

ANTIBIOTICE S.A.

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JUNE 30, 2025

PREPARED IN ACCORDANCE WITH

IAS 34 "INTERIM FINANCIAL REPORTING"

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ANTIBIOTICE S.A.
STATEMENT OF THE COMPREHENSIVE INCOME
On JUNE 30, 2025
(all amounts are expressed in lei ("RON"), unless otherwise stated)

	Note	6-month period ended on June 30, 2025 (revised)	6-month period ended on June 30, 2024 (revised)
Revenue from contracts with customers, of which:		333,740,008	350,850,074
Revenue from the sale of finished products	3	255,974,948	284,367,384
Revenue from the sale of products made on other manufacturing sites	3	76,503,868	65,922,420
Revenue from the provision of services	3	1,261,192	560,270
Other operating income		395,376	1,952,844
Income from subsidies		208,244	180,767
Changes in finished goods inventories and work in progress		30,411,726	17,988,910
Revenue from fixed assets projects		5,445,179	5,684,929
Expenses for raw materials, consumables used and products made on other manufacturing sites	5	(132,862,164)	(127,480,634)
Employee benefit expenses		(79,895,912)	(75,648,348)
Transportation expenses		(2,121,698)	(2,260,094)
Utility expenses		(12,518,251)	(8,832,393)
Depreciation and impairment of fixed assets, net		(25,971,977)	(21,588,234)
Current asset impairment, net		7,014,679	(684,042)
Reversed provisions, net		-	-
Sponsorships, donations		(418,011)	(287,514)
Other expenses	6	(48,284,464)	(60,292,230)
Operational result		75,142,735	79,584,035
Exchange rate differences, net		(4,649,205)	826,419
Interest expenses, net		(2,198,498)	(1,980,619)
Other financial expenses		-	-
Financial result		(6,847,703)	(1,154,200)
Pre-tax profit		68,295,032	78,429,835
Income tax expense and deferred tax	4	(9,171,237)	(4,235,805)
Profit for the financial year		59,123,795	74,194,030
Basic and diluted earnings per share		0.0881	0.1105
Profit for the financial year		59,123,795	74,194,030
Other comprehensive income		-	-
Items that will not be classified in profit or loss		-	-
Revaluation of tangible assets		-	-
Deferred tax related to revaluation of tangible assets		-	-
Other comprehensive income		-	-
Total overall result		59,123,795	74,194,030

Approved by the Management Board on **August 13, 2025**:

General Director,
Mr. Ioan NANI

Financial Director,
Mrs. Paula COMAN

ANTIBIOTICE S.A.
STATEMENT OF THE COMPREHENSIVE INCOME
On JUNE 30, 2025
(all amounts are expressed in lei ("RON"), unless otherwise stated)

	3-month period ended on June 30, 2025	3-month period ended on June 30, 2024
Revenue from contracts with customers, of which:	172,622,748	168,003,464
Revenue from sales of finished goods	127,310,189	135,252,917
Revenue from sales of products made at other manufacturing sites	44,804,784	32,678,236
Revenue from rendering of services	507,775	72,311
Other operating income	183,234	1,803,143
Revenue from subsidies	107,591	110,162
Changes in inventories of finished goods and work in progress	18,642,947	12,604,692
Income from fixed assets projects	2,889,601	2,749,313
Expenses for raw materials, consumables and products made at other manufacturing sites	(73,344,070)	(58,160,907)
Employee benefit expenses	(44,461,805)	(40,895,663)
Transportation expenses	(1,010,813)	(1,122,570)
Utility expenses	(5,319,199)	(2,024,890)
Depreciation and impairment of fixed assets, net	(13,149,541)	(11,057,753)
Adjustments for depreciation of current assets, net	3,331,907	(684,042)
Provisions reversed, net	3,935,343	-
Sponsorships, donations	(182,339)	(194,207)
Other expenses	(25,395,089)	(31,357,219)
Operational result	38,850,515	39,773,523
Exchange rate differences, net	(4,656,282)	627,734
Interest expenses, net	(1,242,910)	(1,094,551)
Interest expenses, net	(5,899,192)	(466,817)
Pre-tax profit	32,951,323	39,306,706
Income tax expense	(6,469,775)	(2,427,394)
Profit for the financial year	26,481,548	36,879,312
Basic and diluted earnings per share	0.0394	0.0549
Profit for the financial year	26,481,548	36,879,312
Other elements of the overall result	-	-
Items that will not be classified in profit or loss	-	-
Revaluation of tangible assets	-	-
Deferred tax related to the revaluation of tangible assets	-	-
Other elements of the overall result	-	-
Total overall result	26,481,548	36,879,312

