

Conference call with investors and analysts

- Presentation of the Third Quarter Report 2025 -

On behalf of Antibiotice, the teleconference is attended by:

- Mrs. Paula COMAN - Financial Director - CFO
- Mrs. Stefania ALEXANDRU - Strategic Planning and Portfolio Management Director
- Mr. Liviu VATAVU - Legal and Corporate Governance Director
- Mr. Ovidiu BATAGA - National Sales Director
- Mr. Darius AGAFITEI - International Sales Director and
- Mrs. Mihaela OBREJA -Coordinator of Investor Relations Department

Questions and Answers

Mr. Danut MORAR

- The 4th place out of 361 companies ... What kind of companies are they? From what country are they? From what field of activity?

Mr. Ovidiu BATAGA

Everything I presented is about the sales in Romania, the national sales made in Romania and the competitors I mentioned are all from Romania.

Mrs. Stefania ALEXANDRU

These are pharmaceutical companies with both Romanian capital and predominantly foreign capital, producing both original and generic medicines.

Mr. Ovidiu BATAGA

It is a market research company, we quote the CEGEDIM source, which monitors monthly sales in all pharmacies and hospitals in Romania, where manufacturers of medicines and pharmaceutical products are currently active.

Mrs. Daniela MANDRU

- Regarding the national sales versus the domestic market, how did they evolve? That is, the year-on-year sales decrease in Q1 is not total, it is 12% with the national sales, which reported an increase in the case of Antibiotice of 19%; I am talking about net sales. Could you explain to us if this evolution also reflects the evolution of the market? And could you explain this evolution in more detail? I understood that the seasonal and the anti-infective therapeutics did not go so well and the allocations from the National Health Fund would somehow explain this? Could you provide more detailed explanations?

Mr. Ovidiu BATAGA

We planned for the first quarter sales in correlation with the market evolution. This market had some constraints, both the sell-out consumption, the sales to patients and the sales in pharmacies and hospitals were under some constraints. We have repositioned on each sales segment the proposals that we made to distributors and the market in general, we have correlated this sale with the stocks in pharmacies and in distribution and we have constantly aimed to be above the sales in the generics market, it is the market in which we operate, along with those that I previously mentioned and to which we relate. In order to be able to answer your question precisely concerning the generics market in the first quarter increased by 4.9%, we recorded the same growth. In terms of turnover, however, these sales were also correlated with the stocks in the market and it meant a more balanced repositioning in the turnover at the quarter level, in comparison with the other quarters that will follow.

Mrs. Daniela MANDRU

- You keep mentioning these constraints, I still don't understand what are you referring to.

Mr. Ovidiu BATAGA

I mean that perhaps the market should have registered increases higher than 5%, so that we could also manifest ourselves much more dynamically. We had to return to these increases that the market registered, with the repositioning of these sales. And the generic market has some constraints at present, because there are stocks in the market and the financing is not proceeding normally, as the premise was at the beginning of the year. We are aiming for a balance in all the sales segments in which we operate.

Mrs. Daniela MANDRU

- Now, further on... if we look at the budget, in the first quarter you all have sales below the budget and the budget was made when you already suspected that these constraints were already being seen in the market. Is that correct or not?

Mr. Ovidiu BATAGA

I cannot fully confirm this, because the budget is approved at the beginning of the year and the quarterly forecast is analyzed every month.

Mr. Liviu VATAVU

And before the budget was approved, many political, geopolitical and market changes occurred.

Mr. Ovidiu BATAGA

The situation experiences a permanent dynamic, things evolved from January to March in a different context.

Mr. Liviu VATAVU

If we report the sell-out related to how much patients bought, there are no differences, we are in line with the market trend.

Mrs. Daniela MANDRU

- OK, fine, thank you!

Mr. Marius CIORNEI

- After the Q1 result, do you maintain the IEB for 2025?

Mrs. Stefania ALEXANDRU

Yes, we are closely monitoring the path we have set and we do not see any change from what we have set for the path of 2025.

