

2023 Preliminary Financial Results Report

The indicators planned in the 2023 Income & Expenditure Budget as part of the multi-year business plan were met, creating the premises for achieving the desired goals up to 2030:

- doubling the turnover;
- maintaining the position of world leading manufacturer of the active substances based on biotechnologies derived from streptomyces noursei;
- motivating the human resources for fulfilling the objectives;
- streamlining activities through digitization and computerization of the manufacturing site.

Antibiotice S.A. is the most important manufacturer of generic medicines with Romanian capital, unique manufacturer of active substances based on biotechnologies derived from streptomyces noursei for pharmaceutical use (compacted nystatin, micronized nystatin and standard nystatin) which, through perseverance, has been active for over 68 years.

Total revenues amounted to 640.73 million lei, by 10% higher compared to the planned value (i.e. 580.5 million lei). Compared to the value achieved in 2022, they are 23% higher.

Total expenses amounted to 549.55 million lei, by 3% higher compared to the planned value (i.e. 530.49 million lei) and by 14% higher compared to the value achieved in 2022 (i.e. 480.32 million lei).

Gross profit amounted to 91.18 million lei, higher than the planned level (50 million lei) and higher than the value recorded in 2022 (41.9 million lei).

Net profit amounted to 80.7 million lei, higher than the planned level (42 million lei) and than the value recorded in 2022 (38.5 million lei).

The synthesis of the main diagnostic indicators recorded in 2023 highlights the financial balance and our continuous concern for streamlining our business.

In summary, the main indicators determined based on the Comprehensive Income are:

No.	Indicators	31.12.2023 preliminary	31.12.2023 planned	31.12.2022
1	Income from contracts with clients, turnover	600,780,825	560,512,327	483,724,186
2	Gross margin	409,402,722	355,216,327	332,075,132
3	Gross margin (%)	65.2%	62%	65.2%
4	Added value	330,793,330	253,752,009	259,211,241
5	Operating profit/loss (EBIT)	96,185,888	52,665,327	46,500,386
6	Gross result	91,176,902	50,007,327	41,903,230
7	Gross profit profitability (EBT margin)	15%	9%	9%
8	Claw back tax	37,012,660	34,000,000	31,332,652
9	Profitability gross profit + claw-back tax	21%	15%	15%
10	Net result	80,691,790	41,998,328	38,513,427

11	Net profit profitability	13%	7%	8%
12	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	124,835,755	72,709,327	89,098,327

Gross margin reflects the performance of the company's sales and production activity, related to the sum of the turnover, income from stored production and income from the production of intangible fixed assets. It had a level of 65.2%, higher than planned, a favorable effect of:

- an optimal sales structure;
- strengthening our presence in the Romanian market by using the potential of the market and increasing the market share;
- a balanced management of the budgets for sales and the marketing mix, with the increase in weight allocated to brand projects and the decrease in the impact of commercial policies;
- cost management measures.

Added value calculated as the difference between the Gross Margin and the expenses for electricity, natural gas and drinking water and the expenses for the services performed by third parties recorded a value of 330.79 million lei, higher than planned, i.e. 253.75 million lei, by optimizing the mentioned expenses.

Return on gross profit was 15%, above the planned level and the one achieved in the previous year (9%). The cumulative gross profit cumulated with the value of the claw-back tax consolidated a 21% business yield.

EBITDA, which reflects profit before interest, taxes, depreciation and amortization, showed an upward trend.

These indicators are supported by the following preliminary financial statements.

Comprehensive Income Statement

A. Compared to the planned value of **total revenues** of 580.5 million lei, our company recorded 10% higher total revenues, amounting to 640.73 million lei in 2023. Compared to the value achieved in 2022, they are 23% higher.

1. Operating income recorded a value of 629.3 million lei, by 11% higher compared to the planned value and by 23% higher than the value recorded in 2022. The favorable evolution of these revenues was determined by the positive trend of revenues from contracts with clients (turnover).

