

Material for the support of point II 9 of the Agenda of the Convocation of the meeting of the Board of Administration for the date of August 10th, 2023, at 10.00 a.m.

On May 17th, 2023, Antibiotice JSC obtained the Agreement for financing based on H.G. no. 807/2014 for the establishment of a state aid scheme with the objective of stimulating investments with a major impact on the economy, for the project "Production capacity, packaging and storage of sterile products, solutions and topicals", in the amount of 85,002,772 lei, related to the years 2024-2028.

The total value of the project "Production capacity, packaging and storage of sterile products, solutions and topicals" is 200,101,617 lei, for the difference of 115,098,845 lei, Antibiotice JSC having the following obligation according to the requirements of the Financing Agreement: "Within 6 months from the date of issuance of the Financing Agreement, a certain source of financing whose total value is at least equal to the difference between the value of the investment project and the value of the state aid approved".

Also, another requirement from the Financing Agreement based on H.G. no. 807/2014 is: "Within 6 months from the date of issuance of the Financing Agreement, Antibiotice will present supporting documents showing that there is a real right over the land and constructions within which the investment project will be carried out, as was presented in the Business Plan that was the basis for issuing this Agreement for financing, as well as the extract/extracts from the land deed showing that they are free of encumbrances, with the exception of the situation in which the registration of the encumbrance is made after the submission of the request for agreement for financing and has as its object the realization of the investment for which financing is requested".

As a result of what was presented, at the level of Antibiotice JSC discussions are ongoing with the European Investment Bank for the granting of a bank loan, which will complete the source of financing from the Financing Agreement no. 538/17.05.2023, based on H.G. no. 807/2014. The European Investment Bank will not take assets as collateral, but their requirements are that the degree of pledging of assets from the heritage be as low as possible.

Currently Antibiotice JSC has in progress:

A. a credit agreement concluded with UniCredit Bank in May 2018, for the financing of investments in the new section of topical products - contracted value 15,406,300 euros, balance to be repaid on 30.06.2023: 10,569,440 euros, for which real estate guarantees are established on:

- constructions:

- Marketing building identified with no. cadastral 133207 C1 (with a built-up area on the ground of 421 sqm, with a developed built-up area of 1,263 sqm, composed of Ground Floor with Su=351.44 sqm, Floor 1 with Su=354.16 sqm and Floor 2 with Su=347, 45 sqm)

- Ointments and suppositories section building, identified with no. cadastral 133207 C3 (No. levels: 3(P+2E), built in 2021, having SC=2591.4 sq m and SD=3754.2 sq m, SU ground floor=2408.0 sq m, SU floor 1=642.2 sq m, SU floor 2 = 396.7 sq m)

- the land, identified with cadastral number 133207, with an area of 5,075 square meters related to the constructions mentioned above

The value of these guarantees as of today is 18,722,200 lei.

A. a credit agreement concluded with UniCredit Bank, for the financing of working capital, in the amount of 55,000,000 lei, balance used on 30.06.2023 in the amount of 31,191,525 lei, for which real estate guarantees are established on:

- constructions:

- Parenteral products building - main station - cadastral identifier 133181 -C1;
- Parenteral products building - cadastral identifier 133181 -C2;
- Cooling agent production station building - cadastral identifier 133181 -C3;
- Laundry building - cadastral identifier 133199 C1;
- Microproduction building (mechanical workshop body A+B) - cadastral identifier 133199-C2
- Potable water pumping station - cadastral identifier 133199-C3
- Finished products warehouse - cadastral identifier 133210-C1
- Recirculating water tank - cadastral identifier 133210-C2

- lands:

- land, identified with cadastral number 133181, surface of 4,453 square meters;
- land, identified with cadastral number 133199, surface of 6,022 square meters;
- land, identified with cadastral number 133210, surface of 5,629 sqm,

related to the constructions mentioned above.

The value of these guarantees as of today is 24,424,609 lei.

The total of real estate guarantees is 43,146,809 lei and represents 4.5% of the total patrimonial assets as of 06/30/2023 (953,344,630 lei).

By corroborating the above with the fact that as of today the value of the two loans is reduced, compared to the contracted values, Antibiotice JSC requested Unicredit Bank:

• the release of the real estate mortgages presented in point A and their replacement with the real estate mortgage on the constructions:

- Section Tablets cadastral identifier 133211 C2
- Air compressors, cadastral identifier 133211 C3
- Cooling agent production station, cadastral identifier 133211 C4
- Cooling agent production station, cadastral identifier 133211 C5

And the land identified with cadastral number 133211 with an area of 4,590 square meters, related to the previously mentioned constructions.

- release of real estate mortgages presented in point B.

Through the analysis of this request by Unicredit Bank, we received the verbal agreement and the necessary operations for the release/establishment of real estate mortgages on the above-mentioned assets are underway.

08/09/2023