

ANTIBIOTICE S.A.

INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED ON DECEMBER 31, 2023

**prepared in accordance with
the International Financial Reporting Standards (“IFRS”)
adopted by the European Union**

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ANTIBIOTICE S.A.**THE INDIVIDUAL OVERALL RESULT STATEMENT****FOR THE YEAR ENDED ON DECEMBER 31, 2023****(all amounts are expressed in lei ("RON"), if not mentioned otherwise)**

	Note	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
Revenues from contracts with clients, of which:		600,780,825	483,724,186	483,724,186
<i>Revenues from the sale of finished products</i>	3	482,092,932	387,506,130	387,506,130
<i>Revenues from the sale of products made on other manufacturing sites</i>	3	117,383,457	95,160,681	95,160,681
<i>Revenues from the provision of services</i>	3	1,304,436	1,057,375	1,057,375
Other operating revenues	4	1,424,282	2,033,372	7,330,842
Revenues from subsidies	4	270,907	302,979	302,979
Changes in inventories of finished products and production in progress		13,408,502	11,689,110	11,689,110
The company's own work capitalized		13,381,851	13,779,091	13,779,091
Expenses with raw materials, used consumables and products made on other manufacturing sites	5	(218,168,457)	(177,117,257)	(177,117,257)
Employee benefit expenses	6	(156,053,526)	(122,940,724)	(125,766,529)
Shipping costs	7	(4,199,124)	(4,171,593)	(4,171,593)
Utility expenses	7	(25,334,283)	(22,026,479)	(22,026,479)
Net depreciation and adjustments for the depreciation of fixed assets, net	11.12	(27,875,560)	(22,269,554)	(25,307,276)
Net adjustments for depreciation of current assets		(426,963)	(20,328,387)	(1,058,801)
Net reversed provisions		-	(2,825,805)	-
Sponsorships, donations		(1,059,242)	(450,214)	(450,214)
Other expenses	7	(99,615,980)	(92,898,339)	(91,017,182)
Operational result		96,533,232	46,500,386	69,910,877
Net exchange rate differences	8	(945,157)	(797,515)	(797,515)
Net interest expense	8	(4,141,232)	(3,589,852)	(3,589,852)
Other financial expenses	8	77,403	(209,789)	(209,789)
Financial result	8	(5,008,986)	(4,597,156)	(4,597,156)
Pre-tax profit		91,524,246	41,903,230	65,313,721
Income tax expense	9	(10,435,650)	(3,389,803)	(13,841,684)
The profit of the financial year		81,088,596	38,513,427	51,472,037
Basic/diluted earnings per share		0,1208	0,0574	0,0767

* For more details on the 2022 restatements, see Note 23

Authorized by the Management Board on: 13.03.2024

General Director,
Ec. Ioan NANIFinancial Director,
Ec. Paula Luminita COMAN

ANTIBIOTICE S.A.
THE INDIVIDUAL FINANCIAL POSITION STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), if not mentioned otherwise)

	Note	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
The profit of the financial year		81,088,596	38,513,427	51,472,037
<i>Other elements of the overall result</i>				
<i>Elements that will not be classified in profit or loss</i>				
<i>Revaluation of tangible assets</i>	11	35,964,800	-	103,085,549
<i>Deferred tax related to revaluations of tangible assets</i>	8	(5,754,368)		(16,491,168)
<i>Other elements of the overall result</i>		30,210,432	-	86,594,381
Total overall result		111,299,028	38,513,427	138,066,418

* For more details on the 2022 restatements, see Note 23

Authorized by the Management Board on: 13.03.2024

General Director,
Ec. Ioan NANI

Financial Director,
Ec. Paula Luminita COMAN

ANTIBIOTICE S.A.

**THE INDIVIDUAL FINANCIAL POSITION STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2023**

(all amounts are expressed in lei ("RON"), if not mentioned otherwise)

	Note	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
Assets				
Fixed assets				
Tangible fixed assets	11	692,361,541	496,810,361	599,898,910
Intangible fixed assets	12	45,526,698	35,795,943	32,758,221
Total tangible fixed assets		737,888,239	532,606,304	632,657,131
Current assets				
Inventories	13	160,214,484	122,494,428	142,659,974
Trade and similar receivables	14.15	235,771,990	196,402,918	204,033,217
Expenses registered in advance		3,489,615	3,243,331	3,243,331
Cash and cash equivalents	16	1,807,930	1,727,454	1,727,454
Total current assets		401,284,019	323,868,131	351,663,976
Total assets		1,139,172,258	856,474,435	984,321,107
Equity and liabilities				
Equity				
Subscribed capital	17	67,133,804	67,133,804	67,133,804
Revaluation reserves	17	225,417,959	111,164,239	197,758,620
Legal reserves and other reserves		324,877,598	305,594,766	305,594,766
Retained earnings		229,534,759	157,537,792	170,496,402
Total equity		846,964,120	641,430,601	740,983,592
Long-term liabilities				
Bank loans and debts	19	36,750,203	46,973,501	46,973,501
Subsidies for investments - non-current portion	20	1,586,415	1,857,322	1,857,322
Deferred tax liabilities	8	63,401,227	30,871,210	57,817,259
Total long-term liabilities		101,737,845	79,702,033	106,648,082
Current debts				
Trade and similar debts	18	150,780,362	86,067,391	99,391,828
Bank loans	19	29,552,092	34,008,116	34,008,116
Other debts	18	9,831,550	8,280,670	2,983,200
Subsidies for investments - current portion	20	306,289	306,289	306,289
Provisions		-	6,679,335	-
Total current debts		190,470,293	135,341,801	136,689,433
Total debts		292,208,138	215,043,834	243,337,515
Total equity and debts		1,139,172,258	856,474,435	984,321,107

* For more details on the 2022 restatements, see Note 23

Authorized by the Management Board on: 13.03.2024

General Director,
Ec. Ioan NANI

Financial Director,
Ec. Paula Luminita COMAN

The attached notes are an integral part of these individual financial statements.

ANTIBIOTICE S.A.
THE INDIVIDUAL CHANGES IN EQUITY STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

DECEMBER 31, 2022	Share capital	Legal reserves and other reserves	Revaluation reserves	Cumulative reported result	Total equity
Balance on January 1, 2022	67,133,804	272,580,887	114,150,766	151,126,343	604,991,800
The result of the year	-	-	-	38,513,427	38,513,427
Other elements of the overall result	-	-	-	-	-
Total overall result	-	-	-	38,513,427	38,513,427
Reserves representing the surplus achieved from revaluation	-	-	(2,986,527)	2,986,527	-
Dividends paid in 2022	-	-	-	(2,074,626)	(2,074,626)
Other capital elements increases/(reductions)	-	33,013,879	-	(33,013,879)	-
Reported balance on December 31, 2022	67,133,804	305,594,766	111,164,239	157,537,792	641,430,601
Period corrections	-	-	86,594,381	12,958,610	99,552,991
Balance on December 31, 2022, restated *	67,133,804	305,594,766	197,758,620	170,496,402	740,983,592

During the year 2022, 33,013,879 RON were transferred from the result reported over to other reserves according to the decision of the GMS.

*For more details on the 2022 restatements, see Note 23

Authorized by the Management Board on: 13.03.2024

General Director,
Ec. Ioan NANI

Financial Director,
Ec. Paula Luminita COMAN

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ANTIBIOTICE S.A.
THE INDIVIDUAL CHANGES IN EQUITY STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

DECEMBER 31, 2023	Share capital	Legal reserves and other reserves	Revaluation reserves	Cumulative reported result	Total equity
Balance on January 01, 2023 reported	67,133,804	305,594,766	111,164,239	157,537,792	641,430,601
Corrections of the previous period	-	-	86,594,381	12,958,610	99,552,991
Balance on January 01, 2023 restated *	67,133,804	305,594,766	197,758,620	170,496,402	740,983,592
The result of the year	-	-	-	81,088,596	81,088,596
Other elements of the overall result	-	-	30,210,432	-	30,210,432
Total overall result	-	-	30,210,432	81,088,596	111,299,028
Reserves representing the surplus achieved from revaluation	-	-	(2,551,093)	2,551,093	-
Dividends distributed in 2023	-	-	-	(5,318,500)	(5,318,500)
The result reported over to other reserves	-	19,282,832	-	(19,282,832)	-
Balance on December 31, 2023	67,133,804	324,877,599	225,417,959	229,534,759	846,964,120

During the year 2023, 19,282,832 RON were transferred from the result carried over to Other reserves according to the decision of the AGM.

* For more details on the 2022 restatements, see Note 23

Authorized by the Management Board on: 13.03.2024

General Director,
Ec. Ioan NANI

Financial Director,
Ec. Paula Luminita COMAN

The attached notes are an integral part of these individual financial statements.

ANTIBIOTICE S.A.
THE INDIVIDUAL CASH FLOW STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

Indirect method	Note	Period ended on December 31, 2023	Period ending on December 31, 2022 (restated)
Pre-profit tax		91,524,246	65,313,721
Adjustments for:			
Depreciation related to intangible assets		2,243,686	1,513,382
Depreciation related to tangible assets		25,686,248	21,052,424
Expenses related to inventory provisions		1,522,444	4,198,210
(Revenues) related to customer provisions and assimilated accounts		(1,095,480)	(3,139,409)
Expenses related to adjustments for the depreciation of fixed assets		-	3,037,722
The net loss from the disposal of tangible assets		(1,500)	2,753,525
Revenues from subsidies		(270,907)	(302,979)
Interest expenses		4,145,607	3,591,289
Interest revenues		(4,374)	(1,437)
Cash flow generated from operating activity before changes in working capital		123,749,970	98,016,448
(Increases) of stocks		(19,046,654)	(40,840,410)
(Increases)/Decreases in receivables		(30,643,294)	75,982,392
(Increases) of expenses in advance		(246,284)	(3,243,332)
Increases / (decreases) in debts		61,663,072	(10,357,574)
Income increases in advance		1,500	32,072
Interest collected		4,374	1,437
Profit tax paid		(13,023,231)	(3,929,305)
Net cash from operating activities		122,459,453	115,661,728
Cash flows from investment activities			
Purchases of tangible assets		(83,025,003)	(37,576,233)
Purchases of intangible assets		(15,012,163)	(7,469,561)
Net cash from investment activities		(98,037,166)	(45,045,794)
Cash flows from financing activities			
(Decreasing) the use of the credit line		(4,456,024)	(53,155,433)
(Repayment) long-term loan		(10,223,298)	(10,643,652)
Dividends paid		(5,433,706)	(3,426,840)
Interest paid		(4,088,957)	(3,529,553)
Net cash from financing activities		(24,201,985)	(70,755,478)
(Decrease)/Net increase in cash and cash equivalents		220,300	(119,541)
Cash and cash equivalents at the beginning of the financial year	16	1,727,454	2,111,377
The effect of the exchange rate on the movement of cash and cash equivalents		(139,824)	(264,382)
Cash and cash equivalents at the end of the financial year	16	1,807,930	1,727,454

* For more details on the 2022 restatements, see Note 23

Authorized by the Management Board on: 13.03.2024

General Director,
Ec. Ioan NANI

Financial Director,
Ec. Paula Luminita COMAN

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

1. GENERAL COMPANY INFORMATION

1.1. Brief company profile

Antibiotice S.A. ("ATB" - Bucharest Stock Exchange symbol, "The Company") is a commercial company established in Romania, with its registered office in Valea Lupului street no. 1, Iasi. The company is registered at the Trade Registry Office under no. J 22/285/1991 and has the unique registration code 1973096.

The object of activity of Antibiotice S.A. is the manufacture of basic pharmaceutical products, according to the Classification of Economic Activities in the National Economy, CAEN code 2110.

These financial statements are individual financial statements of Antibiotice S.A. drawn up on 31.12.2023, which were authorized on: 13.03.2024.

Antibiotice S.A.:

- is the most important producer of generics in Romania, with full Romanian capital;
- is the only Romanian company that produces active substances through biosynthesis processes;
- has been listed on the Bucharest Stock Exchange in the premium category, since 1997;
- has a product portfolio that includes generic drugs for human use (RX drugs and non-RX products), active substances based on biotechnologies derived from streptomycines noursei for pharmaceutical use (in the form of compacted Nystatin, micronized Nystatin and standard Nystatin), biocidal products for disinfecting surfaces and hands, veterinary medicines and biofertilizers. The product portfolio consists of over 160 products from 11 therapeutic classes. The prescription products are mainly grouped by ATC1 therapeutic classes and are intended for pathologies with increased incidence and the treatment of chronic conditions. The non-prescription products are grouped into portfolio concepts, for a more efficient communication to the target audience. The concepts include food supplements, medical devices, cosmetics, OTC drugs and OTX drugs (RX products with OTC behavior which are released from the pharmacy without a medical prescription). The products in the current portfolio are carefully monitored and action is taken to adapt to national requirements and international regulations, through the analysis of therapeutic trends, medical guidelines, new efficacy and safety studies. The expansion of the product portfolio makes a major contribution to the development of Antibiotice S.A. on the domestic market, as well as on the international markets, both through our own research and development activity, as well as through the assimilation of new products through business development (in-licensing contracts);
- has a diversified production capacity, organized on 3 production divisions as well as on 8 manufacturing flows on which: penicillin injectable powders are produced; penicillin capsules; non-beta-lactam capsules; cephalosporin capsules; tablets; ointments, creams, gels; suppositories; pessaries; active substances obtained through biosynthesis and 10 partner sites. All production capacities are the property of the company and they are located at the registered office. The company has the right of ownership over all fixed assets registered in the company's accounting;
- owns and operates a modern Research and Development Center;
- holds internationally recognized certifications and authorizations: authorization from the US Medicines Regulatory Agency (FDA) for Nystatin and injectable penicillin products, Certificate of Conformity with the European Pharmacopoeia (COS) for Nystatin, Certificate of Good Manufacturing Practice (GMP) for all manufacturing flows, TÜV Rheinland Certification for integrated management (quality, environment, occupational health and safety);
- is WHO prequalified and it has WHO certification for the range of essential antituberculosis drugs;
- is a traditional supplier of anti-infective drugs for hospitals in the U.S.A., Vietnam and European markets (the U.K., Denmark, The Netherlands, Serbia, Lithuania and Hungary);
- is the world market leader for the consumption of active substances based on biotechnologies derived from streptomycine noursei for pharmaceutical use (in the form of compacted Nystatin, micronized Nystatin and standard Nystatin). The superior quality of this product, recognized by the US authorities (FDA) as an international reference standard, is reflected in a continuous increase in the number of new customers in Europe, South America and North America.

