

## Conference Call - Presentation of Preliminary Financial Results for 2024

*The participants on behalf of ANTIBIOTICE SA Iasi are as follows:*

**Mrs. Cornelia MORARU - Technical and Production - Executive Director**

**Mrs. Paula COMAN - Financial Executive Director**

**Mr. Ovidiu BATAGA - National Sales Executive Director**

**Mr. Darius AGAFITEI - Business Development and International Sales - Executive Director**

**Mrs. Stefania ALEXANDRU - Strategic Planning and Portfolio Management - Executive Director**

### Questions and answers

- **Mr. George Toader**

***Question no. 1:** Can you provide more details about the consulting expenses and those with compensation, fines and penalties?*

*Answer:*

**Mrs. Paula Coman**

Regarding the consulting expenses, the amount is 400,000 lei, it is about consulting for ongoing European projects; there are about 3 projects, one on investments and two on the professional training in human resources, and regarding the compensation, fines and penalties, the amount is 300,000 lei. This is a dispute between Antibiotice and a former administrator, which was finalized with the payment of the amount of 300,000 lei.

- **Mr. George Toader**

***Question no. 2:** In the event that the US imposes increased tariffs on imports, how do you intend to address the new situation?*

*Answer:*

**Mr. Darius AGAFITEI**

The information that can be found in the press, the information sent to us by our partners does not allow us to have clear information regarding the imposition of tariffs on the imports of medicines. It relates to other types of products, but not to medicines. If such discussions occur, we will discuss with partners and we will see exactly what we have to do depending on the domestic situation.

- **Mr. George Toader**

*Question no. 3: How are the investments for which you took out the loan from the European Investment Bank in June 2024 going, and in this context, what details can you provide to us about the state aid for investments received in 2023?*

*Answer:*

**Mrs. Cornelia MORARU**

Regarding the project financed by the GD 807/2014, we are talking about the production, packaging and storage capacity of sterile, solutions and topical products, the first part of the investment in storage has been completed. The finished product warehouse was completed at the end of 2024, and in January it also received the inspection authorization of the National Medicines Agency. The other 2 projects related to solutions and topicals are contracted and are underway according to a well-defined plan. The sterile solutions will be completed in 2028, and the sterile topicals will be completed in mid-2026.

- **Mr. Ciprian Nedisan**

*Question no. 1: What is the reason why you reduced the budgeted profit for 2025 and 2026 compared to what you estimated the previous year?*

*Answer:*

**Mrs. Stefania ALEXANDRU**

For the years 2025, 2026 and 2027, we revised the revenue forecasts, which cascaded down to the profit level, considering the premises from which we started, the rebudgeting for the next period, therefore, the practical impact on profit being given by the repositioning of the sales structure for the period 2025, 2026, 2027.

- **Mr. Ciprian Nedisan**

*Question no. 2: 27% of the turnover is made up of products from partners and these sales have recorded a higher growth than those sold from own production. Would it be an advantage for @Antibiotice to produce some of these internally?*

*Answer:*

**Mrs. Stefania ALEXANDRU**

The income generated through products made on other sites relates to products that are not currently compatible with the current production flows, so they could not be brought in internally, but they are products necessary for healthcare systems in therapeutic trends, which we want to address and develop in the future.

- **Mr. Ciprian Nedisan**

*Question no. 3: How many percentage points of the 25% (North American sales) are made in the USA?*

*Answer:*

**Mr. Darius AGAFITEI**

Most of our sales are made in the United States, with a very small percentage in Canada. So, we can say that approximately 100% of our sales are made on the United States market.

- **Mrs. Daniela Mandru**

*Question no.1 : Regarding these rates, how did you deduce that these rates do not apply to medicines? Do any increased rates not apply to medicines as well?*

*Answer:*

**Mr. Darius AGAFITEI**

From the information that can be found in the press, in specialized articles and the information from our partners who are present there and who follow the evolution of any decision, we have not been informed that there is any reference to the taxation of medicines in the European Union. We follow this information closely, we inform ourselves daily about any discussion that relates to the imports from the United States as the United States market is one of the most important markets for us.

- **Mrs. Daniela MANDRU**

*Question no. 2: Returning to the 3-year projections, until 2027, what determined this revenue revision? That is, what the main trigger would be?*

*Answer:*

**Mrs. Stefania ALEXANDRU**

The main trigger is the evolution of consumption in all the ATB territories. These did not have the previously predicted rhythms; in addition, various fiscal elements were announced that may influence us and thus, we considered that having a cautious approach to the indicators for the next period is the wiser thing to do.

- **Mrs. Daniela MANDRU**

*Question no. 3: What are these tax elements that could influence you?*

*Answer:*

**Mrs. Stefania ALEXANDRU**

I don't have them available at the moment, but we can provide them later.

