

Accounting, Expertise & Accounting Consultancy Company  
SOCECC Ltd.

**INDEPENDENT AUDITOR'S REPORT**  
**on**  
**the INDIVIDUAL FINANCIAL STATEMENTS**  
**drawn up by ANTIBIOTICE S.A.**  
**for the FISCAL YEAR ended on**  
**DECEMBER 31, 2022**

**- BUCHAREST-**  
**- 2023 -**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE ANTIBIOTICE SHAREHOLDERS**

#### **Report on the audit of Financial Statements**

#### **Our opinion**

We audited the attached individual financial statements of ANTIBIOTICE S.A. ("The Company") with its registered office in Iași, 1 Valea Lupului St., tax identification number RO1973096, comprising the financial position statement as of December 31, 2022, statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year ended on the above-mentioned date as well as a summary of the significant accounting policies and other explanatory notes.

The individual financial statements as of December 31, 2022 are identified as follows:

- |                                  |                 |
|----------------------------------|-----------------|
| • Net assets/total equity:       | 641,430,601 lei |
| • Net profit of the fiscal year: | 38,513,427 lei  |

In our opinion, the attached individual financial statements give a true and fair view, in all significant aspects, of the financial position of Antibiotice company on December 31, 2022, as well as of the financial performance and cash flows for the fiscal year ended on the above-mentioned date in accordance with the Order of the Minister of Public Finance (OMPF) no. 2844/2016 for approving the accounting regulations compliant with the International Financial Reporting Standards adopted by the European Union ("IFRS-EU").

We conducted our audit in accordance with the International Standards on Auditing (ISAs), Regulation (EU) no. 537 of the European Parliament and of the Council ("The Regulation") and Law no. 162/2017. Our responsibilities are described in detail in the section *Auditor's responsibilities in an audit of financial statements* in our report. We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA code), according to the relevant ethical requirements for the audit of financial statements in Romania, including the Regulation and Law no. 162/2017 and we fulfilled our ethical responsibilities according to these requirements and to the IESBA code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Key issues**

Key audit issues are those issues that, based on our professional judgement, had the greatest importance for auditing the financial statements of the current period. The following key

issue was approached in the context of the audit of the financial statements as a whole and in forming our opinion on them and we do not offer a separate opinion on this key issue.

### **Key issue – value of trade receivables**

Presentation value of trade receivables according to IFRS depends significantly on the calculation and estimation process of the trade discounts as well as on the process of estimating their recoverability. The company presented in the financial statements, in the explanatory note no. 4 - "Sales Income" the value of the granted trade discounts and, in the explanatory note no. 15 – "Trade and other receivables" the company presented the trade receivables in net value of 193 million LEI, adjusted with the estimated depreciation.

During our mission, we conducted the following audit procedures that included, but were not limited to these:

- We assessed the compliance of the policies for recognizing the income and trade receivables;
- We conducted analytical review procedures and detail tests for verifying the amount of granted discounts, including through extending the verifications on the discounts granted in the next fiscal year related to the sales in the audited fiscal year;
- We conducted procedures for direct confirmation of trade receivable balances;
- We evaluated the internal procedures and methods used by the management for estimating the probable amount to be collected;
- We verified the consistency of applying the accounting policies related to the adjustment of trade receivables.

### **Other information – Management Report**

The administrators are responsible for drafting and submitting other information. This other information includes the Management Report and Remuneration Report but it does not include the financial statements and auditor's report related to these statements. The Management is responsible for this other information.

Our audit opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit on the financial statements, our responsibility is to read this other information and, in this approach, to evaluate whether this information is significantly inconsistent with the financial statements or with the knowledge we gained from the audit or if it appears to include significant errors. If, based on the performed activity, we come to the conclusion that there are significant errors in this information, we must report this. We have nothing to report on this matter.

Additionally, in accordance with the provisions of OMPF no. 2844/2016, we read the Management Report and Remuneration Report and report the following:

- In the Management Report we did not identify information that is not consistent in all significant aspects with the information presented in the financial statements as of December 31, 2022;
- The above-identified Management Report includes, in all the significant aspects, the information requested by OMPF no. 2844/2016 to the para 15-19 of the Annex no. 1;
- The Management Report does not include the non-financial declaration specified to the paragraphs 39-42 from OMPF no. 2844/2016 which will be subsequently presented in a separate report;
- Based on our knowledge and our understanding gained during the audit of the financial statements drafted on December 31, 2022 about the Company and its environment, we did not identify significant erroneous information presented in the Management Report;
- The Remuneration Report, identified above, includes, in all material respects, the information required by Article 107, para. (1) and (2) of Law 24/2017 (republished) on issuers of financial instruments and market operations.