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

1. GENERAL COMPANY INFORMATION (continued)

1.2. Corporate Governance Structures

The structures on which the corporate governance system within Antibiotice S.A. is based can be found on the company's website at <https://www.antibiotice.ro/investitori-php/corporate-governance/>. These are:

- The General Meeting of Shareholders;
- The Management Board;
- The Advisory Committees;
- The Executive Management;
- The Corporate Governance Secretariat;
- The internal audit, financial management control and risk management.

The General Meeting of Shareholders

Antibiotice S.A. is organized on the principles of corporate governance, which regulates the selection and appointment procedure of administrators and directors, as well as the operation of the management system, seeking to strengthen the independence, accountability and professionalism of the management structures, the transparency and the quality of publicly presented information, as well as the protection of shareholders, including the minority shareholders. The management of the company is organized to meet the expectations of the shareholders in terms of ensuring competitiveness, profitability and the generation of long-term added value. A well-defined, traceable decision-making system is ensured and the delegation of duties and competences are proportional to the granted prerogatives and the existing control system.

The applying of the principles of good corporate governance practices with strict compliance with the recommendations of the Corporate Governance Code of the Bucharest Stock Exchange, ensures the transparency and efficiency of the company's activities and processes, thus providing the framework for maximizing the value of the Antibiotice S.A. shares in the long term, namely protecting the interests of interested parties and increasing the degree of trust in Antibiotice S.A.

The company's management considers the Corporate Governance Code to be an important tool for achieving sustainable performance for ensuring the accuracy and transparency of the company's decision-making process through the equal access of all shareholders to relevant information about the company.

The legal framework for ensuring the corporate governance system is:

- The Law no. 31/1990 on commercial companies, with subsequent amendments and supplements;
- The GEO no. 109/2011 regarding the corporate governance of public enterprises, with subsequent amendments and supplements;
- The Law no. 24/2017 regarding the issuers of financial instruments and market operations;
- The ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations;
- The corporate governance code of Antibiotice S.A. which also includes the Regulation on Organization and Functioning of the Management Board and the Regulation on the Evaluation of administrators;
- The Code of Ethics

The General Meeting of Shareholders (GMS) represents the company's highest decision-making body, the place where shareholders participate directly and make decisions. Among other duties, the GMS decides on the distribution of the profit, elects the Management Board, appoints the auditors and it establishes the remuneration of the Management Board.

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

1. COMPANY RELATED INFORMATION (continued)

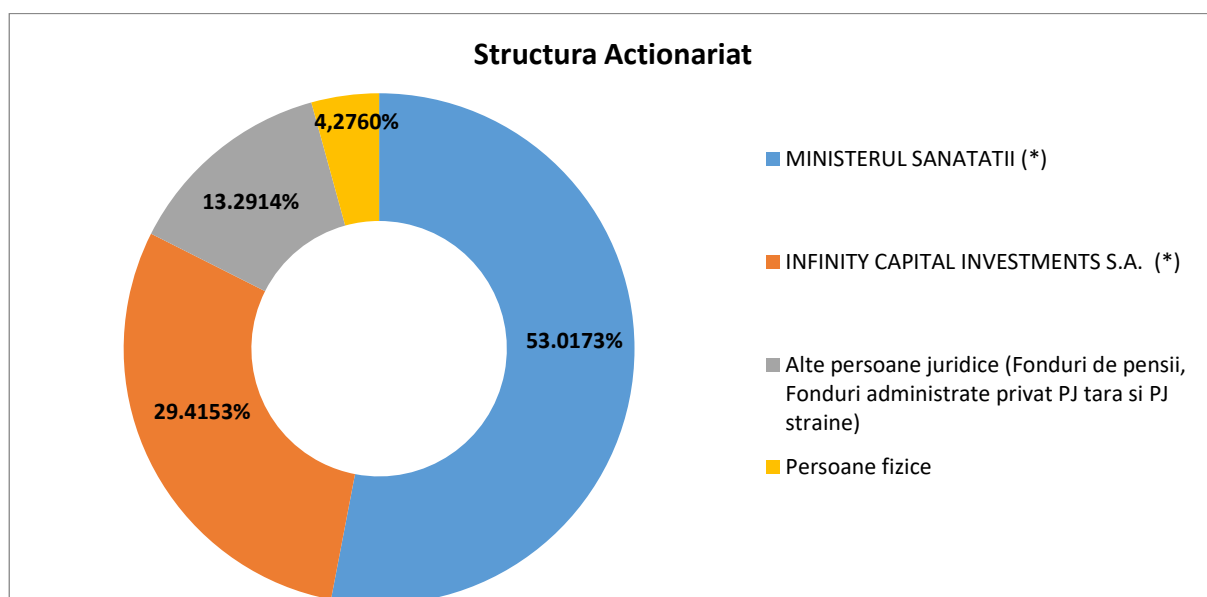
The Management Board convened during the year 2023, 3 (three) Ordinary General Meetings and 2 (two) Extraordinary General Meetings, whose decisions can be found on the company's website at the address below:

<https://www.antibiotice.ro/investitori-php/financial-information/adunari-generale-ale-actionarilor/?raport=2023#>

The main shareholders of the company on 31.12.2023 (extract from the Register of Shareholders)

MINISTRY OF HEALTH (*)	53.0173%
INFINITY CAPITAL INVESTMENTS S.A. (*)	29.4153%
Other shareholders (44.174 shareholders)	17.5674%

NOTE: (*) - Significant shareholders, according to Law no. 297/2004 regarding the capital market, article 2, paragraph 1



Shareholding structure

MINISTRY OF HEALTH (*)

INFINITY CAPITAL INVESTMENTS S.A. (*)

Other legal entities (Pension Funds, Privately Administered Funds, domestic PJ/LP and foreign PJ/LP)

Natural persons

Classes of shareholders:

- Legal persons – 95.7240 %.
- Natural persons – 4.2760 %.

Antibiotice S.A. on the capital market

The securities issued by Antibiotice S.A. are listed in the PREMIUM category of the Bucharest Stock Exchange, under the symbol (ATB), starting with the year 1997.

The shares of Antibiotice S.A. are included in the BET-Plus index component, which includes Romanian companies listed on the BSE market that meet the minimum selection criteria with the exception of financial investment companies and the BET-BK, which was built to be used as a benchmark by fund managers and also by other institutional investors. This reflects the fact that Antibiotice S.A. is a solid company, developed on a lasting economic foundation.

The stock market capitalization of Antibiotice S.A. on December 31, 2023 was 936,517 thousand lei.

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

During the year 2023, 49,531,258 shares were traded, worth 41,116,948.60 million lei (8,288,763.40 million EURO, 8,949,596.51 million USD), with an average price of 0.8301 lei /share.

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

1. COMPANY RELATED INFORMATION (continued)

The corporate governance framework adopted and applied:

- protects the rights of shareholders;
- ensures the fair treatment of all shareholders;
- recognizes the role of third parties with interests in society;
- guarantees the provision of information and the transparency;
- ensures the responsibility of the Management Board towards the company and the shareholders.

On the Antibiotice S.A. company website at the address www.antibiotice.ro/investitori/informatii_actionari, there is a section dedicated to shareholders, where you can access and download documents related to the General Meetings of Shareholders: procedures regarding the access to and the participation in the meetings, the notices to attend, the agenda, the informative materials, the special powers of representation, the voting forms by mail, the draft decisions, the decisions and the voting results.

Investor relations

The investor relations activity supports the constant communication between the company and investors. This process allows the knowledge of the operational activity, the strategy and the perspectives of the business, with the aim of achieving, in the knowledge of the cause of a fair evaluation of the company. As a company listed on the stock exchange, we make available to the public and we send to the Financial Supervisory Authority (ASF) and the Bucharest Stock Exchange (BVB), annual, semi-annual, quarterly and current reports, as well as documents related to the smooth conduct of general meetings. Because we are oriented towards the development and increase of transparency towards the shareholders, immediately after the periodic financial reports (annual and semi-annual), we organize our own meetings and presentation events.

Interested investors and analysts participate in these events, who have the opportunity to send their questions, opinions and suggestions, thus ensuring a dialogue with the exponents of the capital market in Romania, so that they get a sufficient basis for the investment decision-making process.

The agenda of events, which aim to maintain a permanent dialogue among the company's management, investors and analysts, included during the year 2023, 4 (four) teleconferences for the presentation of individual financial statements, on March 2, May 15, August 23 and November 21.

ANTIBIOTICE S.A.
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023
(all amounts are expressed in lei ("RON"), unless otherwise specified)

1. COMPANY RELATED INFORMATION (continued)

All the documents related to the smooth running of the events mentioned above, were published in accordance with the legislation in force, respectively: Law no. 31/1990 regarding commercial companies, republished, with subsequent changes and additions, the Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises with subsequent amendments and supplements, the Law no. 24/2017 regarding the issuers of financial instruments and market operations, the Regulation no. 5/2018 regarding issuers of financial instruments and market operations.

The organization of the General Meetings of Shareholders, the changes in the structure of the company, the decisions of the general meetings, as well as the actions related to guaranteeing the rights of the shareholders - the distribution of dividends related to the financial year 2022, were carried out in accordance with the legal regulations.

The first place, for the best Company from the perspective of the activity in Investor Relations – Main Market – the vote of the public, awarded on November 17 by the Association for Investor Relations at the Romanian Stock Exchange during the ARIR Gala, as well as the scoring of grade 10, the highest grade for for the third consecutive year, when evaluating the VEKTOR indicator based on 15 criteria of good practices in the relationship with investors, motivates us to perform in the communication with them, to respect our mission to provide information in a transparent and responsible manner, so as to develop relationships based on ethics and trust with the current and potential investors.

This award recognition supports the company's trend towards a sustainable development, in accordance with the fairness of the company's activity in relation to the stakeholders.

The Management Board

Antibiotice S.A. is administered by a Management Board, which is responsible for the fulfillment of all the tasks necessary to achieve the object of the company's activity, with the exception of those provided by law for the General Meeting of Shareholders. There is a clear-cut distinction of duties between the Management Board and the Executive Management.

The Management Board ensures that its own decisions, those of the company's management, of the General Meeting of Shareholders, as well as the internal regulations, comply with the legal requirements and that they are adequately implemented. The Board is responsible for monitoring the company's management, on behalf of the shareholders.

The duties of the Management Board are described in the company's Statute and in the relevant internal regulations, available on the company's website, in the Corporate Governance section.

During the year 2023, the Management Board met in 11 (eleven) meetings and it adopted decisions that allowed it to fulfill its duties in an effective and efficient manner.

The membership of the Management Board of Antibiotice S.A. on December 31, 2023.

Ec. Ioan Nani

Vice-president of the Management Board and General Director

Fully qualified Executive Administrator

In the Ordinary General Meeting of Shareholders on May 20, 2020, Mr. Nani was reconfirmed as a member of the Management Board, for a mandate valid until 18.04.2024 and then Mr. Nani was elected by the members of the Management Board on 20.05.2020, in the position of vice-president.

Mr. Nani is an economist specialized in management and an accounting expert, he has been a member of the Management Board since 2009 and a General Director (1998 - 2008 and 2009 – present day).

Number of Antibiotice S.A. shares owned - 1.513*

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EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
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(all amounts are expressed in lei ("RON"), unless otherwise specified)

Eng. Catalin Codrut Popescu

Mr. Popescu is a member of the Management Board and a representative of the INFINITY CAPITAL INVESTMENTS S.A shareholder.

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1. COMPANY RELATED INFORMATION (continued)

Fully qualified Non-Executive Administrator

At the Ordinary General Meeting of Shareholders on August 26, 2021, Mr. Popescu was elected to the Management Board, for a term valid until the date of 18.04.2024.

General Director of MEDIMFARM S.A.

Number of Antibiotice S.A. shares owned - 0*

Ec. Mihai Trifu

Member of the Management Board and representative of the INFINITY CAPITAL INVESTMENTS S.A shareholder.

Fully qualified Non-Executive Administrator

At the Ordinary General Meeting of Shareholders on August 26, 2021, Mr. Trifu was elected to the Board of Directors, for a term valid until the date of 18.04.2024.

Vice President and Deputy General Director of INFINITY CAPITAL INVESTMENTS S.A.

Number of Antibiotice S.A. shares owned - 0*

Physicist Lucian Timofticiuc

Member of the Administration Board and a representative of the Ministry of Health

Fully qualified Non-Executive Administrator

President of the Administration Board

In the Ordinary General Meeting of Shareholders of September 16, 2020, Mr. Timofticiuc was elected as a member of the Management Board for a term valid until April 18, 2024. Currently, Mr. Timofticiuc holds the position of administrator and General Director of Vremea Noua.

Number of Antibiotice S.A. shares owned - 0*

Legal Adviser Ionel Damian

Member of the Administration Board

Fully qualified Non-Executive Administrator

In the Ordinary General Shareholders' Meeting of November 2, 2020, he was elected as a permanent member of the company's Management Board, for a term valid until April 18, 2024.

Fiscal Audit Executive Director – Iasi County General Regional Directorate of Public Finance

Number of Antibiotice S.A. shares owned - 0*

(*) The number of Antibiotice S.A. shares owned on December 31, 2023, according to the latest database of Antibiotice S.A. for the year 2023.

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1. COMPANY-RELATED INFORMATION (continued)

The Corporate Governance Code

The basis of the good governance practices within the company is the Corporate Governance Code of Antibiotice S.A., which outlines the general framework for the activity of the Management Board. Built according to the principles and recommendations of the Corporate Governance Code of the Bucharest Stock Exchange (BVB), the corporate governance code of Antibiotice S.A., approved by the Management Board in January 2017 and updated in November 2021, includes, among other things, information about the duties of management structures, fair reward and motivation, investor relations, the risk management system and the internal control. The management of Antibiotice S.A. considers the Corporate Governance Code to be an important tool for achieving sustainable performance, ensuring the accuracy and transparency of the company's decision-making process, through equal access of all shareholders to relevant information about Antibiotice S.A.

The Code of Ethics

The Code of Ethics of Antibiotice S.A. is the basis of an organizational culture that respects the integrity standards and that complies with the specific legislation in force. The fundamental ethical values assumed by the company are the integrity, the professionalism, the responsibility and the transparency. Any violation of the code is considered to be an ethical incident, the failure to comply with the Code of Ethics may lead to disciplinary sanctions. The compliance with the provisions of the Code of Ethics is mandatory for all structures in the company's organizational chart (employees, executive management and members of the Management Board). The Code of Ethics is made known to every new employee or administrator and it can be consulted online.