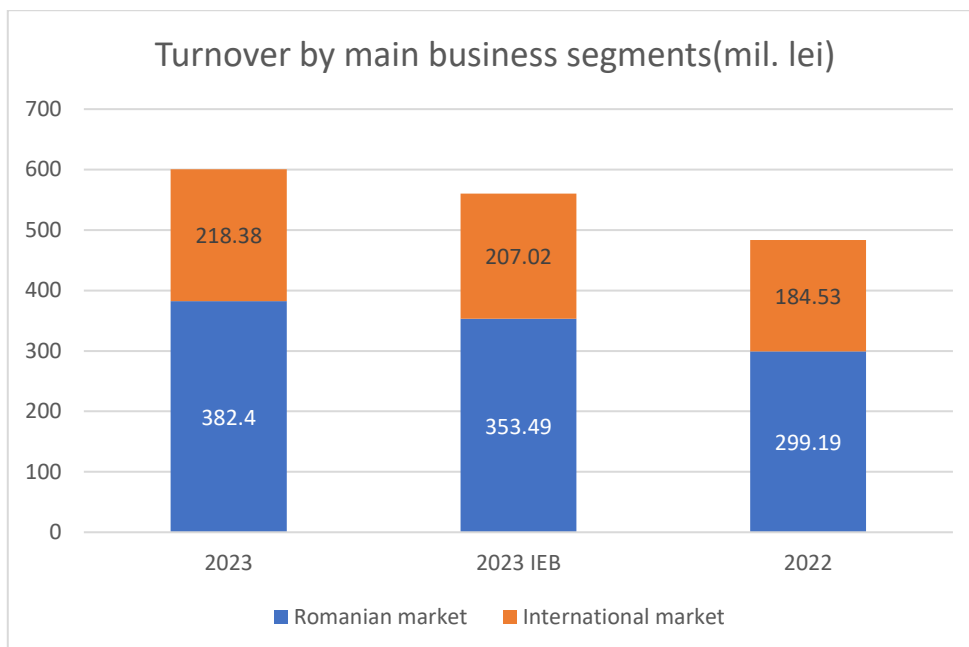
1.1 The revenues from contracts with clients (turnover) achieved in 2023 were in value of 600.78 million lei, by 7% higher than planned (560.51 million lei) and by 24% higher compared to the value recorded in 2022 (483.72 million lei).

In the turnover structure:

- revenues from the sale of products made on our own sites represented 80%. Their value was 482.09 million lei, by 12% higher than planned (430.89 million lei) and by 24% higher compared to the value recorded in anul 2022 (387.5 million lei);
- revenues from the sale of products made on partner sites represented 19.5%. Their value was 117.38 million lei, by 9% lower than planned (129.26 million lei) and by 23% higher compared to the value recorded in anul 2022 (95.16 million lei).

Indicators	31.12.2023	31.12.2023	31.12.2022	31.12.2023	-lei-
	preliminary	IEB		preliminary/ planned	preliminary/ 31.12.2022
	(unaudited)		(audited and corrected)		
A. Total revenue, of which:	640,726,948	580,496,327	522,227,007	110%	123%
1. Operating income	629,266,367	569,215,327	511,528,738	111%	123%
1.1 Revenues from contracts with clients (turnover), of which:	600,780,825	560,512,327	483,724,186	107%	124%
income from the sale of products made on their own sites	482,092,932	430,890,988	387,506,130	112%	124%
income from the sale of products made on partner sites	117,383,457	129,264,340	95,160,681	91%	123%
income from the provision of services	1,304,436	357,000	1,057,375	365%	123%
1.2 Other operating revenues	1,424,282	688,000	2,033,372	207%	70%
1.3 Income from subsidies	270,907	0	302,979		89%
1.4 Changes in stocks of finished products and production in progress	13,408,502	-2,352,000	11,689,110	-570%	115%
1.5 Income from fixed assets projects	13,381,851	10,367,000	13,779,091	129%	97%
2. Financial income	11,460,581	11,281,000	10,698,270	102%	107%
Income from exchange rate differences	11,456,207	11,280,000	10,696,833	102%	107%
Bank interest Income	4,374	1,000	1,437	437%	304%
B. Total expenses, of which:	549,550,047	530,489,000	480,323,777	104%	114%
1. Operating expenses:	533,080,479	516,550,000	465,028,352	103%	115%
Expenses with raw materials and materials	157,104,754	148,579,891	125,990,448	106%	125%
Expenditure on products made on partner sites	61,063,703	64,731,374	51,126,807	94%	119%
Electricity expenses	13,741,049	16,084,629	11,505,725	85%	119%
Natural gas expenses	9,620,298	15,209,204	9,111,618	63%	106%
Drinking water and sewerage expenses	1,972,935	2,075,193	1,409,136	95%	140%
Staff costs	146,360,002	140,245,178	122,940,724	104%	119%
Other operating expenses (*)	115,342,178	102,981,000	120,674,339	112%	96%
Depreciation and adjustments for the depreciation of fixed assets, net	27,875,560	26,643,531	22,269,554	105%	125%
2. Financial expenses	16,469,567	13,939,000	15,295,425	118%	108%
Expenses from exchange rate differences	12,323,961	10,345,000	11,704,137	119%	105%
Bank interest expenses	4,145,607	3,594,000	3,591,288	115%	115%
Operational result	96,185,888	52,665,327	46,500,386	183%	207%
Financial result	-5,008,986	-2,658,000	-4,597,156	188%	109%
Gross profit	91,176,902	50,007,327	41,903,230	182%	218%
Income tax expenses	10,485,112	8,009,000	3,389,803		309%
Net profit	80,691,790	41,998,328	38,513,427	192%	210%

In the main business segments, the turnover was:



In the Romanian market, revenues from contracts with clients (turnover) amounted to 382.4 million lei, by 8% higher than the budgeted value (353.5 million lei) and by 28% higher compared to the value recorded in the previous year (299.2 million lei).