Approved by the Management Board on **August 13, 2025**:

General Director,
Mr. Ioan NANI

Financial Director,
Mrs. Paula COMAN

ANTIBIOTICE S.A.
STATEMENT OF THE FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025
(all amounts are expressed in lei ("RON"), unless otherwise stated)

	Note	The financial year ended on June 30, 2025 (revised)	The financial year ended on December 31, 2024 (audited)
Assets			
Fixed assets			
Tangible fixed assets	7	743,270,657	749,395,619
Intangible fixed assets	8	62,338,299	55,168,937
Total tangible fixed assets		805,608,956	804,564,556
Current assets			
Inventories	9	212,455,905	169,858,775
Trade and similar receivables	10	399,896,651	298,073,567
Expenses registered in advance		4,679,769	4,078,280
Cash and cash equivalents	11	10,352,996	2,681,342
Total current assets		627,385,321	474,691,964
Total assets		1,432,994,277	1,279,256,520
Equity and liabilities			
Equity		-	-
Subscribed capital		67,133,804	67,133,804
Revaluation reserves		207,781,272	213,945,112
Legal reserves and other reserves		422,087,411	412,159,000
Retained earnings		242,425,824	201,070,907
Total equity		939,428,311	894,308,823
Long-term liabilities			
Bank loans and debts	13	145,517,640	85,715,093
Subsidies for investments - non-current portion	14	10,258,159	5,145,731
Deferred tax liabilities		61,783,533	59,031,869
Total long-term liabilities		217,559,332	149,892,693
Current debts			
Bank loans and debts	12	152,023,107	169,233,444
Bank loans	13	106,338,744	54,994,289
Other debts	12	17,127,899	10,310,387
Subsidies for investments - current portion	14	516,884	516,884
Total current debts		276,006,634	235,055,004
Total debts		493,565,966	384,947,697
Total equity and debts		1,432,994,277	1,279,256,520

Approved by the Management Board on **August 13, 2025**:

General Director,
Mr. Ioan NANI

Financial Director,
Mrs. Paula COMAN

ANTIBIOTICE S.A.**THE INDIVIDUAL CHANGES IN EQUITY STATEMENT****FOR THE YEAR ENDED ON JUNE 30, 2025****(all amounts are expressed in lei ("RON"), unless otherwise stated)**

DECEMBER 31, 2024	Share capital	Legal reserves and other reserves	Revaluation reserves	Cumulative reported result	Total equity
Balance on January 01, 2024	67,133,804	324,877,598	225,417,959	229,534,759	846,964,120
The result of the year	-	-	-	102,202,828	102,202,828
Other elements of the overall result	-	-	-	-	-
Total overall result	-	-	-	102,202,828	102,202,828
Reserves representing the surplus achieved from revaluation	-	-	(11,472,847)	11,472,847	-
Dividends paid in 2023	-	-	-	(55,669,264)	(55,669,264)
Transfer from retained earnings to other reserves	-	87,281,402	-	(87,281,402)	-
Balance on December 31, 2024	67,133,804	412,159,000	213,945,112	201,070,907	894,308,823

The dividends for 2023 were distributed as follows:

Ministry of Health- 29,514,327

Other legal entities and individuals – 26,154,937

Approved by the Management Board on **August 13, 2025**:**General Director,
Mr. Ioan NANI****Financial Director,
Mrs. Paula COMAN**

The attached notes are an integral part of the financial statements.

ANTIBIOTICE S.A.

