

Conference call with investors and analysts

- Presentation of Financial Results for the 1st semester of 2025 -

On behalf of Antibiotice, the following people are participating in the teleconference:

- Mrs. Paula COMAN - Financial Director - CFO
- Mrs. Stefania ALEXANDRU - Deputy General Director
- Mr. Liviu VATAVU - Legal and Corporate Governance Director
- Mrs. Andreea REABOIU - National Sales Manager
- Mr. Darius AGAFITEI - International Sales Director
- Mrs. Ionela TOFAN - Investment Area Manager
- Mrs. Mihaela OBREJA - Investor Relations Activity Coordinator

Questions and Answers

Mr. Florin TURCAS

You said your company was ranked 4th out of 300 companies and top ranking of 200 companies. What are you comparing your company to? Are there hundreds of companies in Romania?

Mrs. Stefania ALEXANDRU

These rankings, these tops result from the analysis of market studies provided by a specialized company; in this case we are talking about CEGEDIM Romania and these companies are not necessarily Romanian, but companies that operate on the Romanian pharmaceutical market. When we mention the 4th place out of 300, we are talking about generic companies, whose profile is the sale of generic Rx and OTC medicines.

Mr. Liviu VATAVU

In Romania there are over 300 companies and we rank 4th place.

Mr. Florin TURCAS

And if you have such big losses in currency and you work internationally, why don't you do arbitrage, why don't you think about financial products to protect yourself? And, anyway, the loss is big, because the leu has not devalued that much in relation to the foreign currencies. Don't you have any concerns in this area?

Mrs. Paula COMAN

In the coming period, we will also be concerned with this financial activity, which we have not used so far.

Mrs. Crina STRATAN

Hello, I would like to ask you about the financial statements, what exactly do provision reversals and adjustments to current assets include?

Mrs. Paula COMAN

The provision reversals relate to finished products sold during the shelf life. We had higher provisions at the beginning of the year, and those stocks from the beginning of the year were

sold, so we had to reverse the provisions on both finished products and products manufactured on other sites, as well as vacations taken by our colleagues during the first semester. They were calculated on December 31 for a number of days and were achieved in the first semester of 2025.

For receivables, we made a risk analysis on the domestic receivables, so we reduced the provisions for domestic receivables by 2 million lei. We have all the balances of domestic receivables insured with Hermes and we also have a collateral security agreement. So, after having taken into account all the above, we saw that the risk was overvalued.

Mrs. Crina STRATAN

I understand. So, basically, the receivables were not collected but they were rather insured and reinsured.

Mrs. Paula COMAN

That is right.

The Health Insurance House was 90 days late. In our financial statements as of June 30, we see a 3-day delay because the sales pace was such that this delay did not impact us in the first semester.

Mrs. Crina STRATAN

I understand. I have one other question related to the investment project. You mentioned that the average co-financing rate would be 50%, so basically, the company's own contribution would be 50%. The company's own contribution will come from bank loans? How do you plan to organize the financial structure?

Mrs. Paula COMAN

Mainly, there will be bank loans. In the coming period, we want to make a selection of offers from the financing banks, after the General Meeting of Shareholders approves the project, after it is successfully uploaded to the Ministry of Investments and European Projects (MIEP) platform, subsequently, we will take steps to request financing.

Mrs. Crina STRATAN

Do you have a feasibility study for this project or is it in progress?

Mrs. Ionela TOFAN

Yes, the market study is 90% completed, it is a mandatory condition for submission on August 29. We are waiting for the last printed plans and approved by the specialty designers; after the project is approved, we will make the technical project.

Mrs. Crina STRATAN

Ok, I understand, thank you kindly!

Mr. Andrei PUSCARAGIU

1. What exactly do you mean when you say that the tax measures have changed the patient behavior? I think that the demand for medicines is not flexible, meaning that a patient must buy the necessary treatment, regardless of whether prices increase.

Mrs. Stefania ALEXANDRU

When we talk about the fact that the patient behavior has changed, we also return to the feedback from our partners and their indicators that they monitor, namely: patient traffic in pharmacies, no. of issued vouchers, no. of products, value of issued vouchers, all these indicators are decreasing in the analyzed period. Yes, patients need chronic medications, we are currently consolidating the portfolio of chronic medications, so we are in the growth stage here, but related to the dermatological treatments or inflammatory treatments that do not necessarily require a medical prescription, they have been put on hold. Those categories that are indispensable for the patients have been prioritized in terms of consumption; the others were reduced or even removed from the issued prescription. Because the increased VAT, the increase in the price of utilities, (because the limit was removed), everything practically leads to a reduction in purchasing power.