Our company’s turnover in the domestic market increased due to the company’s actions of repositioning its products in the portfolio, as well as due to the market context, marked by an increased incidence of acute respiratory diseases.

Evolution of the pharmaceutical market in Romania¹

In 2023, the value of medicines released to the patients from Romania was 29.96 billion lei, higher by 16.2% compared to 2022. Consumption of medicines increased by 2.4% in 2023, a number of 722.6 million boxes being released from the pharmacies.

Evolution of the generic pharmaceutical market - prescription and non-prescription medicines

Of the total pharmaceutical market in Romania, 44.5% (in terms of value) is represented by the segment of generics, prescription and non-prescription medicines. In the analyzed period, the generics market registered a 14.0% value increase, from 11.7 billion lei to 13.3 billion lei. In terms of quantity, it increased by 1.4%, with a number of 530 million boxes released from pharmacies in 2023 compared to 522.7 million boxes in 2022.

Prescription drugs (RX) represented 43.4% of total value sales in 2023 and 48.9% of total generic drug consumption (reported as number of boxes). These recorded a 18.3% increase in value, from 4.9 billion lei in 2022 to 5.8 billion lei in 2023 and a 4.8% increase in terms of quantity, from 247.1 to 259.1 million boxes in 2023.

Non-prescription drugs (non-RX) recorded a 10% value increase (from 6.8 billion lei to 7.5 billion lei in 2023) and dropped by 1.7% in terms of quantity, from 275.6 million boxes in 2022 to 271.0 million boxes in 2023.

¹ According to the data source CEGEDIM Sell Out Romania 2023

By market segments, the sales situation in the market developed as follows:

- **hospital** - the sales increased by 13.3%, from 1.03 billion lei in 2022 to 1.16 billion lei in 2023. In the analyzed period, consumption increased by 9.4% from 22.8 to 25,0 million boxes;
- **national pharmacy chains** - the sales increased by 11.0%, from 4.23 billion lei in 2022 to 4.69 billion lei in 2023. In terms of quantity, a slight decline of 0.7% was recorded compared to 2022, from 196.8 million boxes in 2022 to 195.3 million boxes in 2023;
- **independent pharmacies and minichains** - the sales increased by 16.1%, from 6.43 billion lei in 2022 to 7.46 billion lei in 2023. In terms of quantity, a 2.2% increase was recorded in 2023 compared to 2022, from 303.2 to 309.8 million boxes.

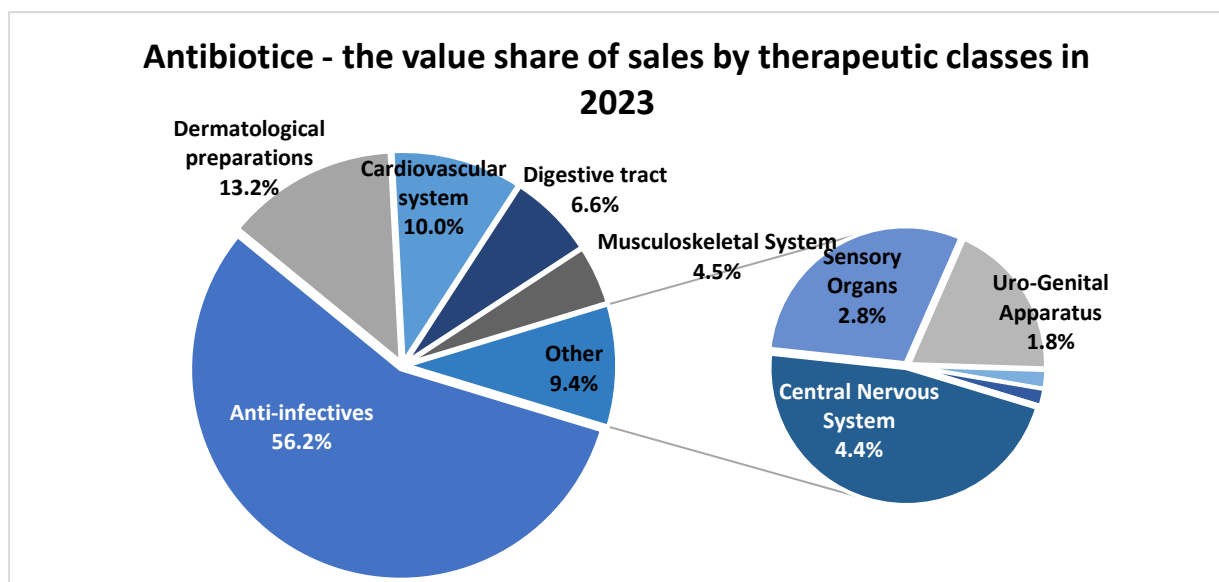
Antibiotice in the Romanian pharmaceutical market ²