THE INDIVIDUAL CHANGES IN EQUITY STATEMENT

FOR THE YEAR ENDED ON JUNE 30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

JUNE 30, 2025	Share capital	Legal reserves and other reserves	Revaluation reserves	Cumulative reported result	Total equity
Total equity on January 01, 2025 (audited)	67,133,804	412,159,000	213,945,112	201,070,907	894,308,823
The result of the year	-	-	-	59,123,795	59,123,795
Other elements of the overall result	-	-	(6,163,840)	6,163,840	-
Total overall result	-	-	(6,163,840)	65,287,635	59,123,795
Reserves representing the surplus achieved from revaluation	-	-	-	(203,431)	(203,431)
Dividends distributed in the first semester of 2025 related to the year 2024	-	-	-	(13,800,876)	(13,800,876)
Transfer from retained earnings to other reserves	-	9,928,411	-	(9,928,411)	-
Balance on June 30, 2025 (revised)	67,133,804	422,087,411	207,781,272	242,425,824	939,428,311

The dividends for 2024 were distributed as follows:

Ministry of Health – 7,316,848 lei

Other legal entities and individuals – 6,484,028 lei

The value of 9,928,411 lei represents the reserves established from the net profit for tax benefits and for establishing the company's own financing sources according to the legal requirements in force.

Approved by the Management Board on **August 13, 2025**:

**General Director,
Mr. Ioan NANI**

**Financial Director,
Mrs. Paula COMAN**

The attached notes are an integral part of the financial statements.

ANTIBIOTICE S.A.
THE INDIVIDUAL CASH FLOW STATEMENT
FOR THE YEAR ENDED ON JUNE 30, 2025
(all amounts are expressed in lei ("RON"), unless otherwise sptated)

Indirect method	Period ended on June 30, 2025 (revised)	Period ended on June 30, 2024 (revised)
Pre-profit tax	68,295,032	78,429,835
Adjustments for:		
Depreciation related to intangible assets	2,847,122	1,728,589
Depreciation related to tangible assets	23,124,855	19,859,645
(Revenues)/Expenses related to inventory provisions	(1,021,104)	685,778
(Revenues) related to customer provisions and assimilated accounts	(5,993,576)	(1,736)
Expenses/(Income) related to provisions for risks and expenses	-	-
The net loss from the disposal of tangible assets	-	4,426,403
Revenues from subsidies	(208,244)	(180,767)
Interest expenses	2,199,705	1,981,813
Interest revenues	(1,206)	(1,194)
Cash flow generated from operating activity before changes in working capital	89,242,584	106,928,366
(Increases) of stocks	(41,576,026)	(15,346,975)
(Increases) in receivables	(95,829,508)	(37,175,487)
(Increases) of expenses in advance	(601,489)	(221,168)
Increases / (decreases) in debts	15,311,542	(946,287)
Income increases (decreases) in advance	208,244	180,767
Interest collected	(2,199,705)	(2,021,492)
Interest received	-	-
Profit tax paid	(2,968,642)	(2,198,627)
Net cash from operating activities	(38,413,000)	49,199,097
Cash flows from investment activities		
Purchases of tangible assets	(38,957,900)	(34,770,533)
Purchases of intangible assets	(16,144,599)	(6,075,303)
Net cash from investment activities	(55,102,499)	(40,845,836)
Cash flows from financing activities		
(Decreasing)/Use of the credit line	51,344,455	(2,182,180)
(Repayment) long-term loan	(5,370,976)	(5,345,912)
Long-term loan collection	65,173,523	59,721,600
Dividends paid	(9,959,849)	(1,599,961)
Net cash from financing activities	101,187,153	50,593,547
(Decrease)/Net increase in cash and cash equivalents	7,671,653	58,946,808
Cash and cash equivalents at the beginning of the financial year	2,681,342	1,807,930
The effect of the exchange rate on the movement of cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial year	10,352,996	60,754,738

Approved by the Management Board on **August 13, 2025**:

General Director,
EME loan NANI

Financial Director,
Mrs. Paula COMAN

ANTIBIOTICE S.A.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE 30, 2025

(all amounts are expressed in lei ("RON")), unless otherwise stated)

1. GENERAL COMPANY INFORMATION

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 30.06.2025.

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 *streptomyces 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 they 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 as well as 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 the world market leader for the manufacture of active substances based on biotechnologies derived from *streptomyces noursei* for pharmaceutical use (in the form of compacted Nystatin, micronized Nystatin and standard Nystatin).
- 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 and so on);
- is the world market leader for the consumption of active substances based on biotechnologies derived from streptomycin 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.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE 30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

2. MAIN ACCOUNTING POLICIES

The individual simplified interim financial statements have been prepared in accordance with the provisions of Order no. 2844/2016 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent regulations and clarifications. These provisions are in accordance with those of the International Financial Reporting Standards adopted by the European Union. The individual simplified interim financial statements have been prepared on a going concern basis.