The Advisory Committees

The Management Board exercises part of its responsibilities through the three advisory committees: the Audit Committee, the Commercial Policy Committee and the Nomination and Remuneration Committee. The specialized advisory committees carry out investigations, analyses, they elaborate recommendations and they periodically submit reports on their activity to the Management Board.

The membership of the Advisory Committees can be read at the address <https://www.antibiotice.ro/investitori-php/corporate-governance/structuri-de-guvernanta/>

The duties and responsibilities of the advisory committees can be found on the company's website at: <https://www.antibiotice.ro/wp-content/uploads/2015/06/Regulamentele-comitetelor-consultative-1.pdf>

The executive management

Antibiotice S.A. is represented by the General Director, according to the prerogatives established by law and by the company statute. The Management Board retains the authority to represent the company in relations with the directors it appointed. The management team membership of Antibiotice S.A., on 31.12.2023, can be read at the address: <https://www.antibiotice.ro/investitori-php/corporate-governance/structuri-de-guvernanta/>.

2. GENERAL INFORMATION

2.1. The drawing-up basis

The individual financial statements were drawn up in accordance with the provisions of O.M.P.F. no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards with subsequent amendments and additions. These provisions comply with those of the International Financial Reporting Standards ("IFRS") and with the IFRIC interpretations, adopted by the European Union. The financial statements were drawn up on the basis of the going concern principle.

The accounting policies and the evaluation methods adopted for the preparation of the individual financial statements are consistent with those used for the preparation of the annual individual financial statements of Antibiotice S.A. on December 31, 2022. As described in Note 26, the company reopened the period ending on December 31, 2022 and it restated the comparative figures.

The company has drawn up individual IFRS financial statements that include the individual statement of the global result, the individual statement of the financial position, the individual statement of cash flows and the individual statement of changes in equity for the year ended on December 31, 2023.

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2. GENERAL INFORMATION (continued)

Starting with the period ending on June 30, 2023, the company prepared and presented the individual cash flow statement using the indirect method. For the period ending on December 31, 2023, in order to present some comparative information, the Company prepared the individual cash flow statement using the same method as on December 31, 2022.

These individual financial statements were prepared in accordance with IAS 1 Presentation of financial statements, as adopted by the European Union.

2.2. The bases of evaluation

The individual financial statements are drawn up based on the historical cost with the exception of land and buildings presented at revalued cost by using the fair value as assumed cost and the elements presented at fair value, that is the financial assets and liabilities at fair value, through the profit and loss account with the exception of those for which the fair value cannot be reliably established.

These individual financial statements have been drawn up for general purposes, for the use of people who know the provisions of the International Financial Reporting Standards, applicable to commercial companies whose securities are admitted to trading on a regulated market. Consequently, these financial statements should not be considered as the only source of information by a potential investor or other user.

2.3. Functional and presentation currency

The functional currency, as defined by IAS 21 "Effects of currency exchange rate variation", is the leu. The individual financial statements are presented in lei, the values being rounded to the nearest leu, that is the currency which the Company chose as the currency presentation.

The transactions made by the company in a currency other than the functional currency are recorded at the exchange rate in force on the date the transactions take place. The monetary assets and liabilities in foreign currency are converted at the exchange rate in force on the reporting date. The profit and loss resulting from exchange rate differences following the conclusion of these transactions and from the conversion to the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currency are reflected in the individual statement of the overall result.

The foreign exchange differences are recognized in profit or loss in the period in which they occur, with the exception of the foreign exchange differences on foreign currency loans related to assets under construction for future productive use, which are included in the cost of those assets when they are considered as an adjustment of interest costs for those loans in foreign currency.

The exchange rates of the main foreign currencies according to the report of the National Bank of Romania are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
EUR	4.9746	4.9474
USD	4.4958	4.6346

2.4. Crucial accounting evaluations and estimates

The company makes certain estimates and assumptions regarding the future. The estimates and judgments are continually evaluated based on historical experience and other factors, including forecasting of future events that are believed to be reasonable under the existing circumstances. In the future, actual experience may differ from the present estimates and assumptions. Examples of evaluation, estimation, assumptions applied within the company are presented below:

- The evaluation of land investments and company owned buildings - based on the evaluations made by external appraisers, the fair value of real estate investments and company owned buildings is determined. These evaluations are based on assumptions that include future rental income, anticipated maintenance costs, future development costs and the discount rate. The evaluators also refer to the information on the market related to the prices of transactions with similar properties.

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2. GENERAL INFORMATION (continued)

- Adjustments for the impairment of receivables – For trade receivables, a simplified approach is adopted in which impairment losses are recognized based on the expected lifetime credit losses at each reporting date. If there are credit insurances or guarantees for the outstanding balances, the calculation of expected losses from receivables is based on the probability of non-repayment of the insurer for the insured part of the outstanding balance, and the remaining uncovered amount will have the probability of non-repayment of the counterparty. For trade receivables, the simplified model regulated by IFRS 9 is used.
- Adjustments for inventory impairment - The assessment for inventory impairment is performed on an individual basis and it is based on the management's best estimate of the present value of cash flows expected to be received. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows. The adjustments regarding stocks are based on the calculation performed at the end of the financial year for the specific value adjustment related to stocks of raw materials, consumables and finished products that no longer correspond from a qualitative viewpoint. The calculation of the general adjustment for stock depreciation is made according to the validity period of the items in stock.
- Judicial proceedings - The company reviews the unresolved legal cases by following the developments in the judicial proceedings and the existing situation at each reporting date, in order to evaluate the provisions and presentations from its financial statements. Among the factors considered in making decisions related to provisions there are the nature of the litigation or claims and the potential level of damages in the jurisdiction where the litigation is adjudicated, the progress of the case (including progress after the date of the financial statements but before those statements are issued), the opinions of legal advisors, the experience in similar cases and any decision of the company's management related to how it will respond to the litigation, complaint or evaluation.
- Accounting estimates of expenses - There are objective situations in which until the closing date of some fiscal periods or until the closing date of a financial year the exact values of some expenses committed by the company are not known (e.g.: marketing campaigns - sales promotion of products and sales stimulus campaigns). For this category of expenses, the preliminary expenses will be made, which will be actually recorded in the following periods.
- Taxation - The taxation system in Romania is undergoing a phase of consolidation and harmonization with the European legislation. There are uncertainties regarding the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Considering the diversity of business relationships and the longevity and complexity of the existing contractual agreements, the differences that appear among the actual results and the assumptions made or future changes to these assumptions could require future adjustments to the tax revenues and expenses already recorded. In Romania, the fiscal year remains open for fiscal verification for 5 years. The management of the company considers that the tax liabilities included in the financial statements are adequate.

2.5. Classification of short-term or long-term assets and liabilities

The company presents the individual financial position of assets and liabilities based on the short-term/long-term classification.

An asset is current when:

- it is expected to be achieved or intended to be sold or consumed within the normal operating cycle;
- it is held mainly for trading purposes;
- it is expected to be achieved within twelve months from the reporting period, or
- it constitutes cash and cash equivalents.

All the other assets are classified as fixed assets.

A debt is a short-term debt when:

- it is expected to be paid in the normal operating cycle;
- it is held mainly for trading purposes;
- it is about to be settled within twelve months from the reporting period;
- there is no unconditional right to postpone the settlement of the debt for at least twelve months after the reporting period.

The deferred tax assets and liabilities are classified as long-term assets and liabilities.

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2. GENERAL INFORMATION (continued)

2.6. Revenue recognition IFRS 15 - Revenue from contracts with customers

The revenues are increases in economic benefits recorded during the reporting period, in the form of incomes or increases in assets or reductions in liabilities, which materialize in increases in equity, other than those resulting from the shareholders' contributions.

The fair value is the value at which an asset can be traded or a debt settled, between interested parties and in good faith, in a transaction carried out under objective conditions.

The income assessment

The objective of IFRS 15 - Revenue from contracts with customers is to clarify the principles of revenue recognition. This includes eliminating inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices generated by companies, industries and capital markets. In this regard, IFRS 15 establishes a unique framework for revenue recognition. The basic principle of the framework is: an entity should recognize revenue to describe the transfer of goods or services promised to customers in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those goods or services. The revenue is recognized when or as the customer obtains control over the goods or services.

The revenues represent the gross inflow of economic benefits during the period generated within the normal activities of an entity, in the form of inflows of assets or increases in the value of assets, or decreases in liabilities, which result in increases in equity, other than those obtained through contributions from the capital holders. Revenues are increases in economic benefits recorded during the accounting period, in the form of incomes or increases in assets or reductions in liabilities, which materialize in increases in a company's own capital, other than those resulting from shareholders' contributions. The fair value is the value at which an asset can be traded or a debt settled, between interested parties and in good faith, in a transaction carried out under objective conditions.

IFRS 15 - Revenue from contracts with customers establishes a general framework that will be applied for the recognition of revenue from a contract concluded with a customer (with limited exceptions), regardless of the type of transaction or the industry. The standard establishes five steps to be followed for the revenue recognition:

- the identification of the contract/contracts with a client;
- the identification of performance obligations from a contract;
- the determination of the transaction price for the obligations in the contract;
- the allocation of the transaction price for the performance obligations;
- the revenue recognition when (or to the extent that) the entity fulfills a performance obligation.

IFRS 15 – The revenues from the contracts with customers focus on the identification of obligations and make a clear distinction between obligations that are satisfied "at a given point in time" and those that are satisfied "over a period of time"; this is determined by the manner in which the control of the goods or services is transferred to the customer. The principle underlying this standard is that the company should recognize and record revenues in a way that indicates the transfer of goods or services.

The revenues from the sale of finished products, of products made on other manufacturing sites and from other activities are recognized when there is an obligation to register a contract, i.e. all the following conditions were met:

- a) the parties to the contract have approved the contract (in writing, verbally or in accordance with other usual business practices) and they undertake to fulfill their obligations;
- b) the company can identify the rights of each party regarding the goods or services that will be transferred;
- c) the company can identify the payment terms for the goods or services that will be transferred;
- d) the contract has commercial content;
- e) it is likely that the Company will collect the counterperformance to which it will be entitled in exchange for the goods or services that will be transferred to the client.

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2. GENERAL INFORMATION (continued)

The revenue from the sale of goods is recognized to illustrate the transfer of goods promised to customers at an amount that reflects the consideration to which they are expected to be entitled in exchange for those goods. The income is recognized when the Company fulfills a performance obligation by transferring some promised goods (an asset) to a customer. The asset is transferred when the customer obtains control over that asset. When the performance obligation is fulfilled, the value of the transaction price, which is allocated to that performance obligation, must be recognized as income. The company considers that the collection terms do not generate a financial component of the revenues invoiced to the distributors. The seller guarantees the quality of the delivered products for the entire period of validity under the condition that the customer complies with the legal rules and the written instructions received in advance from the seller regarding the transportation, handling and storage of the products.

In Romania, the standard terms agreed by the parties are as follows: 150 days from the invoice date for non-prescription products, medical devices, food supplements and products for the treatment of the tuberculosis and 180 days from the invoice date for prescription products. In foreign markets, the payment terms vary from the advance payment, before delivery to 90-120 days, depending on the volumes delivered, the customer and the market where the goods are transferred. The products will be sold by the manufacturer to the distributor at the list price in force on the invoicing date. The seller can grant the buyer commercial reductions/discounts, rebates and other commercial advantages provided by the legislation in force depending on the volume and structure of the sale made to the buyer, in accordance with the specific market conditions.

In accordance with IFRS 15, revenues are recognized in the amount that reflects the consideration to which an entity expects to be entitled in exchange for the transfer of goods or services to a customer. According to IFRS 15, revenues will be recognized when a customer obtains control over the goods.

Revenues from the sale of finished products

The revenues obtained from the sale of products manufactured on our own manufacturing sites are recognized as revenues from the sale of finished products.

Revenues from the sale of products manufactured on partner sites

According to the requirements of Good Manufacturing Practices, the manufacturing of some products from the portfolio is carried out on partner manufacturing sites, the revenues from their sale are recognized as revenues from the sale of products manufactured on the partner sites.

Income from studies and research

The company is authorized to carry out clinical studies and laboratory analyzes for third parties, as the counterperformance is recognized as income from studies and research.

Income from various activities

The income from various activities includes the amounts obtained for the provision of wastewater collection services for economic agents in the vicinity.

Employee benefits – IAS 19

Current benefits granted to employees

The short-term benefits granted to employees include allowances, salaries and social security contributions. These benefits are recognized as expenses with the provision of services by employees.

Benefits after concluding the employment contract

Both the company and the employees have the legal obligation to contribute to the social insurance established at the National Pension Fund administered by the National Public Pensions House (contribution plan based on the "pay as you go" principle). The company has no other legal or implicit obligation to pay future contributions. Its obligation is only to pay the contributions when they become due. If the Company stops employing people who are contributors to the financing plan of the National Public Pensions House, it will have no obligation to pay the benefits earned by its own employees in previous years. The Company's contributions to the contribution plan are presented in the expenses chapter in the year to which it refers.

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2. GENERAL INFORMATION (continued)

2.7. Accounting policies – fixed tangible assets

Tangible assets are tangible elements that:

- a) are held in order to be used for the production or provision of goods or services, to be rented to third parties or to be used for administrative purposes;
- b) is expected to be used during several financial years.

Recognition:

The tangible assets, with the exception of land and buildings, are valued at net cost of accumulated depreciation and/or accumulated depreciation losses, if any.

The cost of an item of tangible assets must be recognized as an asset if and only if:

- a) it is probable that the entity will generate future economic benefits related to the asset;
- b) the cost of the asset can be reliably assessed.

Evaluation after recognition

After the recognition as an asset, an item of property, plant and equipment is accounted for at cost less the accumulated depreciation and the accumulated impairment losses.

After the recognition as an asset, an element of tangible assets whose fair value can be reliably assessed is accounted for at a revalued value and this is its fair value on the revaluation date. The revaluations are performed regularly enough to ensure that the book value does not differ significantly from what would have been determined by using the fair value at the end of the reporting period. The revaluation of tangible assets relates to buildings and land.

The fixed assets for production, supply or administrative purposes, or for purposes not yet determined, are recorded at cost minus any recognized impairment loss. The cost includes the professional fees and, for eligible assets, the costs of indebtedness capitalized in accordance with the accounting policy.

If an element of tangible assets is revalued, then the entire class of tangible assets to which that element belongs is revalued.

If the accounting value of a tangible fixed asset is increased as a result of the revaluation, then the increase is recognized in other elements of the overall result and accumulated in the equity as surplus from the revaluation. However, the increase must be recognized in profit or loss to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in profit or loss.