In 2023, in the domestic market, Antibiotice:

- recorded sales in value of 522.0 million lei, higher by 17.4% compared to 2022;
- in terms of consumption (number of boxes), it ranked 4th in the segment of prescription generic medicines and non-RX (a 5.4 % market share);
- quantitative leader (IU) in the total market on the following pharmaceutical dosage forms: ointments (20.7%), suppositories and pessaries (35.8%) and powders for injection (57.0%);
- ranked 2nd, as number of boxes with capsules in the total market (9.9%);
- leader in terms of value in the segment of generic medicines, prescription and non-RX medicines sold in hospitals, with a 14.0 % market share.

Antibiotice has consolidated its sales on the portfolio of anti-infectives for systemic use, developing also the therapeutic classes where it holds important positions in the domestic market: dermatological preparations, cardiovascular system and digestive tract.

Prescription medicines (RX) represented 85.9% from the total value sales in 2023 and 86.3% from the total consumption of medicines (reported as number of boxes). During the analyzed period, they recorded a 20.7% value increase, from 371.6 million lei in 2022 to 448.6 million lei in 2023 and a 6.7% increase in terms of quantity, from 23.0 la 24.6 million boxes.



² According to the data source CEGEDIM Sell Out Romania 2023

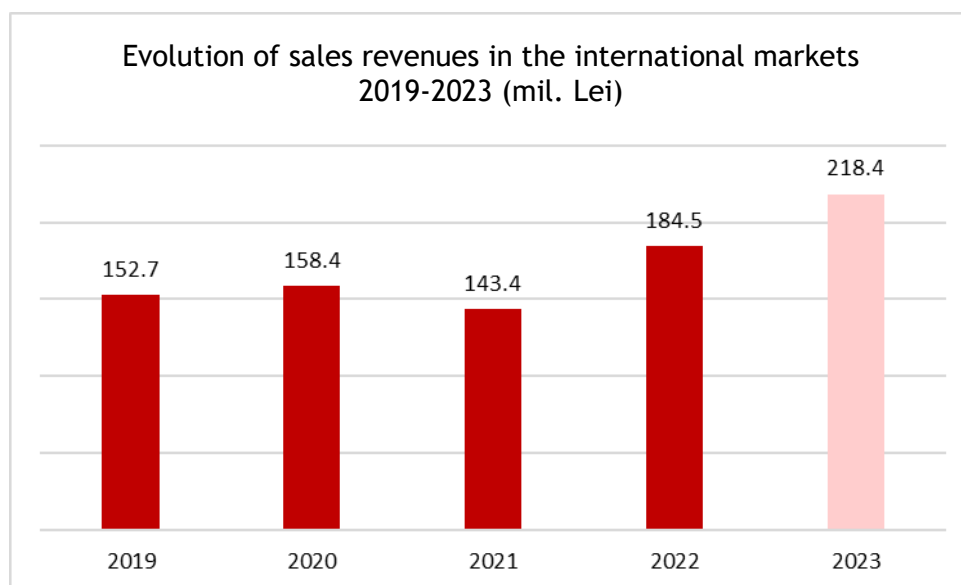
Non-prescription medicines (non-RX) recorded a 0.3% value increase (from 73.1 million lei in 2022 to 73.4 million lei in 2023) and a decrease in consumption from 4.4 to 3.9 million boxes.

By market segments, the Antibiotic sales situation presented itself as follows:

- **hospital** - the sales recorded a significant value increase of 19%, from 135.8 million lei in 2022 to 162.9 million lei in 2023. Consumption recorded in this segment as number of boxes increased slightly compared to the previous year, from 1.54 to 1.58 million boxes;
- **national pharmacy chains** - the value sales increased by 15.2 % in 2023 compared to the previous year (from 111.5 to 128.4 million lei). The number of boxes released by pharmacies increased by 4.2%, i.e. 10.0 million boxes in 2023.
- **independent pharmacies and minichains** - the value sales increased by 16.9% in 2023 compared to the previous year (from 197.4 to 230.7 million lei). The number of boxes released by pharmacies increased by 3.9% (from 16.24 to 16.88 million boxes).

In 2023, the promotion actions developed by Antibiotic led to the consolidation of the quantitative market shares for the promoted brands: Eficef® (a product ranked 1st in terms of value - part of our company's antiinfectives portfolio), Zifex Duo® pessaries and Zifex Complex® pessaries - from the class of Genitourinary products, and the brands SimbiFlora®, Lejer® and Imunofix® from the Nutriensa range.

