

**Press release**

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**Antibiotice, the most important Romanian manufacturer of generic medicines recorded sales revenue of 100 million euro in 2020 while the profitability increased by 38%.**

On Thursday, April 27, 2023, Antibiotice SA (ATB symbol) sent to the Bucharest Stock Exchange the report including the economic and financial results recorded in 2022. The data included in this report reflect a sustainable growth of our company's business, consolidating its status as the most important Romanian manufacturer of generic medicines.

In 2022, the unprecedented increase in tariffs for the main utilities and fuels, as well as the implicit increase in the prices of raw materials, led to an alarming increase in inflation, amid the instability created by the conflict in Ukraine.

*"This context represented a real challenge for us in finding solutions and maintaining a balance among these prices which escalated a lot, being even doubled and the prices of medicines which, as well-known in Romania, are strictly regulated. Despite these circumstances, we managed to structurally adapt our production and consumption, we innovated processes, increased yields, reduced our company's carbon footprint, and reset the employee payroll and motivation system. So, in 2022, our sales revenue increased by 32%, reaching an amount of about 100 million Euro. These results are in line with our multi-year business plan „The Future Together 2030” based on which our company concluded recently a consulting agreement with the European Investment Bank for developing our business”* declared Ioan Nani, CEO of Antibiotice Iași.

Out of the about 100-million-euro sales revenue (482.7 million lei) recorded in 2022, 298.6 million lei represented the revenue recorded in the domestic market, by 32.9% higher compared to the value recorded in 2021.

In the reference period, Antibiotice recorded a **41.9 million lei gross profit, by 38% higher** compared to 2021. Our company's profitability was significantly influenced by the clawback tax in value of 31.3 million lei and which, combined with the value of the gross profit, would had ensured a profit of 73.2 million lei.

**Operating profit** was by 28% higher compared to the planned value, reaching a value of 45.7 million lei the at the end of 2022.

**Our company's degree of indebttness**, determined as the ratio between total liabilities and total assets, was 25% due to a proper financial flow management.

### **Consolidation of our business in the domestic market**

From the total value sales recorded by Antibiotice in 2022, the sales of **prescription medicines (Rx)** represented 83.6%, higher by 16% compared to the previous year (320.4 million lei in 2021 - 371.6 million lei in 2022), according to CEGEDIM Sell Out Romania, December 2022.

The most representative sales segment for this type of medicines is the hospital segment which recorded a significant value increase of 20.8% (112.4 million lei in 2021 - 135.8 million lei in 2022). The main products marketed in the hospital segment are the injectable antiinfectives manufactured by Antibiotice in its only GMP certified manufacturing plant in Romania.

**Our non-prescription medicine (OTC) portfolio** recorded a value increase of 7.7% (67.8 million lei in 2021 - 73.1 million lei in 2022), according to CEGEDIM Sell Out Romania, December 2022.

Retail sales are supported also through significant investments for promoting and increasing awareness in non-prescription products through TV, radio and social media communication.

As a result, the Antibiotice sales (Rx and OTC) in various consumer channels such as independent pharmacies and small-chain pharmacies increased by 16.1 compared to the same period of the previous year, while the sales in the national pharmacy chains grew by 5.2%.

At the beginning of 2022, Antibiotice managed, in an extremely short time, to produce the entire quantity of potassium iodide which the authorities deemed necessary for the population in the event of a nuclear disaster. This showed the company's ability to focus in times of crisis and respond to the needs of the Romanian economy.

### **30% advance in the external markets**

International markets generated sales revenue amounting to 184.1 million lei, by 30% higher compared to the value recorded in 2021.

**Our sales of active substance grew by 45%**

Export value of active substances increased by 45% in 2022 compared to the value recorded in 2021 (from 52.4 million lei to 75.7 million lei).

Antibiotice is the only company in Romania that has a manufacturing plant for achieving the biosynthesis of the entire range of the active substance Nystatin (standard, compacted and micronized) based on the streptomyces nursei bacterium, for pharmaceutical use. These active substances are the most exported Antibiotice products in over 50 countries worldwide.

In 2022, our company continued the efforts to develop its main export markets in Europe, North America and Latin America.

**Market shares of up to 60% in highly regulated markets**

In 2022, Antibiotice delivered in the international markets medicines in value of 108.4 million lei, higher by 22% compared to 2021. The main markets where there were increases in sales of Antibiotice medicines: the United Kingdom of Great Britain, Vietnam, Canada, Denmark, Iraq, Azerbaijan, Moldova, Canada.

The best-selling finished products abroad are leading injectable anti-infective drugs for which Antibiotice has market shares ranging between 30-60% in highly competitive, regulated territories such as the United States of America, Great Britain or Vietnam. Our sales in the US market represent about 22% of the export value of Antibiotice finished products.

In addition to the strategy for consolidating the established territories - Vietnam, the US, Canada, Moldova, Serbia, the United Kingdom of Great Britain, in the reporting period, Antibiotice initiated new projects aiming at the long-term development of our business in the Saudi Arabia, South Africa, Albania.

Benefiting from the advantages of the diversified anti-infective and cardiovascular portfolios, Antibiotice confirmed also in 2020 its status as an international manufacturer and supplier for the healthcare systems, with a 22% growth rate, higher than the growth rate of the international market of 4.9%.

**Investments for a sustainable consolidation and development of our business**

The 2022 investments amounted to 47.48 million lei, which represented about 90% achievement degree against the planned value (53 million lei).

A major investment objective was the topical products factory (preparations with local application), which is one of the most modern plants in Europe and which will double the existing production capacity in this segment. The 20 million euro investment, from our own sources, has 4 production flows where 56 topical products are manufactured for both the Romanian and foreign markets. Antibiotice is the only manufacturer for a number of 19 products.

Important investments were also made for the transition to green energy, for implementing new sustainable technologies and optimizing manufacturing processes, all of these contributing to maximizing business returns and optimizing expenses. An example in this regard is the initiation of an important investment in the field of renewable energy, regarding the construction of two photovoltaic plants of 2.52 MW and 1 MW, respectively, which will ensure 36.4% of energy consumed by our company.

Antibiotice has been conducting also other sustainable projects aimed at significantly reducing the energy consumption.

Other investments included in multi-year implementation plans aim at streamlining activities through digitalization and complete computerization of the manufacturing site as well as at revamping the research laboratories and existing production capacities, expansion of the raw materials & consumables warehouse, revamping of facilities for the production and distribution of utilities.

In order to strategically adjust the product portfolio, Antibiotice purchased in -licensing projects for 34 new products, 26 of them being prescription medicines (oral solid dosage forms and products for injection) and 8 non-prescription medicines.

#### **Antibiotice lași in 2022:**

- sales revenue amounting to 100 million euro;
- 38% increase in profitability compared to 2021;
- 25% indebtedness degree;
- consolidated a gross profit of 41.9 million lei and a clawback tax of 31.3 million lei, which would result in a profit of 73.2 million lei;
- a new plant for topical products in value of 20 million euro;
- ranking among the top 3 manufacturers of medical prescription generics (among the 400 pharmaceutical companies operating in Romania), with a 7.6% market share;
- maintained its leading position in terms of quantity for the following pharmaceutical dosage forms: sterile powders for injection (60.1%), ointments (20.6%), suppositories and pessaries (36.1%) - according to CEGEDIM Sell Out Romania, December 2022;
- maintained its leading position in the segment of prescription and non-prescription (OTC) generic medicines sold in hospitals, with a 13.2% market share - according to CEGEDIM Sell Out Romania, December 2022;
- maintained its status of world leader in the production of compacted, micronized and standard Nystatin.