If the accounting value of an asset is reduced as a result of a revaluation, this reduction must be recognized in profit or loss. However, the reduction must be recognized in other elements of the comprehensive result to the extent that the revaluation surplus shows a credit balance for that asset. The reduction recognized in other elements of the global result reduces the amount accumulated in the equity capital as revaluation surplus.

The surplus from the revaluation included in the equity related to an element of tangible assets is transferred directly to the retained earnings when the asset is derecognized. The transfers from the revaluation surplus to the retained earnings are not made through profit or loss.

The effects of taxes on profit resulting from the revaluation of tangible assets are recognized and presented in accordance with IAS 12 Profit tax, if that is the case.

The company carried out the revaluation of immobilized assets such as land, buildings and special constructions existing in the heritage on 31.12.2023, for the purpose of accounting reporting.

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2. GENERAL INFORMATION (continued)

The lands and buildings are provided in the Individual Statement of the financial position at their revalued amounts and it is the fair value on the revaluation date minus any accumulated depreciation and accumulated depreciation losses.

The revaluation was carried out by Darian DRS S.A., an authorized appraiser and an accredited member of ANEVAR. The revaluation of tangible fixed assets was carried out in accordance with the standards of practice in evaluation in compliance with the legislation in force on the date of the evaluation.

Basically, the evaluation approaches and applied methods relate to:

- In the cost approach, the cost of reconstruction or replacement of the building and land development is determined on the evaluation date, along with a value estimate of the losses that occurred due to physical wear, functional inadequacy and external conditions. To the estimated cost, after deducting the depreciation of the building, the real estate investor's profit and the estimated value of the land are added. The total represents the value indicated by the cost approach.
- In the income approach, the estimation of the value of the real estate property is sought through the perspective of the profitability it represents for the owner, based on the income from the rental. In the calculations to determine the value, an appropriate capitalization method and the appropriate capitalization rates are used.
- In the market approach, the aim is to estimate the value of the real estate property by analyzing the market for similar properties and by comparing these properties with the property subject to evaluation.
- In the direct comparison method, the market value is estimated by comparing the real estate with similar properties that have recently been sold, which are proposed for sale, or which are under contract.

The allocation of values for accounting purposes:

- in the case of land, the fair value was considered to be the market value obtained by the direct comparison method or the parceling and development analysis method;
- in the case of buildings and special constructions related to real estate, the fair value is equal to the value obtained under the cost approach - the net replacement cost;
- in the case of apartments, the fair value was assimilated to their market value.

The evaluation was based on the information regarding the price level corresponding to the month of December 2023. December 31, 2023 is the date on which the assumptions taken into account and the values estimated by the evaluator (evaluation date) are considered to be valid.

The revaluation results are detailed in Note 11 and the value after the revaluation on December 31, 2023 is 204,794,472 for land and 312,770,025 for buildings.

Due to the significant differences as a result of the revaluation, the company decided to reevaluate the land and constructions on December 31, 2022 and to correct the company's financial position on December 31, 2022.

Subsequent costs

The daily maintenance and repair expenses related to the tangible assets are not capitalized. They are recognized as costs of the period during which they are produced. These costs consist mainly of labor and consumables and they may also include the cost of low-value components. The expenses for the maintenance and repairs of tangible assets are recorded in the profit or loss account when they occur. The significant improvements brought to the tangible assets, which increase their value or life span, or which significantly increase their capacity to generate economic benefits are capitalized (increase accordingly the accounting value of that asset).

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2. GENERAL INFORMATION (continued)

Depreciation of tangible assets

The depreciable value of an asset is allocated systematically over its useful life. The depreciation of an asset begins when it is available for use, that is, when it is in the location and condition necessary to be able to operate in the manner desired by management.

The company-owned lands are not depreciated.

For depreciable fixed assets, the company uses, from an accounting viewpoint, the straight-line depreciation method. The amortization periods are determined by an internal specialized committee according to the company's internal procedures. Below there is a brief presentation of the life spans of fixed assets by main categories:

Category	Lifetime
Buildings and constructions	24-40 years
Equipment and installations	7-24 years
Means of transport	4-6 years
Computing technology	2-15 years
Office furniture and equipment	3- 5 years

Depreciation of tangible assets

To determine whether an item of property, plant and equipment is impaired, an entity applies IAS 36 Impairment of Assets. At the end of each reporting period, the entity estimates whether there are indications of asset impairment. If such indications are identified, the entity estimates the recoverable value of the asset.

If and only if the recoverable amount of an asset is lower than its book value, the book value of the asset will be reduced to be equal to the recoverable value. Such a reduction represents an impairment loss. An impairment loss is recognized immediately in the profit or loss of the period, except when the asset is reported at the revalued value, in accordance with the provisions of another Standard (for example, in accordance with the revaluation model of IAS 16 Tangible assets). Any impairment loss in the case of a revalued asset is considered to be a decrease generated by the revaluation.

2.8. Intangible assets - accounting policies

Purchased intangible assets

The intangible assets are recorded according to IAS 38, "Intangible assets" and IAS 36, "Depreciation of assets". The externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic life.

The expenses related to the acquisition of patents, copyrights, licenses, brands and other intangible fixed assets recognized from an accounting viewpoint, with the exception of the costs of establishing, of the commercial fund, of intangible fixed assets with an indefinite useful life, thus classified according to the accounting regulations, it is recovered by means of straight-line depreciation deductions during the contract period or during the period of use.

Licenses

The licenses purchased separately are presented at historical cost. The licenses are capitalized based on the costs recorded with the acquisition and the commissioning. They have a fixed lifetime and they are subsequently accounted for at cost minus the accumulated depreciation and the depreciation losses.

Software

The licenses acquired separately are valued at historical cost. After the initial recognition, the software is accounted for at cost less any accumulated amortization and any impairment loss, if any.

The computer program maintenance costs are recognized at expense as they are achieved.

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2. GENERAL INFORMATION (continued)

The depreciation of intangible assets

The computer programs are amortized linearly over a period of 3 years and the licenses are amortized during their validity, which cannot exceed 5 years.

The internally generated intangible assets (development costs)

To determine whether an internally generated intangible asset meets the recognition criteria, an entity divides the process of generating the asset into:

- (a) a research phase; and
- (b) a developmental phase.

The research expenses (or during the research stage of an internal project) are recognized as expenses of the exercise to which they relate.

The development expenses related to projects for new products intended for registration on the domestic and international markets, technological transfer projects are recognized as intangible assets. These consist of: the consumption of raw materials and consumables and the labor costs related to the hours worked for each project.

An internally generated intangible asset resulting from development (or from the development stage of an internal project) is recognized if and only if all the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- The intention to complete the intangible asset and to use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to reliably measure the expenses attributable to the intangible asset during its development.

The initially recognized amount for internally generated intangible assets is the amount of expenses incurred from the date on which the intangible asset meets the recognition criteria listed above for the first time. Where no internally generated intangible asset can be recognized, development expenses are recognized in profit or loss in the period in which they are incurred.

The recognition of costs in the accounting value of an intangible asset ceases when the asset is in the necessary condition to be able to function in the manner intended by the management. Thus, the costs of using or moving an intangible asset are not included in the accounting value of the asset in question.

The following costs are not included in the accounting value of an intangible asset:

- (a) the costs incurred when an asset capable of operating in the manner intended by the management has not yet been put into use; and
- (b) the initial operating losses, such as those borne as the demand for the production achieved by that asset takes shape.

After the initial recognition, the internally generated intangible assets are reported at cost less the accumulated amortization and the accumulated impairment losses, on the same basis as the intangible assets that are acquired separately.

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2. GENERAL INFORMATION (continued)

The development expenses related to the projects for new products are recognized as intangible assets. These consist of: the consumption of raw materials and consumables, the labor costs related to the hours worked for each project, other fees paid to regulatory authorities in the pharmaceutical field with the amounts required for authorization.

Depreciation of intangible assets

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gains or losses resulting from the derecognition of an intangible asset measured as the difference between the net proceeds from disposal and the accounting value of the asset are recognized in the profit or loss account when the asset is derecognised.

The impairment of non-financial assets (excluding stocks and deferred tax assets) - IAS 36 "Impairment of assets"

The assets owned by the company, as specified in IAS 36 "*Impairment of assets*", are subject to impairment tests whenever events or changes in circumstances indicate that it is possible that their accounting value cannot be fully recovered. When the book value of an asset exceeds the recoverable amount (that is, the highest amount between the value in use and the fair value minus the costs of sale), the asset is adjusted accordingly.

When it is not possible to estimate the recoverable amount of an individual asset, the impairment test is performed on the smallest group of assets to which it belongs, for which there are separately identifiable cash flows; its cash generating units (CGUs).

The depreciation expenses are included in the profit or loss account, except when they reduce previously recognized gains in other elements of the overall result.

The intangible assets are presented in detail in Note 12.

2.9. Stock accounting policies

According to the provisions of IAS 2, the stocks are assets:

- held for sale during the normal course of business;
- under production for such sale; or
- in the form of raw materials, materials and other consumables to be used in the production process or for the provision of services.

The valuation of inventories

The inventories are valued at the lower of cost and the net achievable value.

The raw materials and consumables are valued at the purchase price, including the transport, the handling costs and the net of commercial discounts, the disposal of raw materials and consumables inventories is done using the weighted average price method. The work in progress and the finished goods are valued at actual cost consisting of direct materials, direct labor and directly attributable production expenses and other costs incurred to bring them to their existing location and condition using the standard cost method. The standard costs take into account normal levels of consumption of raw materials and consumables, the labor, the efficiency and the capacity utilization. They are reviewed regularly and, if necessary, revised according to the current conditions.

The cost of inventories

The cost of inventories includes all acquisition costs, conversion costs, as well as other costs incurred to bring the inventories to their current condition and location.

The inventory purchase costs include the purchase price, import taxes and other taxes (except those that the entity can later recover from the tax authorities), transportation costs, handling and other costs that can be directly attributed to the purchase of finished products, materials and services. The trade discounts, rebates and other similar items are deducted to determine the purchase costs.

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Adjustments for inventory impairment - Inventory impairment assessment is performed on an individual basis and it is based on the management's best estimate of the present value of cash flows expected to be received. Each impaired asset is analyzed individually. The accuracy of the adjustments depends on the estimation of future cash flows. The adjustments regarding inventories are based on the calculation performed at the end of the financial year for the specific value adjustment related to inventories of raw materials, consumables and finished products that no longer correspond from a qualitative viewpoint. The calculation of the general adjustment for the depreciation of finished products and goods is made according to the period of validity of the items in stock.

2.10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and to a financial liability or equity instrument for another.

Financial assets

Recognition and initial evaluation

The financial assets are classified, upon the initial recognition, and subsequently evaluated at amortized cost, the fair value through other elements of the overall result.

The classification of financial assets at initial recognition depends on the contractual characteristics of the financial asset's cash flow and the company's business model for their management.

The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows.

All the regular purchases or sales of financial assets are recognized and derecognized based on the date of the transaction. The purchases or sales in the usual way are purchases or sales of financial assets that require the delivery of the assets within the time frame established by regulations or conventions on the market.

With the exception of trade receivables that do not contain a significant financing component, the company initially evaluates a financial asset at fair value.

The receivables arise mainly through the provision of goods and services to customers (for example, trade receivables), but also they incorporate other types of contractual monetary assets (advances granted to suppliers of goods and services, commercial effects not yet due).

The adjustments for the impairment of commercial receivables include adjustments for receivables in litigation and adjustments established by applying the simplified analysis model provided by IFRS 9 Financial Instruments. The company applies the simplified approach of IFRS 9 for the measurement of expected credit losses, which aims at a reduction of expected loss (ECL) over the lifetime for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on common credit risk characteristics and days past due.

The expected loss rates are based on the payment profiles of the sales for a period of 36 months before December 31, 2023 and January 1, 2023, and on the corresponding historical credit losses recorded during this period. Historical loss rates are adjusted to reflect the current and future information regarding the macroeconomic factors that impact the customers' ability to settle receivables.

The trade receivables are canceled when there is no reasonable expectation of recovery. The indicators showing that there is no reasonable expectation of recovery include, among others, the fact that a debtor does not commit to a repayment plan and that a debtor does not make contractual payments for a period of more than 90 days in arrears. The impairment losses on trade receivables are presented as net impairment losses within the operating profit. The subsequent recoveries of previously canceled amounts are credited to the same item.

Adjustments for the impairment of receivables – For trade receivables, a simplified approach is adopted in which the impairment losses are recognized based on expected lifetime credit losses at each reporting date. If there are credit insurances or guarantees for the outstanding balances, the calculation of expected losses from receivables is based on the probability of non-repayment related to the insurer for the insured part of the outstanding balance and the remaining uncovered amount will have the probability of non-repayment of the counterparty. For commercial receivables, the regulated simplified model is used of IFRS 9.

All the financial liabilities are subsequently valued at amortized cost using the effective interest method.

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The effective interest method is a method of calculating the amortized cost of a financial debt and allocating interest expenses over the relevant period. The effective interest rate is the rate that accurately updates the estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, the transaction costs and other premiums or discounts) over the estimated life of the financial debt, or (if applicable) a shorter period, at the amortized cost of a financial debt.

The company derecognizes the financial liabilities when and only when the company's obligations are honored, canceled or have expired. The difference between the accounting value of the derecognized financial debt and the consideration paid and to be paid is recognized in profit or loss.

The cash and cash equivalents

The cash from the individual statement of the financial position includes the cash at the banks and in the cash register. The company's exposure to the credit risk associated with the cash and cash equivalents is limited because it collaborates with solid financial institutions in terms of cash management and banking operations.

In the individual statement of cash flows, the cash and cash equivalents are included. The book value of these assets is approximately equal to its fair value.

2.11. The taxation

The income tax expense includes the current tax and the deferred tax.

The current tax

The current income tax assets and liabilities are valued at the amount expected to be paid or paid to the tax authorities. The tax rates and fiscal laws used to calculate the amount are those that are adopted or substantially adopted at the reporting date.

The current tax includes the tax to be paid or recovered related to the taxable profit or loss(es) of that particular year and any adjustment of the tax to be paid or recovered related to previous years. The amount of the current tax to be paid and recovered is the best estimate of the amount expected to be paid or recovered that reflects the uncertainty related to the profit tax. It is determined using the tax rates that have been adopted or largely adopted at the reporting date. The current tax credits and debts are offset only if certain criteria are met.