In 2023, the **turnover achieved in the international market** was 218.4 million lei, recording a 5.5% increase compared to the planned sales (207 million lei) and a 18% increase compared to the previous year (184.5 million lei).



Export of finished products

The turnover resulting from the sale of finished products was **132.3 million lei**, on an increasing trend of 20.3% compared to 2022 (110 million lei). This result was determined by:

- a consolidated sales growth in the company's traditional markets: US, Vietnam, UK, Denmark, Norway and Republic of Moldova - sterile beta-lactam antibiotics;
- doubling the volumes sold from the portfolio of the Oral Products Division, for a series of antibiotics and cardiovascular medicines in the territories where the company has representative offices and its own promotion and sales teams: Vietnam, Republic of Moldova and Serbia;
- accessing new markets in the EU (Hungary, Poland) and Georgia with a portfolio of products selected according to the current and future consumption potential of the market, selling price, the area targets set in the territorial expansion plan.

Export of active substances based on biotechnologies derived from streptomyces noursei for pharmaceutical use (micronized nystatin and standard nystatin)

The activity carried out in 2023 followed the growth trend of the last years, aiming at consolidating our position in the world market as regards the micronized nystatin and standard nystatin manufactured by Antibiotice, sold in 55 countries worldwide.

Compared to the value recorded in the similar period of the previous year, a 13.4% increase in turnover is recorded in terms of value. During this period, important progress was made in the main consolidation and development projects in the following areas: Europe, North America, Latin America, continuing the good premises for the development of the main export markets of nystatin produced by Antibiotice.

- B. The effort made to achieve the total revenues determined **total expenses** in the amount of 548.09 million lei, by 3% higher compared to the planned value of 530.49 million lei and by 14% higher compared to the value recorded in 2022, i.e. 480.32 million lei.

Gross profit amounted to 91.18 million lei, higher than planned (50 million lei) and higher than the value recorded in 2022 (41.9 million lei).

Net profit amounted to 80.7 million lei, higher than planned (42 million lei) and higher than the value recorded in 2022 (38.5 million lei), a combined effect of:

- increasing sales in the international market by accessing new territories with products that define the Antibiotice strategic portfolio;
- optimizing the sales structure in the domestic market of anti-infective classes for systemic use and dermatological preparations;
- renegotiation of partnerships with distributors, by each market segment - hospital, national pharmacy chains, pharmacy mini-chains and independent pharmacies in order to improve the market share and profitability;
- increasing sales in an optimal structure both in the hospital and retail segment.

In 2023, revenues included from an accounting point of view in the category of **other operating revenues** recorded a value of 1.42 million lei. Of these, 0.52 million represented income from the prescription, according to legal requirements, of the shareholders' right to collect the distributed dividends and 0.56 million lei represented income from the revaluation of tangible assets.

Through the research and development activity carried out in 2023, **revenues from the production of intangible assets** were recorded in the amount of 13.2 million lei.

The methodology was certified by an expert appointed by the Ministry of Research, Innovation and Digitization.

From the financial activity, in 2023 financial income was recorded in the amount of 11.46 million lei represented by income from exchange rate differences and interest income.

In the structure of total expenses, **operational expenses** amounted to 533.08 million lei, higher than planned (516.55 million lei) and higher compared to the value recorded in 2022 (465.03 million lei), being correlated with the level of recorded income.

Expenses with the raw materials were in value of 141.83 million lei, by 7% higher than planned, being in correlation with the production structure, adapted to meet the consumption needs of the domestic and international markets.

Expenses for products made on other sites amounted to 61 million lei, by 6% lower than planned and by 19% higher compared to the value recorded in 2022, being correlated with the sales structure.

Expenses for electricity, natural gas, drinking water amounted to de 25.33 million lei, lower than planned, i.e. 33.7 million lei. The favorable difference between the planned level and the achieved level, is the result of optimizing the specific technological processes that determined a lower quantitative consumption of utilities, with a value influence of 2.4 million lei. Utility tariffs, below than estimated, determined an influence of 5.6 million lei.

Personnel expenses amounted to 146.36 million lei, by 4% higher than planned (140.3 million lei), by adapting the salary and employee motivation system to the labor market, structure of the professions in the company and inflation rate.