Mr. Marius CIORNEI

- The US market is affected by the new drug policy promoted by the Trump administration. How does that impact the Antibiotice sales on the US market?

Mr. Darius AGAFITEI

For now, we are on the planned sales. It seems that we will achieve what we planned for this year. Neither the tariffs nor certain aspects related to the price reduction that the US administration intends to apply are clear yet, or which molecules these increases will apply to.

Mr. Liviu VATAVU

Discussions are underway.

Mr. Darius AGAFITEI

We are on track with our plans and this is the most important thing. And from the discussions we had with our partners, we see that achieving the turnover figures we have set for ourselves with the USA is feasible.

Mr. Marius CIORNEI

- How are sales evolving in the Middle East and Australia? Do you have 3 representative offices: in Serbia, Moldova and Saudi Arabia?

Mr. Darius AGAFITEI

We can say that in Australia our business is growing; this year we are doubling the quantity we delivered last year; it is a market with potential and we estimate growth even in the following years, especially since discussions are underway with our partners to register another 2,3 products.

In the Middle East, we intend to open a representative office, based on which, according to the legislation of Saudi Arabia we can register a wider range of products; the sales are also in an upward trend planned for this year. There are two markets where we will experience growth in 2025.

Mr. Marius CIORNEI

- Do you have 3 representative offices in Serbia, Moldova and Saudi Arabia?

Mr. Darius AGAFITEI

Yes, Vietnam should also be added there as a representative office in the territories.

Mr. Liviu VATAVU

So, we have an active representative office in Moldova. In Ukraine, the representative office has suspended its activity because of the war. In Vietnam we have an active representative office, as well as in Serbia and Saudi Arabia.

Mr. Mugur POPESCU

- Hello! Could you develop on the obtaining of financing of approximately EUR 100m for investments, namely the state subsidy?

Mrs. Paula COMAN

We are undergoing the substantiation stage and the deadline for submitting the documentation is the end of August, we are where we have to be related to this project. Nothing has changed regarding our project.

Mr. Marius CIORNEI

- As far as the critical medicines are concerned, do you still hope to get 100 million euros financing from Brussels?

Mrs. Stefania ALEXANDRU

The question relates to the same project. Nothing has happened that would take us on a different trajectory.

Mrs. Paula COMAN

Our project develops according to plan. Then it was a request for intent and now we have to submit the documentation by categories of goods, products that we purchase by the end of August. So, we are where we have to be related to this project.

Mrs. Daniela MANDRU

- Regarding the same topic, you have to submit the documentation by the end of August. When are you supposed to receive a response?

Mrs. Stefania ALEXANDRU

The answer should come by the end of the year, according to the information we have now.

Mrs. Daniela MANDRU

- And then the documentation you are working on involves the start of these investment projects in 2026?

Mrs. Paula COMAN

Yes.

Mrs. Daniela MANDRU

- Alright, thank you.

Mr. Marius CIORNEI

- Did you set up a working group within the company which maintains the contact with the Ministry of Health, the Ministry of European Funds and with Brussels for the funds from Brussels intended for critical medicines?

Mrs. Stefania ALEXANDRU

Yes, of course, we have a working team that is in contact with all the authorities involved in this project.

Mr. Florin TURCAS

First, I would like to ask you if the sales have been affected by the fact that the antibiotics can only be taken by prescription? Have they been influenced by that? Do you sell less antibiotics?

Mr. Ovidiu BATAGA

I mentioned this in an attempt to explain that there was also a market-related situation, that the therapeutics of this sales segment had a smaller impact in Q1 compared to other quarters and other years. There is also an impact of a somewhat more cumbersome prescribing of antibiotics based on the order that was released last year. We support a rational consumption of antibiotics. The patient's consumption thereof must be safe, as they are prescribed according to very clear rules, which apply at European level.

There is an impact from this sale as well, but we tried to compensate for decreases in the anti-infective class with other therapeutic classes that we are active in. There are 11 and we are monitoring a balance between these segments, precisely so as not to generate a totally unfavorable impact.