Taxation - The taxation system in Romania is undergoing a stage of consolidation and harmonization with the European legislation. There are uncertainties regarding the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Considering the diversity of business relationships and the longevity and complexity of the existing contractual agreements, the differences that occur between the actual results and the assumptions made or future changes to these assumptions could require future adjustments to the tax revenues and expenses already recorded. In Romania, the fiscal year remains open for fiscal verification for 5 years. The management of the company considers that the fiscal obligations included in the individual financial statements are adequate.

The deferred tax

In calculating the deferred tax, the company will take into account the provisions of IAS 12 "Profit tax".

The deferred tax is recognized as the difference between the accounting value of assets and liabilities in the financial statements and the corresponding tax bases used to calculate the taxable income.

The deferred tax liabilities are generally recognized for all the taxable temporary differences, while the deferred tax assets are recognized for deductible temporary differences.

The current tax and the deferred tax are recognized in profit or loss, except in the case where they refer to elements that are recognized in other elements of the global result or directly in equity, in which case the current tax and the deferred tax are also recognized in other elements of the global result or, respectively, directly in equity.

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The recognition of deferred tax assets is limited to those moments when it is possible that the taxable profit of the following period will be available.

The amount of the asset or liability is determined using tax rates that have been largely adopted up to the reporting date and are expected to be applied when the deferred tax liabilities/(assets) are settled/(recovered).

The company offsets the receivables and liabilities regarding the deferred tax if and only if it has a legally enforceable right to offset the assets and liabilities with the current tax and the assets and liabilities with the deferred tax refer to the profit tax levied by the same fiscal authority.

2.12. The provisions

The provisions are recognized when the Company has a present obligation (legal or implicit) as a result of a past event; it is probable that an outflow of resources incorporating economic benefits will be necessary to settle the obligation and a reliable estimate of the obligation's value can be made.

The provision is valued at the best estimate of the expenses necessary to settle the obligation at the reporting date, updated at a pre-tax rate that reflects the current market assessments of the value of money over time and the specific risks of the debt.

A provision is recognized if, as a result of a previous event, the Company has a current, legal or implied obligation, which can be reliably estimated and it is likely that an outflow of resources incorporating the economic benefit will be required to settle the obligation. The provisions are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessments of the time value of money and specific debt risks.

According to IAS 37 "Provisions, contingent liabilities and contingent assets", a provision must be recognized if:

- a) The company has a current obligation (legal or implicit) generated by a past event;
- b) it is likely that for the settlement of the obligation an outflow of resources incorporating economic benefits will be necessary;
- c) a credible estimate of the value of the obligation can be made.

If these conditions are not met, a provision should not be recognized.

Judicial proceedings - The company reviews the unresolved legal cases following the developments in the judicial proceedings and the existing situation at each reporting date, in order to evaluate the provisions and the presentations from its individual financial statements. Among the factors considered in making decisions related to provisions are the nature of the litigation or claims and the potential level of damages in the jurisdiction in which the litigation is adjudicated, the progress of the case (including the progress after the date of the individual financial statements but before those statements are issued), the opinions or the opinions of legal advisers, the experience in similar cases and any decision of the company's management related to how it will respond to the litigation, complaint or assessment.

2.13. The recognition of expenses

The recognition of expenses constitutes reductions of the economic benefits recorded during the accounting period in the form of outflows or decreases in the value of assets or increases in liabilities, which materialize in reductions of equity, other than those resulting from their distribution to shareholders.

The accounting estimates of expenses - There are objective situations in which until the closing date of some fiscal periods or until the closing date of a financial exercise the exact values of some expenses committed by the company are not known (example-marketing campaigns-sales of product promotion and stimulation of sales). For this category of expenses, preliminary expenses will be made, which will be actually recorded in the following periods.

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2. GENERAL INFORMATION (continued)

2.14. The dividends

The dividends are recognized as a deduction from equity in the period in which their distribution is approved and are recognized as a liability to the extent that they are unpaid at the reporting date. The dividends are presented in the notes to the individual financial statements when their distribution is proposed after the reporting date and before the date of issuance of the individual financial statements.

The dividends are distributed from the net annual distributable profit based on the audited individual annual financial statements, after their approval by the Ordinary General Meeting of the Company and after the approval of the dividend proposal by the Ordinary General Meeting. The distributable profit represents the part of the net profit of the financial year that can be distributed in the form of a dividend after legal and statutory distributions have been made, such as the distribution for the legal reserve.

The shareholders receive dividends proportional to the ownership share of the paid-up social capital of the company and no right of priority or preference over the distribution of dividends in favor of any shareholder is applicable.

The proposal regarding the distribution of dividends made by the Management Board will be submitted to the vote of the General Meeting of Shareholders, as a rule, in the same meeting where the audited individual financial statements are approved.

When accounting for dividends, the provisions of IAS 10 "Events subsequent to the balance sheet date" are taken into account.

2.15. Capital and reserves

Capital and reserves (equity) represent the rights of the shareholders over the assets of an entity, after deducting all debts. The equity includes: capital contributions, reserves, retained earnings and financial year results.

Antibiotice S.A. was established according to Law no. 31/1990 on commercial companies, with subsequent additions and changes.

In the first set of individual financial statements prepared according to IFRS, the company applied IAS 29 "Financial reporting in hyperinflationary economies" for the shareholders' contributions obtained before January 1, 2004, namely they were adjusted with the corresponding inflation index.

2.16. Earnings per share

The company presents the basic and diluted result per share for ordinary shares. The result per basic share is determined by dividing the profit or loss attributable to the company's ordinary shareholders by the weighted average number of ordinary shares related to the reporting period.

The result per share is presented in detail in Note 10.

Segmented reporting

A segment is a distinct component of the company that provides certain products or services (activity segment) or which provides products and services in a certain geographic environment (geographic segment) and which is subject to risks and benefits different from those of the other segments. From the view point of the activity segments, the company does not identify distinct components from the viewpoint of the associated risks and benefits.

2.17. Affiliated parties

A person or a close member of that person's family is considered affiliated with a Company if that person:

- (i) has control or joint control over the company;
- (ii) has a significant influence on the company;
- (iii) is a member of the key management personnel.

The key management personnel represent those persons who have the authority and responsibility to plan, direct and control the company's activities directly or indirectly, including any (executive or non-executive) director of the entity.

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2. GENERAL INFORMATION (continued)

The transactions with the key personnel include exclusively the salary benefits granted to them as presented in Note 7 - Expenses with employee benefits and the remuneration of the members of the Management Board.

An entity is affiliated to the company if it meets any of the following conditions:

- (i) the entity and the company are members of the same group (which means that each parent company, subsidiary and subsidiary in the same group is linked to the others);
- (ii) the entity is an associated entity or joint venture of the other entity (or an associated entity or joint venture of a member of the group of which the other entity is a part);
- (iii) both entities are participating associations of the same third party;
- (iv) one entity is a joint venture of a third entity, and the other is an associated entity of the third entity;
- (v) the entity is a post-employment benefits plan for the benefit of the employees of the reporting entity or of an entity affiliated with the reporting entity. If the reporting entity itself represents such a plan, the sponsoring employers are also affiliated with the reporting entity;
- (vi) the entity is controlled or jointly controlled by an affiliated person;
- (vii) the affiliated person who holds the control significantly influences the entity or the person is a member of the key personnel in the entity's management (or the entity's parent company).

The company does not carry out transactions with entities described in letters (i) - (vii) above.

2.18. Contingent assets and liabilities

A contingent liability is:

- a) a potential obligation arising as a result of previous events and whose existence will only be confirmed by the occurrence or the occurrence of one or more uncertain future events, which are not fully controlled by the company; or
- b) a current obligation arising as a result of previous events, but which is not recognized because:
 - it is not likely that resource outflows will be required to incorporate economic benefits for the settlement of this obligation; or
 - the value of the obligation cannot be assessed reliably enough.

The contingent liabilities are not recognized in the financial statements, but they are presented in the notes, with the exception of the case where the possibility of an outflow of resources incorporating economic benefits is remote.

A contingent asset is a potential asset that appears as a result of previous events and whose existence will only be confirmed by the occurrence or the non-occurrence of one or more uncertain future events, which are not fully controlled by the company. A contingent asset is not recognized in the financial statements, but it is presented when an inflow of economic benefits is probable.

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2. GENERAL INFORMATION (continued)

2.19. The risk management

The activities carried out by the company may give rise to various risks. The risk management monitors the impact of these risks and events that may have adverse effects on the company's operations.

The company is exposed through its operations to the following financial risks:

- The credit risk;
- The market risk, which includes the interest rate risk, currency risk and the instrument price risk;
- The liquidity risk.

Like all other activities, the company is exposed to risks arising from the use of financial instruments. This note describes the company's objectives, policies and processes for managing these risks and the methods used to assess them. Additional quantitative information regarding these risks is presented in these individual financial statements.

There have been no major changes in the company's exposure to risks regarding the financial instruments, its objectives, policies and processes for managing these risks or the methods used to evaluate them compared to previous periods, except as otherwise mentioned in this note.

The company is mainly exposed to risks arising from the use of financial instruments; the main financial instruments used by the company are:

- Trade receivables and other receivables;
- Cash and cash equivalents;
- Trade debts and other debts.

A summary of the financial instruments held by category is presented below:

Trade receivables, cash and cash equivalents at amortized cost	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)
Commercial and similar receivables	235,771,990	196,402,918	204,033,217
Cash and cash equivalents	1,807,930	1,727,454	1,727,454
Total	237,579,920	198,130,372	205,760,671

The values by maturity intervals of the financial assets are

Financial liabilities at amortized cost	Period ending on December 31, 2023 (audited)	Period ending on December 31, 2022 (audited)	Period ending on December 31, 2022 (restated)
Trade and similar debts	150,780,362	86,067,391	99,391,828
Bank loans	29,552,092	34,008,116	34,008,116
Total	192,993,444	120,075,507	133,399,944

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2. GENERAL INFORMATION (continued)

The values by maturity intervals of the financial debts are presented at the liquidity risk

The calculation and analysis of the net situation (equity)

Indicators (LEI)	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)
Short-term loans and credits	29,552,092	34,008,116	34,008,116
Long-term loans and credits	36,750,203	46,973,501	46,973,501
Cash and cash equivalents	(1,807,930)	(1,727,454)	(1,727,454)
Net liabilities	64,494,365	79.254,163	79.254,163
Total equity	846,964,120	641,430,601	740,983,592
Net debt in equity (%)	7.61%	12.36%	10.70%

The credit risk

The credit risk is the risk of financial loss for the company that occurs if a customer or counterparty to a financial instrument does not fulfill its contractual obligations. The company is exposed to the credit risk resulting from its operational activity, mainly from the collection of trade receivables.

Regarding the cash and cash equivalents, the company analyzed the credit risk and determined that it is not significant.

Receivables

The commercial receivables come from commercial relations with distributors in the national pharmaceutical market and from commercial relations with partners in the international market.

Within the company level, there is a Commercial Policy, in which the commercial conditions of sale are clearly presented and there are conditions imposed in the selection of clients.

Within the company, the exposure to credit risk is controlled. A specialized department permanently monitors each debtor in the commercial relations on the domestic market.

For the domestic and international receivables, the credit risk is constantly evaluated, taking into account the financial performance, the payment history and insurance policies are concluded.

The balance of receivables is monitored at the end of each month and any delay from a customer is analyzed.

The credit risk profile of the commercial receivables is presented according to their maturity, monitoring the receivables from the domestic market and from the international market separately. The historical non-payment rates are analyzed.

The trade receivables do not bear interest and they generally have payment terms that vary between advance payment and 180 days.

The trade receivables are considered in default when they are overdue for more than 90 days. The trade receivables are canceled when the management considers that there is no probability of collection.

In accordance with IFRS 9, the financial assets and liabilities of the company are valued at amortized cost.

The company has not included information regarding the fair value for financial assets and liabilities that are not valued at fair value if the accounting value represents a reasonable approximation of the fair value. The company used the simplified approach of IFRS 9 to determine the expected credit loss for trade receivables related to third parties that did not contain a significant financing component.

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2. GENERAL INFORMATION (continued)

The methodology used by the company to evaluate the expected losses of trade receivables can be described as follows:

- determining an appropriate watch period for tracking the historical loss rate. The company selected 3 previous periods for data collection;
- collecting data on commercial receivables and grouping them according to maturity in each analyzed period;
- the analysis of the evolution of these balances over a period of 12 months and the determination of the unpaid amounts from each group of balances to determine the proportion of balances from each category of debt that was not collected in the end;
- the determination of the weighted average rate of losses (%) according to maturity for the 3 analyzed periods;
- the application of the loss rate thus determined for trade receivables on December 31, 2023.

The market risk

The market risk represents the possibility of recording losses or not achieving the estimated profits resulting, directly or indirectly, from fluctuations in the market price, interest rate or exchange rate related to the company's assets and liabilities.

The main subcategories of the market risk are the following:

The interest rate risk: the risk that the fair value of future cash flows or future cash flows related to financial instruments will fluctuate with the changes in interest rates.

The currency risk: The currency risk: the risk that the fair value of future cash flows or future cash flows related to financial instruments will fluctuate with changes in the exchange rates.

The company is mainly exposed to the currency risk in purchases made from external suppliers of raw materials, packaging materials and other materials. The suppliers from whom the company purchases these items necessary to support the production of medicines must have quality documents, provided in the European rules for the production and registration of medicines on the market.

On December 31, 2023, the company's net exposure to currency exchange risk was as follows:

Assets/liabilities in EURO equivalent to LEI	For the year ended on	
	31-Dec-23	31-Dec-22
Monetary financial assets	4,965,465	1,637,820
Monetary financial liabilities	(22,478,573)	(19,978,727)
Net financial assets	(17,513,109)	(18,340,906)
Variation RON/EUR	Gain/ Loss	
RON appreciation against EUR by 5%	(875,655)	(917,045)
RON depreciation against EUR by 5%	875,655	917,045
Impact on the result	-	-
Assets and liabilities in EURO		
Assets and liabilities in EURO	998,164	331,047
Assets and liabilities in EURO	(4,518,669)	(4,038,228)
Net financial assets	(3,520,506)	(3,707,181)

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Assets/liabilities in USD equivalent LEI	31-Dec-23	31-Dec-22
Monetary financial assets	13,691,379	22,693,672
Monetary financial liabilities	(13,021,662)	(8,041,390)
Net financial assets	669,717	14,652,283
Variation RON/USD		
RON appreciation against USD by 5%	33,486	732,614
RON depreciation against USD by 5%	(33,486)	(732,614)
Impact on the result	-	-
Assets and liabilities in USD		
Monetary financial assets	3,045,371	4,896,576
Monetary financial liabilities	(2,896,406)	(1,735,077)
Net financial assets	148,965	3,161,499

The company's net exposure to foreign exchange risk, equivalent in lei, is presented in the following table:

Assets / Liabilities	31-Dec-23	31-Dec-22
LEI	82.609.998	88.021.883
EUR	(17.513.109)	(18.340.906)
USD	669.717	14.652.283
Other currencies (CAD, GBP)	(4.969)	(75.071)
Net exposure	65.761.638	84.258.188

The liquidity risk

The company's policy is to ensure that it will have enough cash to allow it to meet its obligations when they become due. To achieve this objective, it seeks to maintain the cash balances to meet the payment needs.

