%
INDEBTEDNESS DEGREE (TOTAL DEBTS/TOTAL ASSETS)	%	36%	33%	32%	24%		20%	18%	16%	
General liquidity	No. of times	1.94	2.01	2.09	2.84		3.03	3.34	3.92	
ACCOUNTING NET ASSETS	mil. lei	502	577	605	667	32.8%	838	947	1120	68%

This Substantiation Note is an integral part of the Income & Expenditure Budget from the Annex no. 1 to the Annex no. 5.

The Income & Expenditure Budget for 2023 was subject to the financial management control, according to GD no. 1151/2012 for the approval of the Methodological Norms regarding the way of organizing and exercising the financial management control.

**GENERAL DIRECTOR
IOAN NANI, Economist**

**FINANCIAL DIRECTOR
PAULA COMAN, Economist**