The structure of expenses includes **other operating expenses**, described below:

Other operating expenses

Indicators	31.12.2023	31.12.2023	31.12.2022	31.12.2023	-lei-
	preliminary	IEB		preliminary/ planned	31.12.2023 preliminary/ 31.12.2022
	(unaudited)		(audited and corrected)		
Transport costs	4,199,124	4,944,010	4,171,593	85%	101%
Expenses with services performed by third parties	14,141,264	22,295,618	14,176,126	63%	100%
Repair expenses	2,545,491	2,793,111	1,959,716	91%	130%
Expenses with other taxes and fees	47,588,522	39,794,138	38,256,584	120%	124%
Protocol, advertising and publicity expenses	24,162,131	30,276,093	23,271,794	80%	104%
Insurance premium expenses	2,818,950	2,231,860	1,962,310	126%	144%
Consulting expenses	106,912	0	0		
Other general expenses, of which:	3,986,392	4,100,259	11,585,068		34%
Professional training expenses	955,676	1,000,000	554,862	96%	172%
Representation expenses in the territories	1,039,541	1,403,359	2,496,617	74%	42%
Expenses with bank commissions	504,921	475,218	582,729	106%	87%
Environmental protection expenses	1,485,956	1,221,682	1,124,096	122%	132%
Losses from receivables and various debtors	0	0	4,382,606		0%
Other operating expenses	299	0	2,444,159		0%
Rent expenses	595,149	420,231	293,025	142%	203%
Travel expenses	1,643,571	1,691,013	824,117	97%	199%
Expenses with postal and telecommunications fees	562,380	564,573	544,524	100%	103%
Expenses with sponsorships and donations	1,059,242	450,000	450,214	235%	
Expenses with compensations, fines and penalties	5,608	20,094	25,075	28%	22%

Gains from the disposal of tangible and intangible assets	0		103,546		0%
Expenses from revaluation of fixed assets	1,459,611				
Expenses on the adjustment of the current assets value	8,285,010	0	29,561,510		28%
Income from the adjustment of the value of current assets	7,510,703	6,600,000	9,477,775	114%	79%
Expenses on risk provisions and expenses	16,372,859	4,500,000	6,679,335	364%	245%
Income from cancellation of risk provisions and expenses	6,679,335	4,500,000	3,905,130	148%	171%
Total	115,342,178	102,981,000	120,378,087	112%	96%

These expenses were:

- expenses with the transport of goods and services in value of 4.2 million lei, performed for the transport of finished products free of destination, sold in the domestic and international market.
- **expenses with services performed by third parties**, in the amount of 14.14 million lei which include sales support services, drug serialization, market studies in the pharma field, equipment qualifications, equipment maintenance, customs services, physical-chemical analyzes (nitrosamine analyses), participation in congresses.
- **maintenance and repair expenses** in the amount of 2.5 million lei necessary to maintain the production equipment in optimal condition, consolidation of some constructions, the maintenance and repair of the car fleet.
- **expenses with taxes and fees**, in the amount of 47.6 million lei, of which:
 - claw-back tax has a 77% share. Its value was 37 million lei, higher than planned, i.e. 34 million lei and higher than the value recorded in the previous year, i.e. 31.3 million lei, being correlated with the increased level of sales in the Romanian market. Claw back tax is regulated by GEO no. 77/2011 on the establishment of some contributions for the financing of some expenses in the field of health, paid quarterly to the State Budget for prescription drugs included in the national health programs, with or without personal contribution, used in outpatient treatment based on medical prescription through open-circuit pharmacies, for those used in hospital treatment, supported by the Unique National Health Insurance Fund and by the budget of the Ministry of Health.
 - fees for registration and maintenance of product certification at the regulatory authorities, with a 14% share;
 - local taxes and fees (buildings, land, means of transport), with a 4.5% share.
- **advertising and publicity expenses** amounted to 24.2 million lei. Of these, the amount of 23.04 million lei represented expenses for advertisement and publicity, the main categories of promotion activities being:
 - promotion campaigns to the general public (TV, radio, online), which represented 45% of the total;
 - campaigns for promoting the non-Rx products in partnership with distributors that take place both through national pharmacy chains and through mini-chains and independent pharmacies, which represented 34% of the total;
 - promotion in media publications, brochures and magazines intended for the general public, making and supporting presentations produced by health professionals in scientific events, which represented 11% of the total;

- providing product samples and personalized promotional materials (for brand promotion and communication, within the actions carried out to increase the visibility and awareness of the products, as well as for the loyalty of the target audience), which represented 5.5 % of the total;
- scientific promotion/participation in congresses, which represented 1 % of the total.
- **expenses with insurance premiums** in value of 2.8 million lei, included:
 - optional insurance granted to employees based on performance criteria (28%);
 - insurance of internal and external receivables (21%);
 - insurance for vehicles in the fleet (21%);
 - product insurance during domestic and international transport (14%);
 - civil liability insurance for the consumption of medicines by patients, mandatory for sales in the US market (8.7%).
- **professional training expenses** in the amount of 0.96 million lei, close to the budgeted level and above the value recorded in the similar period of the previous year, necessary for maintaining/improving the professional level of employees.
- **expenses of representation in territories** in the amount of 1.04 million lei, lower compared to the planned level and the one recorded in the previous year. The sale of products in the Antibiotice territories involves concluding contracts with partners in the respective areas to manage the registration of products with the authorities and to mediate sales in the market;
- **environmental protection expenses**, in value of 1,49 million lei were represented by the values paid to the electricity supplier for the green certificates that hold the main share, as well as the environmental fees paid to the authorized suppliers for waste recycling;
- **travel expenses** amounted to 1.64 million lei, a value similar to the planned level and above the level recorded in 2022. Diversity of the activities carried out by our company, in line with specific legal regulations, involves traveling to the authorities, to business partners both in the country and abroad for the consolidation and development of new partnerships, participation in conferences and international events in the field of pharma and in training courses.
- **expenses with donations and sponsorships**, in value of 1 million lei were represented by the amounts allocated to social responsibility projects in which the company has been actively involved, with a view to sustainable development.