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The company prepares budgets, analyzes and estimates of cash flows, which allow the evaluation of the level of funding required in the following periods.

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2. GENERAL INFORMATION (continued)

The accounting values of monetary assets and liabilities are presented below:

The year 2023

December 31, 2023	Up to 3 months	Between 3 -12 months	Over 12 months	Total
Trade and similar receivables	113,909,596	106,711,418	15,150,976	235,771,990
Cash and cash equivalents	1,807,930			1,807,930
Total	115,717,526	106,711,418	15,150,976	237,579,920

December 31, 2023	Up to 3 months	Between 3-12 months	Over 12 months	Total
Trade and similar debts	82,696,971	68,083,391	-	150,780,362
Other debts	9,831,550	-	-	9,831,550
Short term loans	2,673,493	26,878,599	-	29,552,092
Long term loans	-	-	36,750,203	36,750,203
Total	95,202,014	94,961,990	36,750,203	226,914,207
Net position in 2023	20,515,512	11,749,428	(21,599,227)	10,665,713

The year 2022

December 31, 2022 reported	Up to 3 months	Between 3-12 months	Over 12 months	Total
Trade and similar receivables	111,039,321	70,198,778	15,164,819	196,402,918
Cash and cash equivalents	1,727,454	-	-	1,727,454
Total	112,766,775	70,198,778	15,164,819	198,130,372

31 decembrie 2022 raportat	Up to 3 months	Between 3-12 months	Over 12 months	Total
Trade and similar debts	85,426,642	640,749	-	86,067,391
Other debts	8,280,670	-	-	8,280,670
Short term loans	2,658,875	31,349,241	-	34,008,116
Long term loans	-	-	46,973,501	46,973,501
Total	96,366,187	31,989,990	46,973,501	175,329,678
Net position in 2022	16,400,588	38,208,788	(31,808,682)	22,800,694

The company's management closely monitors the situation and acts accordingly. The management believes that, based on the perspective of the cash flow and the support available from the shareholders, the Interval of more than 12 months the company should be in a negative position regarding the ability to pay. The management is confident that in 12 months there will be enough resources to cover the payment needs.

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2. GENERAL INFORMATION (continued)

2.20. New IFRS accounting standards and amendments to existing standards, which are in force this year

In the current year, the company applied a series of amendments to the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union, which became mandatory for the reporting period starting on or after January 1, 2023. Their adoption did not have a significant impact on the presentation of information nor on the amounts reported in these individual financial statements.

-The new standard IFRS 17 "Insurance contracts" including amendments to IFRS 17 issued by the IASB in June 2020 and December 2021

-Amendments to IAS 1 Presentation of accounting policies

-Amendments to IAS 8 Definition of accounting estimates

-Amendments to IAS 12 Deferred tax related to receivables and payables arising from a single transaction

-Amendments to IAS 12 International tax reform — model rules regarding pillar II*

** the exception mentioned in the amendments to IAS 12 (for an entity not to recognize and not to provide information on deferred tax assets and liabilities related to deferred tax that is subject to OECD pillar two) is applicable immediately after the issuance of the amendments and retrospectively in accordance with IAS 8. The other presentation requirements are mandatory for annual periods beginning on or after January 1, 2023.*

New IFRS accounting standards and amendments to existing standards issued and adopted by the EU, but which have not yet entered into force

At the date of approval of these individual financial statements, the company did not apply the following modified IFRS Accounting Standards that were issued by the IASB and adopted by the EU, but they have not yet entered into force:

-Amendments to IFRS 16-Lease liabilities in a sale and leaseback transaction, effective date from January 1, 2024.

- The amendments to IAS 1-Classification of debts into short-term debts and long-term debts and long-term debts with financial indicators, effective date from January 1, 2024.

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

Currently, the IFRS as adopted by the EU do not differ significantly from the IFRS adopted by the International Accounting Standards Board (IASB), with the exception of the following new standards and amendments to existing standards, which were not adopted by the EU at the date of authorization of these individual financial statements:

-Amendments to IAS 7 and IFRS 7 Financing agreements in relation to suppliers (date of entry into force established by the IASB: January 1, 2024)

They have not yet been adopted by the EU.

-The amendments to IAS 21 Lack of convertibility (effective date established by the IASB: January 1, 2025). They have not yet been adopted by the EU.

- IFRS 14 Deferral accounts related to regulated activities (date of entry into force established by: January 1, 2016). The European Commission decided not to start the approval process of this interim standard and to wait for the final standard.

- Amendments to IFRS 10 and IAS 28 Sale of or contribution of assets between an investor and its associated entities or joint ventures and subsequent amendments (the date of entry into force was postponed for an indefinite period by the IASB, but early application is allowed).

The approval process was postponed for an indefinite period until the completion of the research project on the equivalence method.

The company anticipates that the adoption of these new standards and the amendments to the existing standards will not have a significant impact on the individual financial statements of the company in the future.

The hedge accounting against the risks of a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the company's estimates, the use of hedge accounting for a portfolio of financial assets and

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liabilities according to IAS 39: "Financial instruments: recognition and evaluation" would not significantly affect the individual financial statements, if it is applied at the balance sheet date.

3. OPERATING INCOME

An analysis of the revenues is presented below:

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
Sales of finished products	572,102,283	481,986,592
Sales of products made on other manufacturing sites	134,284,838	103,496,897
Revenues from other activities	1,304,436	1,057,375
Commercial discounts granted	(106,910,732)	(102,816,678)
Total	600,780,825	483,724,186

According to the geographical distribution, the turnover is structured as follows:

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
On the Romanian market	382,398,442	299,195,890
On foreign markets	218,382,383	184,528,296
Total	600,780,825	483,724,186

4. OTHER REVENUES

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
	RON	RON	RON
Revenues from revaluation of tangible assets	564,611	-	-
Revenues from compensations, fines and penalties	4,178	33,135	33,135
Revenues from the sale of tangible and intangible assets	1,500	103,545	103,545
Other operating revenues	853,993	1,896,692	7,194,162
Total	1,424,282	2,033,372	7,330,842
Revenues from subsidies	270,907	302,979	302,979
Total	1,695,189	2,336,351	7,633,821

5. EXPENDITURE WITH RAW MATERIALS, USED CONSUMABLES AND GOODS

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
Raw material expenses	141,828,708	109,740,746
Consumables expenses	15,248,456	16,233,520
Freight charges	61,063,703	51,126,808
Consumed packaging	27,590	16,183

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Total	218,168,457	177,117,257
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6. EXPENSES WITH EMPLOYEE BENEFITS AND REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

	Period ending on December 31, 2023	Period ending on December 31, 2022 (redported)	Period ending on December 31, 2022 (restated)
	RON	RON	RON
Wages	133,922,841	112,985,753	115,811,858
Labor insurance contribution	3,030,715	2,563,870	2,563,870
Meal vouchers and other benefits granted to employees	9,406,446	7,391,101	7,391,101
Total expenses with employee benefits	156,053,526	122,940,724	125,766,529

The remuneration granted to the Management Board and the Executive Management is presented in the following table:

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
Wages	6,806,579	5,774,720
Civil contracts	901,685	914,091
Taxes and social contributions	216,331	154,855
Variable allowances	3,108,018	1,787,544
Total	11,032,613	8,631,210

7. OTHER EXPENSES

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
	RON	RON	RON
Expenses with services performed by third parties	14,141,264	14,176,126	14,176,126
Repair expenses	2,545,491	1,959,716	1,959,716
Expenses with other taxes and fees*	47,588,521	38,256,584	38,256,584
Protocol, advertisement and publicity expenses	24,162,131	23,271,794	21,390,637
Insurance premium expenses	2,818,950	1,962,310	1,962,310
Consultancy expenses	106,912	-	-
Other general expenses	3,986,392	11,585,068	11,585,068
Rent expenses	595,149	293,025	293,025
Travel expenses	1,643,571	824,117	824,117
Expenses with postal and telecommunications fees	562,380	544,524	544,524
Expenses with compensations, fines and penalties	5,608	25,075	25,075
Expenses with the revaluation of tangible assets	1,459,611	-	-
Total	99,615,980	92,989,339	91,017,182

* For more details regarding the 2022 restatements, see Note 23

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7. OTHER EXPENSES (continued)

Other general expenses in the amount of 3,986,392 lei recorded in 2023 include:

- environmental protection expenses in the amount of 1,485,956 lei;
- expenses for supporting the international sales, amounting to 1,039,541 lei;
- professional training expenses, in the amount of 955,676 lei;
- expenses with bank commissions in the amount of 504,921 lei;
- other operating expenses in the amount of 298 lei.

Other general expenses in the amount of 11,585,068 lei recorded in 2022 include:

- environmental protection expenses in the amount of 1,124,096 lei;
- expenses for supporting the international sales, amounting to 2,496,617 lei;
- professional training expenses, in the amount of 554,862 lei;
- expenses with bank commissions in the amount of 582,729 lei;
- losses from receivables and various debtors in the amount of 4,382,606 lei (related to the removal from the register of unpaid receivables from the period 2000-2017 from insolvent debtors, whose bankruptcy proceedings were closed by final court decisions);
- other operating expenses in the amount of 2,444,159 lei.

* For more details regarding the 2022 corrections, see Note 23

Expenses with other taxes and fees

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
Expenses with the tax on buildings	1,523,139	1,399,608
Land tax expenses	570,498	535,211
Expenses with the tax on means of transport	38,606	41,922
Expenses with other taxes and fees	8,390,952	4,879,581
Expenses with the tax for the registration of licenses	6,672	-
Expenses regarding the environmental fund	40,522	62,378
Expenses with company taxes and advertising	5,472	5,232
Claw-back fee charges	37,012,660	31,332,652
Total	47,588,521	38,256,584

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8. FINANCIAL RESULT

Financial income and expenses:

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
Interest expenses	(4,145,606)	(3,591,289)
Interest income	4,374	1,437
Net interest expense	(4,141,232)	(3,589,852)
Income from exchange rate differences	11,456,207	10,696,832
Expenses from exchange rate differences	(12,401,364)	(11,494,347)
Net exchange rate differences	(945,157)	(797,515)
Other financial expenses	77,403	(209,789)
The financial result	(5,008,986)	(4,597,156)

The interest expenses refer to loans from banks, which are valued at amortized cost.

9. EXPENSES WITH CURRENT PROFIT TAX AND DEFERRED TAX

Amounts recognized in the profit or loss situation

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)
	RON	RON	RON
Current income tax expenses	10,606,050	3,929,305	3,929,305
The impact of deferred income tax	(170,400)	(539,502)	9,912,379
Total	10,435,650	3,389,803	13,841,684

Amounts recognized in other elements of the global result

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)
	RON	RON	RON
The reserve from the revaluation of tangible assets	(5,754,368)	-	(16,494,168)
Total	(5,754,368)	-	(16,494,168)

The profit tax

The current profit tax for the years 2023 and 2022 is determined at a statutory rate of 16% based on the adjusted accounting profit with the non-deductible expenses and non-taxable income. The final value of the profit tax is reduced by tax credits.

The deferred income tax on December 31, 2023 and December 31, 2022 is determined based on the tax rate of 16%, which is expected to be in effect when the temporary differences resume.

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9. EXPENSES WITH CURRENT PROFIT TAX AND DEFERRED TAX (continued)

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)
The accounting profit:	91,524,246	41,903,230
Tax at the Romanian corporate tax rate of 16% (2022: 16%)	14,643,879	6,704,517
Effect of non-deductible expenses	3,278,248	5,697,435
The effect of the non-taxable income	(2,520,784)	(2,847,492)
The tax related to the reinvested profit	(2,602,260)	(4,883,771)
Other tax effects	(2,363,432)	(1,335,975)
Income tax expenses	10,435,650	3,389,803

Modification of deferred tax balances

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)
	RON	RON	RON
Inventories	2,264,204	8,790,913	2,020,616
Employee benefits	2,619,657	-	1,068,694
Total deferred tax assets	4,883,864	8,790,913	3,089,310
Intangible assets	(68,285,091)	(39,662,234)	(60,906,569)
Total deferred tax liabilities	(68,285,091)	(39,662,234)	(60,905,569)
Net deferred tax liabilities	(63,401,227)	(30,871,210)	(57,817,259)

10. EARNINGS PER SHARE

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
	RON	RON	RON
Net profit (A)	81,088,596	38,513,427	51,472,037
Number of ordinary shares (B)	671,338,040	671,338,040	671,338,040
Basic and diluted earnings per share (A/B)	0.1208	0.0574	0.0767

* For more details regarding the 2022 corrections, see Note 23

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11. TANGIBLE FIXED ASSETS

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment, vehicles</u>	<u>Installation s and furniture items</u>	<u>In-progress fixed tangible assets</u>	<u>Total</u>
COST						
Balance on January 1, 2022	189,933,152	157,513,278	225,871,215	8,749,574	64,714,983	646,782,202
Increases:	-	-	-	-	37,576,233	37,576,233
Transfers to / from fixed assets in progress	-	54,141,612	37,931,262	1,130,587	(93,203,461)	-
Increase / (decrease) from revaluation	13,741,550	57,221,385	-	-	-	70,962,935
Disposals and other discounts	-	(901,646)	(2,434,289)	(40,719)	-	(3,376,654)
Balance on December 31, 2022 restated *	203,674,702	267,974,628	261,368,188	9,839,442	9,087,755	751,944,716
Balance on January 1, 2023	203,764,702	267,974,628	261,368,188	9,839,442	9,087,755	751,944,716
Increases:	-	-	-	-	83,025,003	83,025,003
Transfers to / from fixed assets in progress	-	21,432,297	27,448,395	560,988	(49,441,679)	-
Increase / (decrease) from revaluation	1,119,770	23,416,021	-	-	-	24,535,791
Disposals and other discounts	-	(52,921)	(2,573,774)	(165,743)	-	(2,792,438)
Balance on December 31, 2023	204,794,472	312,770,025	286,240,810	10,234,687	42,671,079	856,713,072

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11. TANGIBLE FIXED ASSETS (continued)

	Land	Buildings	Machinery and equipment, vehicles	Installations and furniture items	In-progress fixed tangible assets	Total
CUMULATIVE AMORTIZATION						
Balance on January 1, 2022	-	23,591,076	135,912,271	6,438,037	-	165,941,384
Depreciation recorded during the year	-	8,881,920	11,872,360	298,144	-	21,052,424
Disposals and other discounts	-	(347,382)	(2,434,288)	(40,719)	-	(2,822,389)
Cumulative depreciation of revalued tangible assets	-	(32,125,614)	-	-	-	(32,125,614)
Balance on December 31, 2022 restated	-	-	145,350,343	6,695,462	-	152,045,805
Balance on January 1, 2023	-	-	145,350,343	6,695,462	-	152,045,805
Depreciation recorded during the year	-	10,705,925	14,571,307	409,016	-	25,686,248
Disposals and other discounts	-	(52,921)	(2,628,148)	(165,444)	-	(2,846,513)
Cumulative depreciation of tangible fixed assets revalued	-	(10,534,008)	-	-	-	(10,534,008)
Balance on December 31, 2023	-	118,996	157,293,502	6,939,034	-	164,351,532
NET ACCOUNTING VALUE						
Net book value on December 31, 2022 restated	203,674,702	267,974,628	116,017,845	3,143,980	9,087,755	599,898,910
Net book value on December 31, 2023	204,794,472	312,651,028	128,949,308	3,295,653	42,671,079	692,361,541

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11. TANGIBLE FIXED ASSETS (continued)

The most important investment projects carried out in 2023 are the following:

1. The sewage system

The work on this investment began in 2019 and it will be completed in 2023. The current sewerage system is about 60 years old, showing advanced corrosion, due to the chemicals channeled and the mechanical action of the water. In the course of time, several major accidents occurred throughout the territory of the Antibiotice S.A. platform. Considering the high level of wear and tear, there is a risk of other damages occurring that could have had major implications on the company's activities and on the environment, which is why the creation of a new sewage system was imperatively necessary.