The accounting policies and valuation methods adopted in order to prepare the interim simplified financial statements are consistent with those used in preparing the annual financial statements of Antibiotice S.A. as of December 31, 2024.

These individual simplified interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union. They do not include all the information required for a complete set of financial statements in accordance with IFRS and should be read in conjunction with the Company's annual financial statements, prepared as of December 31, 2024. However, certain selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the financial position and performance of the Company since the last separate annual financial statements as of and for the financial year ended June 30, 2025.

2.1 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.
- Adjustments for the impairment of receivables – For the 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.

ANTIBIOTICE S.A.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED ON JUNE30, 2025 (all amounts are expressed in lei ("RON"), unless otherwise stated)

3. OPERATING INCOME

An analysis of the revenues is presented below:

	Financial year ended on June 30, 2025	Financial year ended on June 30, 2024
	(revised) RON	(revised) RON
Sales of finished products	308,955,686	322,311,845
Sales of products made on other manufacturing sites	86,998,640	78,524,264
Revenues from other activities	1,261,192	560,270
Commercial discounts granted	(63,475,510)	(50,546,305)
Total	333,740,008	350,850,074

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

	Financial year ended on June 30, 2025	Financial year ended on June 30, 2024
	(revised) RON	(revised) RON
On the Romanian market	195,675,148	201,835,491
On foreign markets	138,064,860	149,014,583
Total	333,740,008	350,850,074

4. CURRENT AND DEFERRED INCOME TAX EXPENSES

	Financial year ended on June 30, 2025	Financial year ended on June 30, 2024
	(revised) RON	(revised) RON
Current income tax expense	6,419,573	5,011,787
Deferred income tax impact	2,751,664	(775,982)
Total	9,171,237	4,235,805

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE 30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

4. CURRENT AND DEFERRED INCOME TAX EXPENSES (continued)

	Financial year ended on June 30, 2025 (revised) RON	Financial year ended on June 30, 2024 (revised) RON
Accounting profit:	68,295,032	87,381,967
Tax at the Romanian corporate tax rate of 16% (2025: 16%)	10,927,205	13,981,115
Effect of non-deductible expenses	3,843,726	4,391,836
Effect of non-taxable income	(3,416,469)	(3,155,526)
Tax on reinvested profits	(1,778,256)	(8,702,280)
Other tax effects	(404,969)	(2,279,340)
Current and deferred income tax expenses	9,171,237	4,235,805
	Financial year ended on June 30, 2025 (revised) RON	Financial year ended on December 31, 2024 (audited) RON
Inventories	842,955	1,982,127
Employee benefits	771,430	1,694,184
Total deferred tax assets	1,614,385	3,676,311
Tangible fixed assets	(63,397,918)	(62,708,180)
Total deferred tax liabilities	(63,397,918)	(62,708,180)
Net deferred tax liabilities	(61,783,533)	(59,031,869)

5. EXPENSES ON RAW MATERIALS, CONSUMABLES USED AND PRODUCTS MADE ON OTHER MANUFACTURING SITES

	Financial year ended on June 30, 2025 (revised) RON	Financial year ended on June 30, 2024 (revised) RON
Raw material expenses	81,459,465	80,311,497
Consumables expenses	7,332,298	8,658,981
Expenses with products made on other manufacturing sites	44,036,764	38,502,399
Consumed packaging	33,637	7,757
Total	132,862,164	127,480,634

ANTIBIOTICE S.A.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

6. OTHER EXPENSES

	Financial year ended on June 30, 2025	Financial year ended on June 30, 2024
	(revised) RON	(revised) RON
Expenses with services performed by third parties	7,528,746	10,359,913
Repair expenses	403,666	541,558
Expenses with other taxes and fees*	26,327,910	27,291,637
Protocol, advertisement and publicity expenses	8,744,575	11,925,872
Insurance premium expenses	1,560,307	1,713,455
Consultancy expenses	190,323	269,979
Other general expenses	2,449,411	6,180,417
Rent expenses	146,221	168,839
Travel expenses	697,851	1,138,480
Expenses with postal and telecommunications fees	232,958	370,864
Expenses with compensations, fines and penalties	2,496	331,216
Total	48,284,464	60,292,230