Financial expenses recorded in 2023 amounted to 16.5 million lei (represented by expenses from exchange rate differences and interest expenses). Correlated with the level of financial income, they generated a negative financial result of 5 million lei, influenced by the increase in the value of **interest expenses**.

Statement of financial position

Analysis of the patrimonial asset

At the end of 2023 Antibiotice S.A. recorded assets of 1.132 million lei. The fixed assets had a 65% share while the current assets had a 35% share. Compared to the previous year, fixed assets increased by 39%, a positive result of the investment process in 2023 and of the revaluation of fixed assets of the nature of land, buildings and special constructions existing in the heritage as of 31.12.2023 for accounting reporting purposes.

The land and buildings are at the value obtained after the revaluation (without accumulated depreciation and depreciation losses). Investments in intangible assets (research and development projects, purchases of product licenses, software licenses) over the depreciation value, determined their increase by 36% compared to the level at the beginning of 2023.

Compared to the beginning of the year, current assets increased by 17% mainly as a result of the increase in stocks and trade receivables (in accordance with the increased pace of sales).

The stocks increased by 18%, taking into account the global context that determined the extension of supply times and sales and manufacturing plans. Stocks of raw materials and finished products made on our own sites and on the sites of our partners are monitored and correlated with the stock standards.

In correlation with the increase in turnover in the domestic and international markets, receivables increased by 16%, their share in total current assets was 58%, compared to 59% in the previous year, as an effect of the measures to collect the receivables on time. To counteract the commercial risks, the company has insurance policies for receivables from the domestic market as well as from the international market.

Indicators	31.12.2023 preliminary (audited)	31.12.2022 (audited and corrected)	-lei- 31.12.2023 preliminary/ 31.12.2022
Assets			
Fixed assets			
Tangible fixed assets	692,361,541	496,810,361	139%
Intangible fixed assets	48,564,420	35,795,943	136%
Total fixed assets	740,925,961	532,606,304	139%
Current assets			
Stocks	158,095,654	134,133,715	118%
Commercial and similar receivables	227,744,885	196,402,918	116%
Expenses registered in advance	3,489,615	3,243,331	108%
Cash and cash equivalents	1,807,930	1,727,454	105%
Total current assets	391,138,084	335,507,418	117%
Total assets	1,132,064,045	868,113,722	130%
Equity and liabilities			
Equity			
Subscribed capital	67,133,804	67,133,804	100%
Revaluation reserves	225,417,959	111,164,239	203%
Legal reserves and other reserves	324,530,255	305,594,766	106%
Retained earnings	233,482,314	167,314,793	140%
Total equity	850,564,332	651,207,602	131%
Long-term debt			
Loans and bank debts	36,750,203	46,973,501	78%
Subsidies for investments - non-current portion	1,586,415	1,857,322	85%
Deferred tax liabilities	54,811,632	32,733,496	167%
Total long-term debt	93,148,250	81,564,319	114%

Current liabilities			
Commercial and similar debts	132,288,673	86,067,391	154%
Bank loans	29,552,092	34,008,116	87%
Debts from taxes and current charges	9,831,550	8,280,670	119%
Subsidies for investments - current portion	306,289	306,289	100%
Provisions	16,372,859	6,679,335	245%
Total current liabilities	188,351,463	135,341,801	139%
Total liabilities	281,499,713	216,906,120	130%
Total equity and liabilities	1,132,064,045	868,113,722	130%

Analysis of current and long-term debts

Current liabilities recorded at the end of 2023 a value of 188.35 million lei, by 39% higher compared to the value recorded to the beginning of 2023.

In the chapter **short-term debts** in value of 29.6 million lei, the amounts related to the operational credit were presented in value of 18.86 million lei (by 18.7% lower than the level recorded at the end of the previous year) and 10.69 million lei related to installments for 12 months regarding the financing of the investment activity (according to the IAS 1 standard - Presentation of financial statements).