2. Photovoltaic plant of 2.5 MW

The achievement of this investment objective was based on the following prerequisites:

- the evolution of electricity prices;
- the growing forecast of the amount of energy purchased - the opportunity to finance energy capacities from renewable sources from the Romanian Recovery and Resilience Plan funds;
- the integration of sustainability principles in the company's development processes and strategies.

The expected results after the implementation of the investment are the following:

- reducing the amount of electricity purchased by about 3300 MWh per year, that is 26% compared to the level of consumption in 2021;
- the reduction of carbon dioxide emissions by about 558.5 tons/year;
- the development of the company's currently unused land.

The investment will be completed in 2024.

3. Photovoltaic plant of 1.2 MW

The photovoltaic panels related to this power plant will be placed on top of 13 buildings, for which, following technical expertise, it was found that the roofs bear additional loads. An annual production of about 1,840 MWh is estimated, representing about 15% of the annual electricity consumption of Antibiotice S.A. from 2021. The investment will be completed in 2024.

4. The outdoor lighting and the video surveillance

The outdoor lighting system on the Antibiotice S.A. platform was developed in several stages, always adapting to the changes brought by the demolition of some buildings and construction trestles or with the installation of video surveillance cameras.

Currently, most of the existing devices have functional deficiencies and do not ensure an optimal level of light flow, which leads to physical insecurity, the impossibility of monitoring perimeter areas both with human personnel and by taking images through video surveillance cameras, inadequate lighting of car and pedestrian traffic areas in the premises. The work on this investment objective started in 2023 and will be completed in 2024.

5. Drinking water supply system

The modernization works of the drinking water supply network began in 2017 and consisted in the replacement of steel pipes in various stages of wear with polypropylene pipes. Until now, sections representing about 50% of the total length of the drinking water supply network have been modernized. The remaining sections to be modernized will be completed in stages, until 2026.

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11. FIXED ASSETS (continued)**6. Warehouse for finished pharmaceutical products**

This investment meets the needs of Antibiotice S.A. to have a modern and efficient warehouse, capable of managing the planned future production. With a storage capacity adapted to the anticipated growth until 2030, this warehouse will serve as an essential hub for the storage and distribution of pharmaceuticals. Construction works began in August this year. Currently the resistance structure of the building has been completed. The construction works will be completed in 2024.

7. Other investments

Upgrading of production and utility distribution installations (steam, condensate, electrical, etc.), development of the product portfolio through in-house research and licensing, refurbishment of research and quality control laboratories, upgrading of information technology, for the integrated management system (quality, environment, sustainability and occupational health and safety), for upgrading the existing sites and equipment.

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12. INTANGIBLE ASSETS

	Disposals, patents and other similar rights (externally generated)	Other intangible assets (internally generated)	Other intangible assets (externally generated)	Development expenditure (internally generated)	Development expenditure (externally generated)	Total intangible assets
COST						
Balance on January 1, 2022	11,913,379	8,790,342	4,197,131	23,964,095	407,137	49,272,084
Increases	362,606	1,184,050	-	7,971,650	808,325	10,326,631
Disposals/reductions	-	-	-	(2,857,070)	-	(2,857,070)
Balance on December 31, 2022 corrected	12,275,985	9,974,392	4,197,131	29,078,675	1,215,462	56,741,645
Balance on January 1, 2023 restated	12,275,985	9,974,392	4,197,131	29,078,675	1,215,462	56,741,645
Increases	841,177	-	-	13,220,959	950,027	15,012,163
Transfers	-	10,700,896	764,071	(10,471,332)	(993,635)	-
Balance on December 31, 2023	13,117,162	20,675,288	4,961,202	31,828,302	1,171,854	71,753,808
Cumulative depreciation						
Balance on January 1, 2022	7,924,207	7,310,982	4,197,131	-	-	19,432,320
Depreciation expense	423,833	1,089,549	-	-	-	1,513,382
Impairment	3,037,722	-	-	-	-	3,037,722
Balance on December 31, 2022 restated	11,385,762	8,400,531	4,197,131	-	-	23,983,424
Balance on January 1, 2023 corrected	11,385,762	8,400,531	4,197,131	-	-	23,983,424
Depreciation expense	425,274	1,705,435	112,977	-	-	2,243,686
Balance on December 31, 2023	11,811,036	10,105,966	4,310,108	-	-	26,227,110
Net book value						
On December 31, 2022 corrected*	890,223	1,573,861	-	29,078,675	1,215,462	32,758,221
On December 31, 2023	1,306,126	10,569,322	651,094	31,828,302	1,171,854	45,526,698

* For more details on 2022 corrections, see Note 23.

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13. INVENTORIES

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
	RON	RON	RON
Finished products	77,950,369	67,319,987	67,319,987
Raw materials	68,605,059	47,011,753	55,538,012
Goods	21,176,967	27,243,090	27,243,090
Consumables	223,865	316,640	316,640
Inventory items	9,959	19,626	19,626
Waste products	3,743	4,111	4,111
Packages	74,492	78,647	78,647
Products in progress	6,321,323	4,768,710	4,768,710
Inventories - gross value	174,365,777	146,762,564	155,288,823
Value adjustments for raw materials and consumables	(1,964,160)	-	-
Value adjustments for finished products	(9,511,394)	(21,770,690)	(11,380,126)
Value adjustments for goods	(2,675,739)	(2,497,446)	(1,248,723)
Total value adjustments	(14,151,293)	(24,268,136)	(12,628,849)
Total inventories - net value	160,214,484	122,494,428	142,659,974

14. TRADE AND SIMILAR RECEIVABLES

	Balance on December 31, 2023	Balance on December 31, 2022 (reported)	Balance on December 31, 2022 (restated)*
	RON	RON	RON
Short term receivables			
Trade receivables	238,897,257	214,490,809	214,490,809
Clients - invoices to be drawn up	(7,528,379)	(438,682)	(438,682)
Trade effects	10,393,167	4,180,578	4,180,578
Advances paid to suppliers of fixed assets	410,546	888,436	888,436
Advances paid to suppliers of inventories and services	1,451,944	412,734	412,734
Advances paid to employees	126	154	154
Other receivables	12,776,201	6,223,542	6,223,542
Additional adjustments for impairment	(20,628,873)	(29,354,652)	(21,724,353)
Balance at the end of the period	235,771,990	196,402,918	204,033,217

* For more details on 2022 corrections, see Note 23.

Changes in impairment adjustments for receivables.

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
	RON	RON	RON
Balance at the beginning of the period	(21,724,353)	(24,863,762)	(24,863,762)
Impairment adjustment recorded in the statement of comprehensive income in relation to trade receivables	(1,095,480)	(4,490,890)	3,139,409
Balance at the end of the period	(20,628,873)	(29,354,652)	(21,724,353)

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15. TRADE AND SIMILAR RECEIVABLES

The impairment adjustments for receivables are set up/canceled by applying the simplified approach of IFRS 9, the historical loss rate is:

December 31, 2023

IFRS 9	0 days	Between	Between	Between	Between	Between	Over 365 days	Total
		1-30 days	31-60 days	61-90 days	91-180 days	181-365 days		
Receivables	224,613,037	12,044,450	2,115,191	4,470	-	120,109	-	238,897,257
Historical loss rate	1%	3%	10%	24%	100%	100%	-	

31.12.2022 restated

IFRS 9	0 days	Between	Between	Between	Between	Between	Over	Total
		1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	365 days	
Receivables	186,961,913	19,896,913	5,439,986	829,650	508,131	854,216	-	214,490,809
Historical loss rate	0,25%	1%	2%	39%	100%	100%	100%	

16. CASH AND CASH EQUIVALENTS

The cash and cash equivalents at the end of the financial year, as presented in the cash flow statement, can be reconciled to the related items in the balance sheet as follows:

	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
Liquid assets at bank	1,792,024	1,718,889
Cashing effects	-	-
Cash and cash equivalents	15,906	8,565
Total	1,807,930	1,727,454

The company has accounts with commercial banks in Romania that are part of European banking groups or with state banks.

17. SHARE CAPITAL

	Balance on December 31, 2023	Balance on December 31, 2022
	RON	RON
Fully paid ordinary shares	67,133,804	67,133,804

The subscribed registered capital of the company on December 31, 2023 is 67,133,804 lei, the nominal value of a share being 0,1000 lei/share. The company has a total of 671,338,040 shares, giving equal rights to the shareholders of the company. Antibiotice S.A. has not issued shares giving preferential rights to its shareholders. In accordance with the provisions of IAS 29 - hyper-inflationary economies, the registered capital has been restated taking into account the inflation index communicated by the National Statistical Commission. It was applied starting with the balance determined according to GD 500/1994, from the date of contribution until 31.12.2003, the date on which the national economy was considered to be no longer hyper-inflationary. Subsequently, the share capital increased according to the historical amounts registered at the Trade Register.

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17. SHARE CAPITAL (continued)

As of 31.12.2012, in the balance sheet of the company there is a loss carried forward from the first-time application of IAS 29 "Financial Reporting in Hyper-inflationary Economies" which is proposed to be covered by the amount resulting from the application of IAS 29 "Financial Reporting in Hyper-inflationary Economies" as follows:

Result carried forward, loss on first-time application of IAS 29	197,701,352
Share capital adjustments - first-time application of IFRS	197,701,352

Reserves

Reserves include the following components:

Description	December 31, 2023	December 31, 2022 (reported)	December 31, 2022 (restated*)
Fixed assets revaluation reserves	268,354,743	132,338,377	235,426,925
Legal reserves	13,426,761	13,426,761	13,426,761
Deferred income tax recognised on equity	(42,936,784)	(21,174,138)	(37,668,305)
Other reserves	311,450,837	292,168,005	292,168,005
TOTAL	550,295,557	416,759,005	503,353,386

Shareholding structure

	Balance on December 31, 2023		Balance on December 31, 2022	
	Number of shares	% holding	Number of shares	% holding
MINISTRY OF HEALTH	355,925,135	53.0173	355925135	53.0173
INFINITY CAPITAL				
INVESTMENTS S.A. *	197,475,826	29.4153	181,515,771	27.0379
Other natural and legal entities	117,937,079	17.5674	133,897,134	19.9448
Total	671,338,040	100.0000	671,338,040	100.0000

* On 31.12.2022, the company was called SIF OLTENIA

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17. SHARE CAPITAL (continued)

Revaluation reserve

The reconciliation between the opening and closing balance of the revaluation reserve is as follows:

	Period ending on December 31, 2023	Period ending on December 31, 2022 (reported)	Period ending on December 31, 2022 (restated)*
	RON	RON	RON
Balance at the beginning of period for revaluation reserve	235,426,926	135,893,766	135,893,766
Balance at the beginning of the period for deferred tax relating to the revaluation reserve	(37,668,306)	(21,743,000)	(21,743,000)
Transfer of revaluation reserve to retained earnings as a result of depreciation and disposals of property, plant and equipment, net of tax	(2,065,204)	(3,555,389)	(3,555,389)
Revaluation of tangible fixed assets	34,993,022	-	103,088,549
Decrease in deferred tax on revaluation reserve	485,889	568,862	568,862
Corporation tax postponed	(5,754,368)	-	(16,494,168)
Balance at end of period for revaluation reserve	268,354,744	132,338,377	235,426,926
Balance at the end of the period for deferred tax relating to the revaluation reserve	(42,936,785)	(21,174,138)	(37,668,306)
Reconciliation of revaluation reserves	225,417,959	111,164,239	197,758,620

The following describes the nature and purpose of each reserve within the equity:

Nature of the reserve	Description and purpose of the reserve
Fixed assets revaluation reserves	If the carrying amount of an item of property, plant and equipment is increased as a result of revaluation, then the increase shall be recognized in other comprehensive income and accumulated in equity as revaluation surplus. The revaluation reserves cannot be distributed and cannot be used to increase the registered capital.
Legal reserves	According to Law 31/1990 each year at least 5% of the profit is taken to form the reserve fund, until it reaches at least one fifth of the registered capital.
Other reserves	Other reserves include reserves representing tax facilities that cannot be distributed with implications on the recalculation of corporate income tax. The difference represents reserves made up of profits.