Mrs. Andreea REABOIU

The people have practically given up purchasing associated products in pharmacies, but they are strictly purchasing Rx medicines for chronic treatments and they are giving up on adjacent treatments, supplements and OTCs.

Mr. Andrei PUSCARAGIU

2. If the US implements the tariffs they mentioned (100% for companies that do not have factories in the US), how do you estimate the impact on ATB in 2025, 2026 and 2027?

Mrs. Stefania ALEXANDRU

From the information we have, at least up to this point and all the statements, those investments related to the United States Administration relate mainly to investments made by original drug companies, the 17 companies that have already received an open letter from the United States Administration.

We do not currently believe that it could represent a condition for Antibiotice to carry out its activity in that territory.

Mr. Andrei PUSCARAGIU

3. What is the share of sales in the U.S., in the total sales? Also, what is the share of net profit made in the US, in the total net profit?

Mr. Liviu VATAVU

We cannot develop on this topic; this is a trade secret.

Mr. Andrei PUSCARAGIU

4. To what extent will you be able to replace the US sales with the sales in Europe or other regions?

Mr. Darius AGAFITEI

It is difficult to predict what level of sales will have to be replaced. First of all, if they will have to be replaced and how much this level will be. We are not even considering replacing the sales on an entire market. We will analyze from case to case, from stage to stage, together with our partners, on what we have to do. We will see, but it is difficult to assess. It is premature to currently discuss on this topic.

Mr. Andrei PUSCARAGIU

5. How do you see ATB's activity in the second half of the year? Do you maintain the IEB at the level of sales and net profit for 2025? How high is the level of confidence that you will achieve the IEB?

Mrs. Stefania ALEXANDRU

As my colleague already mentioned, it is premature to talk about other figures at the end of the year, other than those assumed by the IEB as indicators; we continue to monitor the impact on the domestic market as well as on international markets, because not everything is yet stabilized and finalized. As I was telling you, a package of fiscal measures dedicated to the health system is about to be released, which could also have an impact on the generic medicines segment. We are talking here about the chronically compensated medicines segment, since you mentioned that it is in insured treatment, a treatment without which patients cannot experience a quality life. So, for the moment we are not moving away from the indicators but, of course, we continue to monitor all the measures that are under discussion.

Mr. Andrei PUSCARAGIU

6. Do you still plan to apply for other grant projects in 2025? What about in 2026?

Mrs. Ionela TOFAN

No, for 2025 we do not want to apply for other non-reimbursable financing. For 2026 we are open to this idea if we find a financing source that covers a real value of the company, but we have not identified it yet.

Mr. Andrei PUSCARAGIU

7. The 75-million-euro project - if I understand correctly - you are now submitting it, and then you will see if the project is selected for financing? I ask this because last year the Minister of Investments and European Projects had hinted that the financing was already secured. How confident are you that you will get the financing?

Mrs. Ionela TOFAN

The project is in the submission stage, so we are preparing for submission. We have already started to enter documents and information into the MySMIS platform. The Minister of European Funds had this attitude because last year, we submitted a project idea, for which we were selected on a short list for this funding, which is called Annex 21 to the Applicant Guide and there are 19 projects.

We are confident that we will obtain the financing, but we are going to go through a technical-financial evaluation, which is a meticulous assessment process.

Mr. MARIUS CIORNEI

1. Will the 75-million-euro project, once approved, replace the 100-million-euro project from Brussels?

Mrs. Ionela TOFAN

Basically, 75 million euros is the value without VAT. So, we still get close to 100. That was an estimate. When we made the project idea, we made a series of estimates, which did not include price offers and which substantiated the project budget. When we obtained the mandatory

price offers to be submitted for financing, the project budget was finalized. There are not 2 projects, there is only one, expressed with VAT and without VAT.

Mr. Danut MORAR

2. Do you have a timetable for approving the 75-million-euro project? Are you sure you will be able to meet the August 29 deadline?