- **Mrs. Daniela MANDRU**

*Question no. 4: Regarding the 2025 budget, let's talk about the near future. Can you tell us, for the domestic and international sales, what is the year-on-year growth rate in your budget for 2025 compared to 2024?*

*Answer:*

**Mr. Ovidiu BATAGA**

Ok, I will answer to this answer. For the domestic market in Romania, we have set a turnover of 476 million lei in sales revenues compared to last year when 421 million lei were achieved, so this is an increase of 12.8%, approximately 13%. In the market of generic medicines, as you said earlier about the premises that we assumed, we generally compare our developments to the generics. They have recorded a growth rate of 9%. So, we are trying through strategies and fundamentals, through all sales channels, to be at least above the market value, or even more than that.

**Mr. Darius AGAFITEI**

In the international markets, we have proposed a growth of 10%. It is higher than the average pace of the global generics market and it is higher than the growth in the territories that we have targeted for further development. From my viewpoint, we are on the pace that we proposed in the business plan The Future Together in order to achieve the objectives we have set for 2029-2030.

- **Mrs. Daniela MANDRU**

*Question no. 5: If I'm not mistaken, related to investments, if I look at the excel document, the budget and the Capex forecasted for the period 2025-2027, it has been modified, that is it increased compared to the 2030 strategy. Am I right? Can you give us some details, please?*

*Answer:*

**Mrs. Cornelia MORARU**

Yes, it was increased due to the fact, as you could read in the press, that last year several projects were submitted within the STEP project and by August this year we will submit the INOVA research project as well as the critical product manufacturing projects. This has always been the strategy and that is why we have increased the value of investments for the following years.

- **Mrs. Daniela MANDRU**

*Question no. 6: How about the project related to the critical medicines? Was it included as well?*

*Answer:*

**Mrs. Cornelia MORARU**

So, I previously introduced to you and I talked to you about the project financed by the Ministry of Finance through the GD 807/2014 called the Capacity for production, packaging and storage of sterile products, solutions and topicals. This project is another project that, I repeat, we will submit this year for approval, so here we are talking about that 99 million euro project that you heard about in the press.

- **Mrs. Daniela MANDRU**

*Question no. 7: The 99 million euros related to the obtaining of non-repayable sources? Has there been any other project in this regard?*

*Answer:*

**Mrs. Cornelia MORARU**

No. We are discussing about this, but it is not approved yet. There is a deadline for submitting the project this year, in 2025.

- **Mrs. Daniela MANDRU**

*Question no. 8: Can you please tell us what the deadline for submitting the project is?*

*Answer:*

**Mrs. Cornelia MORARU**

August 2025. It is the deadline set by the Ministry of Investments and European Projects.

- **Mrs. Daniela MANDRU**

*Question no. 9: Last year, the value declared was less than estimated, we can't comment much on this because of the sales and I think mostly in the last quarter of last year. What exactly happened? I think you didn't achieve your target on the international market, am I right?*

*Answer:*

**Mr. Darius AGAFITEI**

No, we achieved our objectives on the international market, but you realize, there are factors that influence the international market as well. We achieved our objectives even in the conditions in which we depend very much on the authorities, the authorities in each country where we want to register products. You have to take this into account, there are factors that do not necessarily depend only on us and we try together with our partners to have those timelines that we have set in our plans. But our objectives were met on the international market.

- **Mrs. Daniela MANDRU**

*Question no. 10: You know, if we make a comparison with what was previously estimated for 2027 and what is estimated now, related to the net profit, there is a difference of minus 21%. Then the next question is: do you still have that target of doubling the profit by 2030?*

*Answer:*

**Mrs. Stefania ALEXANDRU**

Yes, we are coming close to that target. We have not changed the target of 2030 at this time, we still work on the dubbing target by 2030, but we consider that for the next period, that is the years 2025, 2026, 2027 these are the indicators we can assume.

- **Mrs. Daniela MANDRU**

*Question no. 11: For this year did you budget investments of 204 million RON, is that right?*

*Answer:*

**Mrs. Paula Coman**

The credit repayments included. For the year 2025, 93.3 million lei is the investment budget and if we add the repayments, the amount is 104.11 million lei. For the year 2027 it is 210 million lei with 179 million lei.

- **Mrs. Daniela MANDRU**

*Question no. 12: What are the most important investments for this year?*

*Answer:*

**Mrs. Cornelia MORARU**

As I previously told you, it is about the funded project - the ability to produce, pack and storage sterile products, solutions and topical products; therefore, now we focus on the two manufacturing sites, the sterile topic plant; the contracts are still running on and the sterile solutions plant is a project whose first stages takes place this year.

- **Mrs. Daniela MANDRU**

Alright, thank you very much!