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17. SHARE CAPITAL (continued)

The result carried forward includes the following components:

Description	December 31, 2023	December 31, 2022 (reported)	December 31, 2022 (restated)
Result carried forward - surplus obtained from revaluation reserves	29,247,881	26,400,236	26,400,236
Result carried forward from error correction	12,958,610	-	-
Result carried forward from the use, at the date of transition to IFRS, of fair value as deemed cost	122,851,143	123,147,695	123,147,695
Profit and loss for the year	81,088,596	38,513,427	51,472,038
Distribution of profit	(16,611,671)	(30,523,566)	(30,523,566)
Total	229,534,759	157,537,792	170,496,402

DISTRIBUTION OF PROFIT

On 31.12.2023 Antibiotice S.A. recorded a net profit of 81,085,595 lei, which is proposed for distribution as follows:

Description	December 31, 2023	December 31, 2022 (reported)	December 31, 2022 (restated)
Dividends	30,927,369	5,318,500	5,318,500
Other reserves	19,233,858	33,194,927	46,153,537
Company's own sources of funding	30,927,369	-	-
Total	81,088,596	38,513,427	51,472,037

18. TRADE AND SIMILAR DEBTS

The debts mainly include trade and other short-term financial debts (debts to employees, debts relating to taxes and duties, debts relating to short-term bank loans, debts to sundry creditors) which are initially recognized at fair value and subsequently carried at depreciated cost using the effective interest method.

	Balance on December 31, 2023 RON	Balance on December 31, 2022 (reported) RON	Balance on December 31, 2022 (restated)* RON
Trade debts	73,656,235	58,755,589	65,400,691
Effects to be paid	2,883,929	2,182,409	2,182,409
Debts from acquisition of fixed assets	40,406,065	12,839,306	12,839,306
Other current debts*	33,405,736	11,997,193	18,676,528
Advance payments received based on orders	428,397	292,894	292,894
Total	150,780,362	86,067,391	99,391,828

*Other current debts

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18. TRADE AND SIMILAR DEBTS

	Balance on December 31, 2023	Balance on December 31, 2022 reported	Balance on December 31, 2022 (restated)*
	RON	RON	RON
Wage and salary debts to employees and social security debts**	29,726,847	8,284,752	14,964,087
Unclaimed employee rights	34,184	13,431	13,431
Other creditors	1,129,950	1,116,573	1,116,573
Interests payable	96,359	81,217	81,217
Other taxes payable	38,978	6,718	6,718
Dividends payable	2,379,418	2,494,502	2,494,502
Total	33,405,736	11,997,193	18,676,528

**these debts include:

- 2.865.047 lei remuneration due to employees representing the settlement of December 2023 paid in January 2024;
- 42.180 lei represent the amounts withheld from staff rights according to legal regulations, related to December 2023, which will be paid to third parties;
- 4.299.300 lei amounts owed to employees representing awards as well as debts to employees represented by guarantees withheld from employees as required by law;
- 3.476.901 lei represent the amounts withheld according to the legal requirements from the gross income of the employees representing the social security contribution;
- 1.367.942 lei represent the amounts withheld according to the legal requirements from the gross income of the employees representing the social security contribution;
- 310,710 lei represents the labor insurance contribution due by the unit for staff rights related to December 2023;
- 941,930 lei represents the income tax withheld as required by law from the gross income of employees for December 2023;
- 3.000.000 lei representing the amounts due for employee profit-sharing;
- 8.062.407 lei represent the management remuneration;
- 5.310.452 lei represent un-achieved rest leave;
- 49,978 lei personal material aid due.

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18. TRADE AND OTHER DEBTS (continued)

Value-added tax

The tax period for VAT is the calendar month, value added tax is accounted for on the basis of the VAT statement. The amount of VAT to be paid is due to the tax authorities by the 25th of the following month, irrespective of the level of debt recovery from customers. The tax authorities allow VAT to be settled on a net basis. If the deductible VAT is higher than the VAT collected, the difference is refundable at the request of the company. The VAT relating to sales and purchases that have not been settled at the end of the reporting period is recognized in the statement of financial position at net value and presented separately as a current asset or liability. In cases where adjustments for impairment of receivables have been recorded, the impairment loss is recorded for the amount of the receivable including VAT. The related VAT must be paid to the state budget and can be recovered only in the case of the debtor's statute of limitations, following the bankruptcy decision.

The claw-back tax

The claw-back tax regulated by the Emergency Ordinance no. 77/2011 on the establishment of some contributions for financing some health expenses, is paid quarterly to the State Budget for **prescription drugs**, included in the national health programs, with or without personal contribution, used in outpatient treatment on prescription through open circuit pharmacies, for those used in hospital treatment, paid from the Single National Health Insurance Fund and from the budget of the Ministry of Health.

Current taxes and duties payable

	Period ending on December 31, 2023	Period ending on December 31, 2022 reported (reported)	Period ending on December 31, 2022 restated* (corrected)
	RON	RON	RON
Claw-back tax	9,691,498	8,169,643	2,872,173
Other special funds	140,052	111,027	111,027
Total	9,831,550	8,280,670	2,983,200

19. BANK LOANS

The bank loans on December 31, 2023 and December 31, 2022 are as follows:

Financing bank	Type of financing	Date of granting	Balance on December 31, 2022	Balance on December 31, 2023	Short-term on December 31, 2023	Long-term on December 31, 2023	Period
Unicredit Bank	credit line - working capital	8/17/2016	34,008,116	29,552,092(*)	18,858,118	-	84 MONTHS
Unicredit Bank	investment credit	5/3/2018	46,973,501	36,750,203(**)	10,693,974(***)	36,750,203	120 MONTHS
TOTAL			80,981,617	66,302,295	29,552,092	36,750,203	

(*) working capital financing credit line and part of the short-term investment credit

(**) long-term investment credit

(***) short-term investment credit

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	Period ending on December 31, 2023	Period ending on December 31, 2022
	RON	RON
January 1	2,163,611	2,466,590
Subsidy entries	-	-
Transferred to the statement of comprehensive income	270,907	302,979
On December 31, 2023/December 31, 2022	1,892,704	2,163,611
Current	306,289	306,289
Fixed	1,586,415	1,857,322

The amounts reflected in the investment grants account represent amounts received by the company in the form of grants over the last 10 years for investments in environmental protection as well as in increasing the competitiveness of products through funding from the Ministry of Economy, Ministry of European Funds, Ministry of Environment, Trade and Business Relations.

The objective of the subsidy received from the Ministry of European Funds for the Intelligent Energy Monitoring System is to reduce energy consumption by 1%. In 2023, there are no funding conditions that have not been met.

21. CONTINGENT LIABILITIES

Antibiotice S.A. has no contingent liabilities on December 31, 2023 and on December 31, 2022.

22. PRESENTATION OF AFFILIATED PARTIES**22.1 - Nature of relationships with related parties**

For the purpose of presentation in the individual financial statements in accordance with IAS 24, the Company monitors its relationships with the related entities. During 2022 and 2023, the shareholder Infinity Capital Investments S.A. acquired shares of the Company, increasing its shareholding in the share capital of Antibiotice S.A. from 27.0379% to 29.4153%, thus becoming an associated entity with significant influence. The shareholder Infinity Capital Investments S.A. has two members in the Management Board of the Company.

22.2 - Amounts due and receivable from related parties

At the end of the financial years 2022 and 2023, the company had no receivables or debts to the related entity.

22.3 - Information on transactions with related parties

During the financial years 2022 and 2023, the Company did not enter into any commercial transactions with the related entity.

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23. PRIOR PERIOD CORRECTIONS

- The Company recorded additional adjustments for inventories at selling price, these should have been recorded at cost of production; as a result, the Company recorded a correction on 31.12.2022, which increases the value of inventories and the result for 2022 by RON 11,639,287.
- The Company did not record the purchase of raw materials from certain suppliers according to the incoterm conditions; as a result, the Company recorded a correction on 31.12.2022, which increases the value of inventories and current liabilities by RON 8,526,259.
- Following the revaluation carried out on 31.12.2023 due to the significant value identified, the Company decided to revalue the land and buildings also on 31.12.2022; therefore the Company recorded a correction on 31.12.2022 which increases the value of land, buildings and revaluation reserve by RON 13,741,550 (land), RON 89,346,999 (buildings) as well as by RON 103,088,549 (revaluation reserve).
- The company has in the past incurred expenses related to new software. As the agreement with the supplier has been canceled, the Company has recorded an additional adjustment for the capitalization recorded for this software; as a result, the Company has recorded a correction on 31.12.2022, which decreases the value of intangible assets and the result for 2022 by RON 3,037,722.
- The Company has decided to apply the simplified approach of IFRS 9 "Financial Instruments" to calculate the additional adjustments for customers; as a result, the Company has recorded a correction on 31.12.2022, which increases the amount of receivables and the result for 2022 by RON 7,630,299.
- The Company has recorded debts to employees related to bonuses and unused leave as provisions and not as personnel related debts; therefore the Company has recorded a correction on 31.12.2022, which increases the value of current debts and decreases the value of provisions by RON 6,679,335.
- During the year 2023, the Company won the Claw-back tax lawsuit related to the year 2020, also during the year 2023 certain past debts related to invoices that never arrived were canceled; as a result, the Company recorded a correction on 31.12.2022, which decreases the value of current debts and increases the value of the result of the year 2022 by RON 7,178,627.
- After making the corrections described above, the Company also made corrections to the deferred tax arising both from the above corrections and from an error in the calculation of the deferred tax relating to the difference in the lifespan of the accounting fixed assets register and the tax register. As a result, the Company has recorded a correction on 31.12.2022, which increases the amount of deferred tax by RON 26,946,049, decreases the amount of the revaluation reserve by RON 16,494,168 and increases the 2022 expense by RON 10,451,881.

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The effect of the correction of accounting errors on the comparative amounts in the individual statement of comprehensive income and the individual statement of financial position as of the date of this report are summarized below:

	Period ending on December 31, 2022 (reported)	Adjustments	Period ending on December 31, 2022 (restated)
Income from the agreements with customers, of which:	483,724,186	-	483,724,186
<i>Income from the sale of finished products</i>	387,506,130	-	387,506,130
<i>Income from the sale of products made on other manufacturing sites</i>	95,160,681	-	95,160,681
<i>Income from the provision of services</i>	1,057,375	-	1,057,375
Other operating incomes	2,033,372	5,297,470	7,330,842
Subsidy income	302,979	-	302,979
Changes in inventories of finished products and work in progress	11,689,110	-	11,689,110
Income from fixed asset projects	13,779,091	-	13,779,091
Expenditure on raw materials, consumables used and products made at other manufacturing sites	(177,117,257)	-	(177,117,257)
Expenditure on employee benefits	(122,940,724)	2,825,805	(125,766,529)
Transport costs	(4,171,593)	-	(4,171,593)
Expenditure on utilities	(22,026,479)	-	(22,026,479)
Depreciation and impairment adjustments for fixed assets, net	(22,269,554)	(3,037,722)	(25,307,276)
Adjustments for impairment of current assets, net	(20,328,387)	19,269,586	(1,058,801)
Reversed provisions, net	(2,825,805)	(2,825,805)	-
Sponsorships, donations	(450,214)	-	(450,214)
Other expenditure	(92,898,339)	1,881,157	(91,017,182)
Operating result	46,500,386	23,410,491	69,910,877
Exchange rate difference, net	(797,515)	-	(797,515)
Expenditure for the interests, net	(3,589,852)	-	(3,589,852)
Other financial expenses	(209,789)	-	(209,789)
Financial result	(4,597,156)	-	(4,597,156)
Pre-tax profit	41,903,230	23,410,491	65,313,721
Expense for the corporate tax	(3,389,803)	(10,451,881)	(13,841,684)
Profit for the financial year	38,513,427	12,958,610	51,472,037
Total overall result	38,513,427	12,958,610	51,472,037
Result per basic and diluted share	0.0574		0.0767
Profit for the financial year	38,513,427	12,956,610	51,472,037
Other elements of the overall result			
Items that will not be classified to profit or loss			
Revaluation of tangible fixed assets	-	86,594,381	86,594,381
Other elements of the overall result	-	86,594,381	86,594,381
Total overall result	38,513,427	99,550,991	138,066,418

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23. CORRECTIONS OF THE PREVIOUS PERIOD (continued)

	Period ending on December 31, 2022 (audited)	Adjustments	Period ending on December 31, 2022 (restated)
Assets			
Non-current assets			
Tangible assets	496,810,361	103,088,549	599,898,910
Intangible assets	35,795,943	(3,037,722)	32,758,221
Total fixed assets	532,606,304	100,050,827	632,657,131
Current assets			
Inventories	122,494,428	20,165,546	142,659,974
Trade and similar receivables	196,402,918	7,630,299	204,033,217
Expenses registered in advance	3,243,331	-	3,243,331
Cash and cash equivalents	1,727,454	-	1,727,454
Total current assets	323,868,131	27,795,845	351,663,976
Total assets	856,474,435	127,846,672	984,321,107
Equity and debts			
Equity			
Subscribed capital	67,133,804	-	67,133,804
Reevaluation reserves	111,164,239	86,594,381	197,758,620
Legal reserves and other reserves	305,594,766	-	305,594,766
Carried forward result	157,537,792	12,958,610	170,496,402
Total equity	641,430,601	99,552,991	740,983,592
Long-term debt			
Bank loans and debts	46,973,501	-	46,973,501
Investment subsidies - non-current portion	1,857,322	-	1,857,322
Debts on deferred taxes	30,871,210	26,946,049	57,817,259
Total long-term debts	79,702,033	26,946,049	106,648,082
Current liabilities			
Trade and similar debts	86,067,391	13,324,437	99,391,828
Bank loans	34,008,116	-	34,008,116
Other debts	8,280,670	(5,297,470)	2,983,200
Investment subsidies - current portion	306,289	-	306,289
Provisions	6,679,335	(6,679,335)	-
Total current debts	135,341,801	1,347,632	136,689,433
Total debts	215,043,834	28,293,681	243,337,515
Total equity and debts	856,474,435	127,846,672	984,321,107

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24. EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events not disclosed in these individual financial statements.

25. OTHER INFORMATION

At the date of these financial statements Antibiotice S.A. has not prepared a non-financial statement. For the year 2023 the Company will issue by 30.06.2024 the sustainability report prepared in accordance with GRI standards.

26. INFORMATION RELATING TO THE AUDIT OF INDIVIDUAL FINANCIAL STATEMENTS

A fee of 424,887 RON (85,900 EUR) was charged for the audit of individual financial statements, of which:

- The fee for the audit of the individual financial statements as of 31.12 2023 is 340,798 RON.
- The fee for the review of the interim financial statements is 84,089 RON.

Authorized by the Management Board on: 13.03.2024.

General Director
Ec. Ioan NANI

Financial manager,
Ec. Paula Luminita COMAN