* Expenses with other taxes and duties

	Financial year ended on June 30, 2025	Financial year ended on June 30, 2024
	(revised) RON	(revised) RON
Expenses with the tax on buildings	1,489,902	1,043,951
Land tax expenses	340,973	340,820
Expenses with the tax on means of transport	21,519	21,282
Expenses with other taxes and fees	4,806,091	4,692,969
Expenses with the tax for the registration of licenses	-	-
Expenses regarding the environmental fund	28,590	34,097
Expenses with company taxes and advertising	-	6,220
Claw-back fee charges	19,640,835	21,152,298
Total	26,327,910	27,291,637

ANTIBIOTICE S.A.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

7. TANGIBLE FIXED ASSETS

	Land	Buildings	Machinery and equipment, vehicles	Installations and furniture items	In-progress fixed tangible assets	Total
COST						
Balance on January 1, 2024	204,794,472	312,770,025	286,242,809	10,234,687	42,671,079	856,713,072
Increases:	-	-	-	-	98,774,675	98,774,675
Transfers to / from fixed assets in progress	-	65,581,495	52,081,165	3,158,442	(120,873,476)	(52,374)
Increase / (decrease) from revaluation	-	-	-	-	-	-
Disposals and other discounts	-	(744,329)	(7,159,184)	(60,561)	-	(7,964,074)
Balance on December 31, 2024 (audited)	204,794,472	377,607,191	331,164,790	13,332,568	20,572,278	947,471,299
Balance on January 1, 2025 (audited)	204,794,472	377,607,191	331,164,790	13,332,568	20,572,278	947,471,299
Increases:	-	-	-	-	17,533,859	17,533,859
Transfers to / from fixed assets in progress	-	7,940,508	12,538,652	132,670	(20,611,830)	-
Increase / (decrease) from revaluation	-	-	-	-	-	-
Disposals and other discounts	-	(516,828)	(6,743,815)	(195,190)	-	(7,455,833)
Balance on June 30, 2025 (revised)	204,794,472	385,030,871	336,959,627	13,270,048	17,494,306	957,549,325

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EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

7. TANGIBLE FIXED ASSETS (continued)

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment, vehicles</u>	<u>Installations and furniture items</u>	<u>In-progress fixed tangible assets</u>	<u>Total</u>
CUMULATIVE AMORTIZATION						
Balance on January 1, 2024 (audited)	-	118,996	157,293,502	6,939,034	-	164,351,532
Depreciation recorded during the year	-	22,283,783	18,258,169	526,883	-	41,123,209
Disposals and other discounts	-	(126,843)	(7,157,185)	(60,561)	-	(7,344,687)
Cumulative depreciation of revalued tangible assets	-	-	-	-	-	-
Balance on december 31, 2024 (audited)	-	22,275,838	168,394,486	7,405,356	-	198,075,680
Balance on January 1, 2025 (audited)	-	22,275,838	168,394,486	7,405,356	-	198,075,680
Depreciation recorded during the year	-	12,016,014	10,760,591	348,250	-	23,124,855
Disposals and other discounts	-	-	(6,726,677)	(195,190)	-	(6,921,867)
Balance on June 30, 2025 (revised)	-	34,291,852	172,428,400	7,558,416	-	214,278,668
NET ACCOUNTING VALUE						
Net book value on December 31, 2024 (audited)	204,794,472	355,331,353	162,770,304	5,927,212	20,572,278	749,395,619
Net book value on June 30, 2025 (revised)	204,794,472	350,739,018	164,531,226	5,711,633	17,494,306	743,270,657

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7. TANGIBLE FIXED ASSETS (continued)

The most important investment projects carried out in 2025 are the following:

1. Product portfolio development

During this period, investments in research and development projects continued in order to obtain new, quality, safe, efficient and competitive products on the market.

The new product development program for 2025 has the following objectives: *(a) modernizing the company's product portfolio and (b) ensuring competitive pharmaceutical products on the foreign market.*

2. Investments in new production sites

The project "*Capacity for production, packaging and storage of sterile products, solutions and topicals*" is part of the Business Plan of Antibiotice S.A. for the year 2030. The investment covers the 3 stages for sterile injectable and topical products on the Antibiotice S.A. industrial platform: *production, packaging and storage*. The storage component was completed and the Finished Products Warehouse during the 1st quarter was authorized by the NAMMD. For the production component, the procedures for concluding the design and execution contracts for the two manufacturing flows were carried out and they are in different stages of implementation.