Mrs. Ionela TOFAN

Yes, we are sure that we will meet the deadline of August 29. Since March, when the Applicant Guide was published, we have been working on this intensive project, it is a priority for us. The Ministry of Investments has not published a calendar and from previous experience we can estimate that the evaluation and contracting will take 2-3 months. That is why we said that January 1, 2026 should be the first day of project implementation, for a period of 4 years.

Mr. Marius CIORNEI

3. For Southeast Asia and Australia, do you plan to expand to other markets in that region, especially the ASEAN countries?

Mr. Darius AGAFITEI

Sure. We are present in Vietnam now. Just this morning we had a conference with a partner from Thailand, a market of about 70 million inhabitants, which we are trying to access.

We are looking at large markets, where the product registration period is a maximum of 2-3 years, so that we can record revenues in the shortest possible time. The answer is yes; we are also looking at other markets in this area. They are not the easiest markets to access from many viewpoints. There are many aspects to take into account like the legislation, the competition and so on.

Mr. Marius CIORNEI

4. You are not covering the Balkans very well (Croatia, Bosnia, Greece, North Macedonia). Do you have any plans to expand into these countries?

Mr. Darius AGAFITEI

I would not say that we are not covering it very well, we are present in Serbia, Bulgaria, Greece and in North Macedonia. We have a package of countries that we have selected on very well-defined criteria, from many viewpoints: specific market criteria, legislative criteria, potential of our products.

Mr. Liviu VATAVU

Do you have an expansion plan in these countries?

Mr. Darius AGAFITEI

We are undergoing discussions as well as some evaluations with partners in Croatia and we found some potential there; in Bosnia we are already present with two injectable products that we have been currently selling in auctions for several years. In Greece and North Macedonia, here is a very competitive market with very low prices; we currently cannot say that we find these two markets attractive.

Mr. Andrei PUSCARAGIU

Thank you for the answers!

Mr. Marius CIORNEI

5. Of last year's profit, 90% was retained as an account for previous subsidies. Does this money remain available to ATB for investments from its own funds?

Mrs. Paula COMAN

It is not about the previous subsidies. The Tax Code allows all the companies who have quarterly profit to use it for the commissioning of equipment intended for production, quality, research and adding value to the respective equipment, I mean production. That is why over the years (not only last year), Antibiotice has used the current profit for the commissioning of the purchased equipment, so it is not about any subsidy, it is profit of the period. In 2025, in the analyzed period of the first semester, Antibiotice has commissioned a lower value than last year or than the previous periods, so it is a tax facility, available to all the companies which report quarterly profit.

Mr. Ciprian NEDISAN

6. Hello! What do you think the reasons are for why another Romanian company, a pharmaceutical producer also listed on the stock exchange (Biofarm) recorded a 16% increase in turnover and profit?

Mr. Liviu VATAVU

I don't think it's under our jurisdiction to analyze the financial performance of a different company. We don't allow ourselves to discuss a competing company.

Mr. MARIUS CIORNEI

7. In the future, do you want to reinvest profits in new production capacities?

Mrs. Paula COMAN

Yes, I just told you that the tax facility requires commissioning. We currently have large projects to develop two manufacturing capacities; these are sterile and topical sterile solutions. In the first semester of 2025, we paid advances for equipment, when the equipment is commissioned, the same tax facility of deduction from current profit will be used and only the difference will be covered by investment bank loans.

Mr. Florin Turcas

8. What is the use of the funds from the bank loan supplement? Perhaps it would be useful to mention this in Note 13.

Mrs. Paula COMAN

On page 12 of the Administrators' Report, we said that we drew the credit difference from the IEB, so it is for investments, and on page 17 of the Administrators' Report, we supplemented the credit from Banca Transilvania to cover the operational activities.

9. What are the expected parameters for the investment "Production, packaging and storage capacity for sterile products, solutions and topicals"? Please present the investment recovery period, breakeven point, other financial parameters that you consider relevant. If applicable, please mention a comparison with similar investments from other European companies in the field.

Mrs. Stefania ALEXANDRU

These two investments in production capacities, namely the Sterile Topicals and the Sterile Solutions, are to be completed in 2028 and in 2029, so that the revenues that we will be able to obtain will start with 2028 for sterile topicals and somewhere in 2031 for sterile solutions, as it is a stage of approving these manufacturing flows as well as registering the products in the portfolio, after the approval of the manufacturing flows by the competent authorities.