The **commercial debts** chapter includes balances of partners that were overdue.

Debts from taxes and current fees were represented by the amounts owed to the State Budget due on 25.01.2024 (the contribution to the Solidarity Fund regulated by Law no. 448/2006 regarding the protection and promotion of the rights of persons with disabilities, 0.14 million lei) and the clawback tax related to the IV quarter (in the amount of 9.6 million lei).

The company does not register outstanding obligations to the state budget, these being paid within the legal term.

The overall picture of 2023, synthesized through economic and financial indicators, reflects the increase in profitability, maintenance of financial balance, creating the conditions for a resilient business in the long term:

No.	Indicators	31.12.2023 preliminary	31.12.2023 planned	12/31/2022
1	Current assets	391,138,084	339,500,000	335,507,418
2	Short-term bank debts	29,552,092	32,700,000	34,008,116
3	Total bank debts	66,302,295	69,673,501	80,981,617
4	Net accounting assets (equity)	850,564,332	722,690,874	651,207,602
5	Current liquidity (Current assets/Short-term bank liabilities)	13.24	10.38	9.87
6	Total bank debts/EBITDA	0.53	0.96	0.91
7	Total bank liabilities / Equity	0.08	0.10	0.12
8	Total liabilities	281,499,713	200,809,126	216,906,120
9	Total assets	1,132,064,045	923,500,000	868,113,722
10	Indebtedness degree (Total Debts/Total Assets)	25%	22%	25%
11	Earnings before interest, taxes, depreciation, and amortization (EBITDA)	124,835,755	72,709,327	89,098,327

The growth trend in 2023 in the domestic and international markets and the improvement of profitability led to the consolidation of the net accounting asset, its value being 850.56 million lei, by 31% higher compared to the value recorded on 31.12.2022.

Current liquidity, determined as the ratio between current assets and short-term bank liabilities, at a level of 13.24 indicates the maintenance of the financial balance in the short term, being on the rise from the level recorded the previous year (9.87).

The company has the ability to honor current obligations on account of its most liquid assets.

The **degree of indebtedness** (25%) reconfirms the financial autonomy of the company as a result of a responsible debt policy, adequate to the volume of activity under the conditions of maintaining a satisfactory profit margin.

The total bank debts reported at the EBITDA level registered a level of 0.53, being within the parameters agreed by the financial institutions (maximum allowed level of 3.5). Also, the indicator of total bank debt compared to equity registered a level of 0.08, being within the parameters agreed by the financial institutions (maximum accepted level of 1).

This report is prepared on the basis of unaudited financial information, prepared in accordance with the International Financial Reporting Standards.

In 2023, Antibiotice S.A.:

- achieved a turnover amounting to 600.78 million lei, higher by 24% compared to the value recorded in 2022 (483.72 million lei);
- recorded a gross profitability in value of 91.18 million lei, higher than planned (50 million lei) and higher than the value recorded in 2022 (41.9 million lei), a result of the measures applied in 2023 both in terms of increasing sales and managing operational and financial expenses.
- recorded a level of indebtedness of 25% by optimizing collections and reducing the terms of collection of receivables in the pharmaceutical market with a favorable effect in reducing credits for financing the working capital, simultaneously with reducing the commercial debts and, implicitly, the total debts.

General Director,
Ioan NANI, Economist

Executive Financial Director,
Paula COMAN, Economist

CURRENT REPORT

Report date: **28.02.2024**

Name of issuing company: **Antibiotice SA**

Headquarters: **Iași, str. Valea Lupului nr. 1, zip code 707410**

<http://www.antibiotice.ro>

E-mail: **relatiicuinvestitorii@antibiotice.ro**

Telephone/fax no.: **0232 209000 / 0232 209633**

Unique registration code in the Trade Register Office: **RO1973096**

No. in the Trade Register: **J22/285/1991**

Subscribed and paid-up capital: **67,133,804.00 RON**

The regulated market trading the securities issued: **Bucharest Stock Exchange**

Number of shares: **671,338,040**

Number of votes: **671,338,040**

Main characteristics of the securities issued by the company: nominative shares,
nominal value: 0.10 RON

Important event to report:

Availability for the Annual Report 2023 - PRELIMINARY RESULTS

Antibiotice Iași informs that the **Report on 31.12.2023 (preliminary results)**, is available to investors through the *Bucharest Stock Exchange, Authority for Financial Supervision*, as well on our website: www.antibiotice.ro (Investors/Financial Information/Financial reporting/ **2023 - PRELIMINARY RESULTS**).

We'd like to mention that the report is also available on request at our company's headquarters (Investors Relations Office, Fax: 0372 065633, e-mail: relatiicuinvestitorii@antibiotice.ro).

General Director,
ec. *Ioan NANI*

Financial Director,
ec. *Paula-Luminița COMAN*