### **Responsability of the management and other persons responsible for the governance related to the financial statements**

The Management team is responsible for drafting and fair presentation of these financial statements in accordance with OMPF no. 2844/2016 and for the internal control which is considered relevant by the management for elaborating the financial statements without significant misstatements due to fraud or error.

When drafting the financial statements, the management is responsible for assessing the company's ability to continue its activity, presenting, if needed, the aspects related to continuity of the activity and using the accounting based on the going concern principle, unless the management plans to either liquidate the company or stop the operations or has no realistic alternative except for these.

The persons responsible for administering the company are also responsible for supervising the financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance that the financial statements as a whole do not include material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The reasonable assurance represents a high level of assurance but it is not a guarantee that an audit conducted in accordance with the ISAs will

always detect a material misstatement, if any. Misstatements can arise from either fraud or error and are considered material if they reasonably can be expected, individually or cumulatively, to influence the users' economic decisions based on these financial statements.

As part of an audit in accordance with the ISA standards, we exercise our professional judgement and maintain our professional skepticism during the audit. Moreover:

- We identify and evaluate the risks of material misstatements in the financial statements caused either by fraud or by error, establish and perform audit procedures to respond to these risks and we get enough and appropriate audit evidence to form a basis for our opinion. The risk of not detecting a material misstatement caused by fraud is greater than the risk of not detecting a material misstatement caused by error, as fraud may include complicity, forgery, intentional omissions, false statements, or avoidance of internal control.
- We consider the internal control as relevant to the audit to establish the audit procedures appropriate in the given circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of the used accounting policies and reasonableness of accounting estimates and of the related information presented by the management.
- We formulate a conclusion on the appropriateness of using the going-concern principle by the company and determine, based on the obtained audit evidence, whether there is a significant uncertainty related to events or conditions that could raise significant doubts about the Company's ability to continue its activity. If we conclude that there is a significant uncertainty, we need to draw attention in the audit report on the related presentations from the financial statements or, if these presentations are inappropriate, we must change our opinion. Our conclusions are based on the audit evidence obtained by the date of our audit report. However, future events or conditions may determine the Company not to continue operating on the going-concern principle.
- We evaluate the presentation, structure and overall content of the financial statements, including the information submissions and the extent to which the financial statements reflect the transactions and basic events in a manner that lead to the accurate presentation.

We communicate to those responsible for the administration, among other things, the planned objectives and timing of the audit, as well as the significant audit findings, including any significant internal control deficiencies identified during our audit.

## **Report on other legal and regulatory requirements**

We were appointed by the General Meeting of Shareholders held on April 9, 2020 to audit the financial statements of ANTIBIOTICE S.A. Iași for the fiscal years 2020 - 2022. The uninterrupted total duration of our commitment is 6 years, covering the financial exercises 2017-2022. We confirm that:

- Our audit opinion is in accordance with the additional report submitted to the Audit Committee of the Company which we issued on the same date to which we issued this report. Also, in conducting our audit, we remained independent of the audited entity.
- We did not provide for the Company the non-audit services that are prohibited according to the article 5, para. (1) from the Regulation (EU) no. 537/2014.

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**INDEPENDENT AUDITOR'S REPORT**  
**On the compliance of the XHTML electronic format**  
**On the INDIVIDUAL FINANCIAL STATEMENTS**

**drawn up by ANTIBIOTICE S.A.**

**for the FISCAL YEAR ended on**

**DECEMBER 31, 2022**

## **Report on the compliance of the XHTML electronic format with the requirements of Delegated Regulation (EU) 2018/815 ("ESEF Regulation")**

We conducted a reasonable assurance engagement on the compliance of the individual financial statements of ANTIBIOTICE S.A. ("The Company"), presented in XHTML format, for the financial year ended on December 31, 2022, with the requirements of Delegated Regulation (EU) 2018/815 of the Commission on the regulatory technical standards regarding the specification of a single electronic reporting format ("ESEF Regulation"). According to these requirements, the electronic format of individual financial statements must be presented in XHTML format.