The project "Inova a+ research capacity and production of critical medicines", with partial funding from the Ministry of Investments and European Projects, is in the stage of developing the feasibility study and the documents necessary to submit the file in order to obtain funding.

This project is part of the projects that will be financed through the "Strategic Technologies for Europe" (STEP) platform, the platform established by the European Union Regulation 795/2024.

3. The digitalization strategy

Antibiotice, within the digitalization and computerization plan, prioritized investments to increase the company's efficiency, by reorganizing all processes based on the automation and implementation of an integrated information system, modernizing information networks, improving information security to provide a complete work tool.

During the first semester, the stages of the implementation plan of the Integrated Information System for the management of company resources (ERP) continued, which were finalized with the entry into production of the information system in June.

4. Adapting to the development trends of the industrial platform, utility supply and distribution infrastructures, storage of raw materials and finished products, transportation and connection to the national road system.

In order to modernize the facilities for the production and distribution of utilities, there are in various phases of development, projects that are carried out over several years, depending on the complexity and costs of the investments, for the modernization of: drinking water networks, transformer stations and electricity distribution facilities, steam production and distribution facilities, compressed air facilities, etc. These projects aim to comply with the environmental protection legislation and ensure the continuity of technological processes carried out on the platform.

5. Investments in the Integrated Management System (Quality, Environment, Sustainability, Occupational Health and Safety)

The investments consisted mainly in the acquisition of equipment for the endowment of product quality control laboratories. In the first 6 months, investments were made to modernize the quality control laboratories to provide standards and operational efficiency.

6. Investments in modernizing existing sites and equipment

In order to modernize the drug manufacturing flows of the four divisions, procedures were carried out for the acquisition of equipment, installations, facilities and laboratory equipment during the first 6 months of 2025. By the end of 2025, all manufacturing flow modernization projects will be completed according to plan.

8. INTANGIBLE ASSETS

The intangible assets are recorded in accordance with IAS 38 "Intangible Assets" and IAS 36 "Impairment of Assets". The externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives.

The expenses related to the acquisition of patents, copyrights, licenses, trademarks and other intangible assets recognized from an accounting viewpoint with the exception of formation expenses, goodwill, the intangible assets with an indefinite useful life, classified as such according to accounting regulations, are recovered through straight-line amortization deductions over the contract period or the period of use, as the case may be.

The internally generated intangible assets

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

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

ANTIBIOTICE S.A.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

8. 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, 2024	13,117,162	20,675,288	4,961,202	31,828,302	1,171,854	71,753,808
Increases	5,821,065	-	-	10,992,826	572,010	17,385,901
Disposals/reductions	(3,037,722)	-	-	(3,809,084)	-	(6,846,806)
Transfers	-	6,584,120	270,725	(6,755,685)	(99,160)	-
Balance on December 31, 2024	15,900,505	27,259,408	5,231,927	32,256,359	1,644,704	82,292,903
Balance on January 1, 2025	15,900,505	27,259,408	5,231,927	32,256,359	1,644,704	82,292,903
Increases	10,477,813	-	-	5,393,039	273,747	16,144,599
Disposals/reductions	(6,128,116)	-	-	-	-	(6,128,116)
Transfers	-	3,934,532	107,383	(3,894,027)	(147,888)	-
Balance on June 30, 2025	20,250,203	31,193,940	5,339,310	33,755,371	1,770,563	92,309,387

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EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

8. INTANGIBLE ASSETS (continued)

	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
Cumulative depreciation						
Balance on January 1, 2024	11,811,036	10,105,966	4,310,108	-	-	26,227,110
Depreciation expense	690,172	3,073,544	170,862	-	-	3,934,578
Disposals / discounts	(3,037,722)	-	-	-	-	(3,037,722)
Balance on December 31, 2024	9,463,486	13,179,510	4,480,970	-	-	27,123,966
Balance on January 1, 2025	9,463,486	13,179,510	4,480,970	-	-	27,123,966
Depreciation expense	535,596	2,177,294	134,232	-	-	2,847,122
Disposals / discounts	-	-	-	-	-	-
Balance on June 30, 2025	9,999,082	15,356,804	4,615,202	-	-	29,971,088
Net book value						
On December 31, 2024	6,437,019	14,079,898	750,957	32,256,359	1,644,704	55,168,937
On June 30, 2025	10,251,121	15,837,136	724,109	33,755,371	1,770,563	62,338,299