Mr. Florin TURCAS

- Alright, now let's talk about the balance sheet. You have quite large receivables and I think you are also relying on the state budget which is on deficit at the moment. The press estimates show that it is not doing well, how do you see the forecast for this year?

Mrs. Paula COMAN

The receivables at this time, the end of March, fell within the contractual deadlines, there was nothing on deposit, so we had received money from all our partners in the market, but, indeed, in the discussions we had with them, there were gaps in the settlement of the products that are part of the projects settled by the Romanian state. In the following period, it is possible for the collection period to be extended. According to our estimates, we expect a difference of somewhere about 10-15 days.

Mr. Florin TURCAS

- That's not much. I noticed that the receivables increased by 30 million and you made a profit of 30 million.

Mrs. Paula COMAN

The receivables increased due to the strong sales in Q4 and the receivables collection period in Romania is 180 days. That's why you see a greater receivables balance. It is because of higher sales in Q4.

Mr. Florin TURCAS

- So this will be regulated during the year. I have one more question. In your case, the investment subsidies are very small. Is it because you cannot access them?

Mrs. Paula COMAN

The investment subsidies, in the records you see, relate to the values obtained over the years by Antibiotice, including from 1994, 2000, 2006, 2017, because at the time the money was accessed, the equipment purchases were recorded, and as they are depreciated, over the years of depreciation, they become viable as subsidies.

Mr. Florin TURCAS

- Alright, but can't you get more subsidies?

Mrs. Paula COMAN

The project accessed by Antibiotice in 2023 and as we had the agreement with the Ministry of Finance in May 2023, began in 2024. Antibiotice's strategy to access external funds is part of this goal. However, throughout 2024 we did not collect anything from this fund accessed in 2023, the first collection occurred in April.

Mr. Florin TURCAS

- What is the amount? And that doesn't even show up on the bill, right?

Mrs. Paula COMAN

5.3 million lei. Not now, because we received it at the end of April. You will see it recorded in the financial statements in Q2.

Mr. Florin TURCAS

- Very well, thank you!

Mr. Mugur POPESCU

- How could one explain the 30% drop in the share price in 2025 in the context in which you consider the results to be in line with expectations?

Mr. Liviu VATAVU

I don't think the drop in Antibiotice's share price is something specifically related to Antibiotice; it's an overall drop in the stock market, not just in Romania, but in the international context. We are living in turbulent times in which the stock market is highly impacted by this situation, but in the immediate future, things will probably recover.

Mr. CIORNEI Marius

Can you provide data in the following reports for veterinary products, agricultural products and dermo-cosmetic products?

Mr. Ovidiu BATAGA

Yes, of course, we will fill-in the report with new actions on each of the mentioned components and we will come up with these figures.

Mr. Liviu VATAVU

Thank you! Are there any other questions?

Mrs. Daniela MANDRU

- The claw-back tax decreased by 5%.

Mrs. Paula COMAN

I have to make a clarification. The claw-back tax for the first quarter came very late, in the second week of May. What you see there is our estimate based on historical data. In fact, the claw-back tax for the first quarter is 10 million lei.

Mrs. Daniela MANDRU

- Yes, but it should be aligned somehow.

Mrs. Paula COMAN

It's aligned. I interrupted you because our estimate was more optimistic.

Mrs. Daniela MANDRU

- Did the adjustment of 3.7 million on fixed assets help you with the profit reported for this quarter? What do these adjustments relate to in your case?

Mrs. Paula COMAN

In the case of the first quarter, we have an inventory adjustment in the sense that the inventories that had less time until expiration left the company and were sold and then the provision made for them was recorded as income. Another part comes from the external receivable collected on time. At the end of the year, we made a provision on the receivable that was collected in the first quarter.

Mrs. Daniela MANDRU

- I understand. I come back to the question that was asked. Considering the economic context of Romania and the revenues, which you and we, as analysts, expect (or the allocations and revenues) to be challenging, to be reduced further, are you really maintaining your budget estimates for this year? In the first quarter you are on track for a net profit 13% below budget.