The purpose of these procedures consists in testing the consistency of the XHTML electronic format of the individual financial statements with the audited individual financial statements and expressing an opinion on the compliance of the electronic format of the company's financial statements for the financial year ended on December 31, 2022 with the requirements of the ESEF Regulation.

### **Specific purpose**

Our report has the exclusive purpose set out in the first paragraph of this report, and is prepared for informing the Company, BVB and ASF and will not be used for any other purpose. Our report should not be considered suitable to be used by any party seeking to acquire rights against us, other than the Company, for any purpose or in any context.

### **Responsibilities of management and of those charged with governance**

The company's management is responsible for compliance with the requirements of the ESEF Regulation when preparing the XHTML electronic format of the individual financial statements and for ensuring consistency between the electronic format of the individual financial statements and the audited individual financial statements.

The management's responsibility also includes the design, implementation and maintenance of internal controls they consider necessary for preparing individual financial statements in ESEF format that are free of material misstatements as reported in the ESEF Regulation.

The persons in charge of governance are responsible for overseeing the financial reporting process as regards the preparation of the individual financial statements, including the application of the ESEF Regulation.



## **Auditor's responsibility**

Our responsibility is to express a reasonable assurance opinion regarding the compliance of the electronic format XHTML of the individual financial statements with the requirements of the ESEF Regulation. We performed a reasonable assurance engagement in accordance with ISAE 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information".

These regulations require that we comply with the Code of Ethics and Independence Standards, plan and perform the assurance engagement so as to obtain reasonable assurance about the XHTML electronic format of the individual financial statements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an assurance engagement conducted in accordance with ISAE 3000 (Revised) will always detect a material misstatement relative to the requirements, if any.

We apply the International Standard for Quality Control 1 ("ISQC 1") and, accordingly, we maintain a robust quality control system, including policies and procedures documenting the compliance with relevant ethical and professional standards and requirements of the applicable legislation or regulations.

We meet the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including the International Standards on Independence) issued by the International Ethical Standards Board for Accountants (the "IESBA Code"), which sets out the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

ISAE 3000 (revised) requires us to plan and carry out our engagement to obtain reasonable assurance about the extent to which the XHTML electronic format of the Company's individual financial statements is prepared, in all material respects, in accordance with ESEF Regulation. The nature, timing and extent of selected procedures depend on our judgment, including an assessment of the risk of material misstatements relative to the requirements of the ESEF Regulation due to either fraud or error.

## **Procedures**

The objective of the procedures we planned and carried out was to obtain reasonable assurance that the XHTML electronic format of the individual financial statements is prepared, in all material respects, in accordance with the requirements of the ESEF

Regulation. In carrying out our assessment on the compliance with the requirements of the ESEF Regulation of the XHTML electronic format for the reporting of individual financial statements of the Company, we maintained our professional skepticism and applied the professional judgment. Also:

- we obtained an understanding of the internal control and processes related to the application of the ESEF Regulation regarding the Company's individual financial statements, including the preparation of the Company's individual financial statements in XHTML format;
- we tested the validity of the applied XHTML format;
- we verified if the XHTML electronic format of the individual financial statements corresponds to the audited individual financial statements.

We believe that the evidence we obtained is sufficient and adequate to form the basis for our opinion.

### **Conclusion on the compliance of the XHTML electronic format with the requirements of the ESEF Regulation**

Based on the performed procedures described above and evidence obtained, the XHTML electronic format of the individual financial statements is drawn up, in all significant aspects, in accordance with the requirements of the ESEF Regulation.

### **Other aspects**

On March 17, 2023, we issued the Statutory Audit Report on the Individual Financial Statements of ANTIBIOTICE S.A. comprising the Financial Position Statement as of December 31, 2022, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on the above-mentioned date, as well as a summary of significant accounting policies and other explanatory notes. At the date of issuance of the Statutory Audit Report, the XHTML electronic format of the Individual Financial Statements was not available.

In the name of,

### **Accounting, Expertise & Accounting Consultancy Company - SOCECC Ltd.**

headquartered in Bucharest, registered in the Electronic Public Register with the no. FA227 through Zegrea Laurențiu, registered in the Electronic Public Register with the no. AF2666

Bucharest, March 27, 2023