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EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

9. INVENTORIES

	Balance on June 30, 2025 (revised) RON	Balance on December 31, 2024 (audited) RON
Finished products	105,171,787	72,949,599
Raw materials	65,528,129	72,934,378
Goods	43,498,944	24,902,168
Consumables	479,616	84,890
Inventory items	36,468	25,265
Waste products	18,100	2,469
Packages	84,015	78,777
Products in progress	2,788,647	5,170,799
Moldings	118,665	-
Inventories - gross value	217,724,371	176,148,345
Value adjustments for raw materials and supplies	(1,964,160)	(1,964,160)
Value adjustments for raw materials and supplies	(1,894,763)	(1,767,036)
Value adjustments for products made at other manufacturing sites	(1,409,543)	(2,558,374)
Total value adjustments	(5,268,466)	(6,289,570)
Total inventories - net value	212,455,905	169,858,775

10. TRADE AND SIMILAR RECEIVABLES

	Balance on June 30, 2025 (revised) RON	Balance on December 31, 2024 (audited) RON
Short term receivables		
Trade receivables	369,352,740	311,936,942
Clients - invoices to be drawn up	(28,391,703)	(19,937,130)
Trade effects	7,177,738	8,113,470
Advances paid to suppliers of fixed assets	54,184,515	12,931,075
Advances paid to suppliers of inventories and services	8,301,748	600,427
Advances paid to employees	(585)	-
Other receivables	8,004,177	9,154,337
Additional adjustments for impairment	(18,731,979)	(24,725,555)
Balance at the end of the period	399,896,651	298,073,567

Changes in impairment adjustments for doubtful receivables.

	Financial year ended on June 30, 2025 (revised) RON	Financial year ended on December 31, 2024 (audited) RON
Balance at the beginning of the period	(24,725,555)	(20,628,873)
Impairment adjustment recorded in the statement of comprehensive income in relation to trade receivables	5,993,576	(4,096,682)
Balance at the end of the period	(18,731,979)	(24,725,555)

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EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

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(all amounts are expressed in lei ("RON"), unless otherwise stated)

11. CASH AND CASH EQUIVALENTS

	Financial year ended on June 30, 2025 (revised) RON	Financial year ended on December 31, 2024 (audited) RON
Liquid assets at bank	10,322,547	2,673,916
Cash and cash equivalents	30,450	7,426
Total	10,352,996	2,681,342

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

12. TRADE AND SIMILAR DEBTS

The financial 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 June 30, 2025 (revised) RON	Balance on December 31, 2024 (audited) RON
Trade debts	100,944,378	83,501,751
Effects to be paid	2,605,990	2,582,237
Debts from acquisition of fixed assets	14,557,544	44,300,365
Other current debts*	31,712,135	35,537,614
Advance payments received based on orders	2,203,060	3,311,477
Total	152,023,107	169,233,444

*Other current debts

	Balance on June 30, 2025 (revised) RON	Balance on December 31, 2024 (audited) RON
Wage and salary debts to employees and social security debts**	16,298,898	23,585,855
Unclaimed employee rights	34,661	35,708
Other creditors	2,875,014	2,911,858
Interests payable	50,203	74,601
Other taxes payable	998,812	424,287
Dividends payable	11,433,556	8,505,305
Settlements in the process of clarification	20,992	-
Total	31,712,135	35,537,614

** provisions for unpaid leave were included

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12. TRADE AND SIMILAR DEBTS (continued)

Current tax and fee debts

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.