In the feasibility study on these two facilities, the investment recovery period is 5 years and 6 months. As for the other parameters you asked about, I do not have them at my disposal at this time, nor do we have any knowledge of comparability with similar investments at this time.

10. At a previous conference, I noted that you are going to receive subsidies of 513 million lei, accounted for in the 2nd semester. Does this still apply? If so, why don't you mention it in Note 14?

Mrs. Paula COMAN

In Note 14 of the Financial Statements, the subsidy receipt is stated to be in the amount of 5,320,672 lei.

We are talking about 5 million lei, not 513 million lei and this information is listed in Note 14 under Subsidies of 5,320,672 lei.

11. Your trade receivables have increased significantly. Is this a red flag?

Mrs. Paula COMAN

No, it is not an alarm signal. We made an assessment from the viewpoint of risks; the sales rhythm was different compared to the previous year in the sense that there were no sales made month by month with the same period of the previous year. At this moment we know that the National Health Insurance House has settled only part of the settlements from distributors and pharmacies from April, so there is a 90-day delay, which is noticeable in August, but it is no danger.

12. Why did the tax on reinvested profit decrease in absolute value?

Mrs. Paula COMAN

I explained a little earlier that our commissioning decreased this year, because the tax deductions I was telling you about entail commissioning, and we are now in the stages of acquiring equipment, we have paid advances on the acquisition contracts, and this effect will be seen in the following years.

13. Shouldn't the proceeds from long-term loans (cash flow sheet) be equal to the change in long-term loans?

Mrs. Paula COMAN

There are variations in the cash flow, but the variations relate to both receipts and payments, therefore they are not superposable.

14. Will you meet the IEB net profit target for 2025?

Mr. Liviu VATAVU

I have already answered question number 7. It has been more widely debated previously.

Mr. Marius CIORNEI

15. From the project won in 2023 with state aid, 117 million lei - your input and 83 million lei the state input, can you tell us how much money you have invested so far and how much money you have received from the state?

Mrs. Ionela TOFAN

Through the state aid scheme 807 from the Ministry of Finance, we made our first payment request last year, which took a long time to be assessed. They have a slower process, so to speak, for transmitting the classifications, so we made our first payment request in August and we received the money in April.

Mrs. Paula COMAN

We received 5,320,672 lei, which is recorded as an input in the Financial Statements in Note 14.

Mrs. Ionela TOFAN

And we are preparing the payment request number 2.

Mrs. Paula COMAN

But during this period, we have contracted equipment for the entire project and there are only a few things left to perfect. The equipment acquisition contracts are up to 18 months to 24 months; we are undergoing the detailed design stage of the clean areas and the equipment that will enter the clean areas.

Mrs. Ionela TOFAN

Our own contribution is 50%.

Mrs. Paula COMAN

We didn't make an estimate; we know that in 2027 we have to finish paying for all the equipment for the topical medicines plant and for the equipment for the sterile solutions plant by 2028. So, we are on schedule with this.

Mr. Marius CIORNEI

16. Now regarding the business lines: food supplements, biofertilizers, veterinary drugs and cosmetics, do you have a focus on them? In the future, could you come up with figures for these business lines as well?

Mrs. Stefania ALEXANDRU

There are new portfolio segments that we have accessed and that we want to grow; considering the current context, these are the main ones affected, and speaking of everything we have discussed so far, if there is relevant information about these segments in the future, we will certainly present it.

Mr. Marius CIORNEI

17. Could the topical product ZINBA also be purchased in supermarkets?

Mrs. Stefania ALEXANDRU

No, this is an over-the-counter (OTC) medication. These cannot be purchased from supermarkets, only dietary supplements and cosmetic products can be purchased there.

Mr. Marius CIORNEI

18. And what about Fevizit C?

Mrs. Stefania ALEXANDRU

Yes, Fezivit C is a food supplement and yes, it could be purchased from a supermarket if it were there for sale. It is a sales channel that we are considering, but it has a completely different specificity than that of open-circuit pharmacies that we are currently approaching. In light of this different specificity, we are analyzing whether or not it is appropriate to approach it.

Mr. Andrei NEDISAN

Thank you for your answers and transparency! Keep up the good work!

Mr. Danut MORAR

Thank you and keep up the good work!

Mr. Liviu VATAVU

Thank you for your participation and we will see you again in November!