Mr. Liviu VATAVU

At least at this moment our shareholders have not decided to make changes to the already approved budget; if this happens there will certainly be a discussion and a public information. At this moment there is no such intention.

Mrs. Daniela MANDRU

- There is one more issue. There will probably be price increases, including for medicines.

Mrs. Paula COMAN

Please note that this year there is no forecast for price increases for medicines. By medicines, I mean prescription medicines, those reimbursed by the Romanian state.

Mrs. Daniela MANDRU

- I meant the fact that an increase in prices causes a decrease in volumes - that was the meaning of the question. What I would also like to talk to you about the profit tax. The gross profit decreased by 10% and the profit tax increased by 49%.

Mrs. Paula COMAN

In the investments in the equipment that we put into operation, there are several categories of fixed assets, which the Romanian state allows us to deduct from profit and, respectively, from the profit tax. In the first quarter of 2024, that value was higher than in the first quarter of 2025. That is why there is an imbalance in the profit tax. For the first quarter of 2025, we deducted 8.2 million lei from profit, while last year the amount was double.

Mrs. Daniela MANDRU

- I understand. I also noticed that overall, margins have improved, at least on EBIDA, from certain decreases I noticed...

Mrs. Paula COMAN

From a favorable expense structure.

Mrs. Daniela MANDRU

- Could you please tell us, for example, about the employee expenses, about the salary expenses, do you still estimate salary increases? I mean the average of salary increase for this year too?

Mrs. Paula COMAN

Last October, we had an estimate for an average salary increase of 6%. Since the budgets did not allow us to provide this increase to all employees, we agreed that we would provide an increase from November 1, 2024 for a certain category of employees and from June 1, 2025 for the other category of employees. So, we also have in our estimates an increase for half of our employees in 2025, those who did not benefit from this increase in November 2024.

Mrs. Daniela MANDRU

- Then it means that the salary expenses, which increased by 13% year-on-year this quarter, mirror last year's salary increases.

Mrs. Paula COMAN

Exactly.

Mrs. Daniela MANDRU

- Thank you very much! That would be all as far as I am concerned.

Mr. Florin TURCAS

- Now I get it. You said you stopped the sales through the branch in Ukraine because there's a war going on there; well, we're not at war with Ukraine. Don't they need medicines?

Mr. Liviu VATAVU

We did not stop the sales. Our representative office there is on standby because the war in the area is also affecting the trade relations.

Mr. Darius AGAFITEI

I think you realize that it is not easy for us to manage such a conflict zone. In the countries where we are pursuing a presence with our own teams, we have to go in the territory, to discuss, to recruit people, to discuss with people from induction periods in terms of procedures and business plans; it is not easy to do these things in the current conditions. That is why we agreed that for a period of time we will not expand the team, we will not take steps to register new products. We have not necessarily given up on this territory; we are trying to capitalize on the products that we have registered there, through distributors, without having a contribution through our own teams as we had initially planned this project. So, our business there is on standby only in terms of expansion, in terms of number of products, in terms of number of personnel, but on the commercial side we are trying to capitalize on the products that we have registered there.

Mrs. Daniela MANDRU

- Just for clarification, those non-reimbursable funds, in the documentation you are preparing for submission, do you maintain the same amount of 100 million euros? Is it a smaller or larger amount?

Mrs. Paula COMAN

At this point we know the approximate value, but it will undergo changes because the documentation must be based on purchase offers.

Mr. Liviu VATAVU

We will go public with our offer at the right time; we are in the stage where we are discussing this topic; it is part of our internal analysis; we do not yet have information intended for the public.

Mrs. Daniela MANDRU

- Alright, the question was whether these adjustments are upwards or downwards...

Mr. Liviu VATAVU

We will go public at the right time. It is premature to make any assumptions now.

Mrs. Daniela MANDRU

- I understand, okay, thank you!

Mr. Liviu VATAVU

Thank you for your presence today. We look forward to seeing you at the next investor meeting, have a good day and stay healthy!