	Balance on June 30, 2025 (revised) RON	Balance on December 31, 2024 (audited) RON
VAT payable	4,395,309	-
Current Profit Tax	3,345,096	-
Claw-back tax	9,000,000	10,152,471
Other Special Funds	387,494	157,916
Total	17,127,899	10,310,387

13. BANK LOANS

The bank loans on June 30, 2025 and December 31, 2024 are as follows:

Financing bank	Type of financing	Date of granting	Balance on December 31, 2024 (auditat)	Balance on June 30, 2025 (revizuit)	Short-term on June 30, 2025 (revizuit)	Long-term on June 30, 2025 (revizuit)	Period
Banca Transilvania	Credit line - working capital	3/21/2025	33,751,804	33,735,837	33,735,837	-	12 MONTHS
Banca Transilvania	Short-term credit	5/16/2025	-	51,071,067	51,071,067		12 MONTHS
		Initial award in 2016 renewed annually					
Unicredit Bank	Credit line - working capital		10,548,511(*)	8,178,935	8,178,935		12 MONTHS
Unicredit Bank	Investment credit	5/3/2018	36,719,867(**)	31,928,045	10,915,609	21,012,436	120 MONTHS
European Investment Bank	Investment credit	6/26/2024	59,689,200	60,932,400	2,437,296	58,495,104	96 MONTHS
European Investment Bank	Investment credit	1/17/2025	-	66,010,100	-	66,010,100	96 MONTHS
TOTAL			140,709,382	251,856,384	106,338,744	145,517,640	

To finance its current activity, the company has two loans in the form of a credit line, multicurrency with use in Ron, Euro and USD, in a total amount of 50,000,000 lei. The amount of 35,000,000 lei is contracted from Banca Transilvania and the amount of 15,000,000 lei is contracted from UniCredit Bank.

The company contracted an investment loan from UniCredit Bank in 2018 for a total amount of 15,406,300 euros, to finance the investment in the new topical products manufacturing site and for the acquisition of the equipment necessary for the implementation of serialization. Starting with April 2021, the repayment of the principal began, the last installment to be repaid is in May 2028.

EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE 30, 2025

(all amounts are expressed in lei ("RON"), unless otherwise stated)

13. BANK LOANS (continued)

To support the financing of the investment project "Production, packaging and storage capacity for sterile products, solutions and topical products", Antibiotice SA contracted in November 2023 a financing agreement with the European Investment Bank, in the amount of 25,000,000 euros. In June 2024, the Company drew a first tranche of this loan, in the amount of 12,000,000 euros.

The loan agreement concluded with the European Investment Bank provides for the following indicators that the financing institution monitors: the current liquidity to be at least 1.2 (where the current liquidity is calculated as the ratio between current assets and short-term bank debts); the total bank debt/EBITDA - cannot be higher than 3.5 and the total bank debt/equity must not exceed 1. On June 30, 2025, the Company met these financial indicators.

14. INVESTMENT SUBSIDIES

	Financial year ended on June 30, 2025 (revised) RON	Financial year ended on December 31, 2024 (audited) RON
On January 1	5,662,615	1,892,704
Subsidy entries	5,320,672	4,209,120
Transferred to the statement of comprehensive income	(208,244)	(439,209)
On June 30, 2025 / December 31, 2024	10,775,043	5,662,615
Curent	516,884	516,884
Fixed	10,258,159	5,145,731

In the first semester of 2025, Antibiotice S.A. received from the Ministry of Finance the amount of 5,320,672 lei for financing the investment project "Capacity for production, packaging and storage of sterile products, solutions and topical products", a project which will be completed in 2028.

15. RISK MANAGEMENT

The activities carried out by the Company may give rise to various risks. The risk management monitors the effect 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 interest rate risk, currency risk and instrument price risk;
- The liquidity risk.

Like all other activities, the Company is exposed to risks arising from the use of financial instruments.

There have been no major changes in the company's exposure to risks related to financial instruments, its objectives, policies and processes for managing these risks or the methods used to assess them compared to previous periods.

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

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

**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
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16. PRESENTATION OF AFFILIATED PARTIES

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 2025 and 2024, 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.

Amounts due and receivable from related parties

At the end of the first semester of 2025, the company had no receivables or debts to the related entity.

Information on transactions with related parties

During the first semester of 2025, the Company did not enter into any commercial transactions with the related entity.

17. ELEMENTS SUBSEQUENT TO THE REPORTING PERIOD

There are no significant subsequent events that are not presented in these financial statements.

Approved by the Management Board on **August 13, 2025**:

**General Director,
Mr. Ioan NANI**

**Financial Director,
Mrs. Paula COMAN**