

# **ANTIBIOTICE S.A.**

**INDIVIDUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED ON  
31.12.2025**

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

**TABLE OF CONTENTS****PAGE**

INDEPENDENT AUDITOR'S REPORT	1 – 5
INDIVIDUAL STATEMENT OF THE COMPREHENSIVE INCOME	6 – 7
INDIVIDUAL STATEMENT OF THE FINANCIAL POSITION	8
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY	9 – 10
INDIVIDUAL CASH FLOWS STATEMENTS	11
EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS	12 – 53

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
ANTIBIOTICE S.A.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

1. We have audited the financial statements of Antibiotice S.A ("the Company"), with registered office in Iasi, strada Valea Lupului, nr 1, identified by unique tax registration code 1973096, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
2. The financial statements as at 31 December 2025 are identified as follows:
  - Net assets / Equity RON 932.073.712
  - Net profit for the financial year RON 51.769.472
3. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, its financial performance and its cash flows for the year then ended in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards ("MoPF 2844/2016").

#### **Basis for Opinion**

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Romania, including the Regulation and the Law 162/2017. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key matters	How our audit addressed the key matters
<p>Revenue recognition, including discounts granted</p> <p>The revenues generated from the sale of finished products and traded goods represent the Company's core activity.</p> <p>Recognition of revenues resulting from the sale of finished products and goods depends on the appropriate assessment of the amount of the contractual counter performance, including discounts granted in some sales transactions and their registration in the period to which they refer, in accordance with the commercial clauses of the contracts with customers.</p> <p>We believe that revenue recognition is a significant audit area, as the Company's management may incorrectly account the revenue from the sale of finished products and goods due to the nature of the sales transactions and contractual clauses regarding the manner and date when control over the sold goods is transferred.</p> <p>In addition, revenue is one of the Company's most important key performance indicators. The Company's presentations of revenue are included in the Note 3 to the financial statements.</p>	<p>Our audit procedures performed to address the risk of material misstatement of revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the Company's accounting policies on revenue recognition, including discounts granted.</li> <li>• We assessed the development and implementation of existing key internal controls regarding the sales transactions of finished products, goods and discounts granted.</li> <li>• We confirmed the revenue and discounts granted to the customers selected on the basis of a random sample on December 31, 2025 in order to evaluate the completeness of the transactions made by the Company with them.</li> <li>• We selected a random sample of revenue including the discounts granted, which we compared with the relevant supporting documents to ensure the accuracy and completeness of the recorded transactions, also validating the financial period in which they had to be recorded depending on the date on which the transfer of control over the finished products or goods sold was made from the Company as the seller to the customer as the buyer.</li> <li>• We performed analytical procedures that consisted in the analysis of revenue and discounts granted, comparing the current period with the previous one for: sales, customer volumes and margin.</li> <li>• We evaluated whether the information presented in the Explanatory Notes is appropriate.</li> </ul>

## Other Information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report and the Remuneration report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended 31 December 2025, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Other responsibilities of reporting with respect to other information – Administrators' report

With respect to the Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of MoPF 2844/2016.

On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

- a) the information included in the Administrators' report, for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these financial statements;

- b) the Administrators' report has been prepared, in all material respects, in accordance with the provisions MoPF 2844/2016.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at 31 December 2025, we are required to report if we have identified a material misstatement of this Administrators' report. We have nothing to report in this regard.

## **Other reporting responsibilities with respect to other information – Remuneration report**

With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with MoPF 2844/2016, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ***Report on Other Legal and Regulatory Requirements***

15. We were appointed by the General Meeting of Shareholders on April 27, 2023 to audit the financial statements of Antibiotice S.A. for the financial year ended 31 December 2025. The uninterrupted total duration of our commitment is 3 years, covering the financial years ended 31 December 31 2023 until 31 December 2025.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

## **Report on the Information Regarding Income Tax**

16. For the financial year preceding the financial year for which the financial statements were prepared, the Company was not required under MoPF 2844/2016, articles 602 - 606, to publish a report on income tax information.

**Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (“Law 162/2017”), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard (“ESEF”)**

17. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2018/815 applicable to the financial statements included in the annual financial report of Antibiotice S.A. (“**the Company**”) as presented in the digital files which contain this audit report (“**Digital Files**”).

(I) *Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF*

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the financial statements to be submitted in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards (“MoPF 2844/2016”).

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(II) *Auditor’s Responsibilities for the Audit of the Digital Files*

Our responsibility is to express a conclusion on whether the financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

Our firm applies International Standard on Quality Management 1 (“ISQM1”), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor’s judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company’s process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited financial statements of the Company to be submitted in accordance with Ministry of Public Finance Order no. 2844/2016 for the approval of accounting regulations conforming with International Financial Reporting Standards (“MoPF 2844/2016”);
- evaluating if the financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the financial statements for the year ended 31 December 2025 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the financial statements. Our opinion relating to the financial statements of the Company for the year ended 31 December 2025 is set out in the “*Report on the audit of the financial statements*” section above.

The engagement partner on the audit resulting in this independent auditor’s report is Ioana Alina Mirea.

Ioana Alina Mirea, Audit Partner

*For signature, please refer to the original  
Romanian version.*

*Registered in the Electronic Public Register of Financial  
Auditors and Audit Firms under number AF 1504*

On behalf of:

**DELOITTE AUDIT SRL**

*Registered in the Electronic Public Register of Financial  
Auditors and Audit Firms under number FA 25*

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9<sup>th</sup> Floor, District 1  
Bucharest, Romania  
25 March 2026

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF THE COMPREHENSIVE INCOME****FOR THE PERIOD ENDED ON 31.12.2025****(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

	Note	Period ended on 31.12.2025	Period ended on 31.12.2024
<b>Revenues from contracts with clients, of which:</b>		<b>645,275,929</b>	<b>675,010,971</b>
- Revenues from the sale of finished products	3	492,257,027	530,471,197
- Revenues from the sale of products made on other manufacturing sites	3	150,980,235	143,650,793
- Income from the provision of services	3	2,038,667	888,981
Other operating income	4	1,777,367	2,335,250
Income from subsidiaries	4	458,321	439,209
Changes in stocks of finished products and production in progress		8,974,708	(3,531,922)
Income from fixed assets projects		12,788,105	11,115,300
Expenses with raw materials, used consumables and products made on other manufacturing sites	5	(244,171,340)	(230,582,997)
Employee benefit expenses	6	(176,212,361)	(165,385,364)
Transport costs	7	(4,368,524)	(4,514,550)
Utility costs	7	(21,970,856)	(17,901,283)
Amortization and adjustments for the depreciation of fixed assets, net	11,12	(52,999,351)	(45,057,786)
Adjustments for depreciation of current assets, net		10,312,273	3,765,041
Reversed provisions, net		(302,949)	(943,128)
Sponsorships, donations		(802,308)	(821,912)
Other expenses	7	(107,725,734)	(116,538,511)
Operational result		71,033,281	107,388,318
Diferente de curs valutar, net	8	(6,422,207)	263,951
Exchange rate differences, net	8	(4,464,509)	(4,539,707)
Other financial expenses	8	-	-
Financial result	8	(10,886,717)	(4,275,756)
Pre-tax profit		60,146,564	103,112,562
Income tax expense	9	(8,377,092)	(909,734)
<b>The profit of the financial exercise</b>		<b>51,769,472</b>	<b>102,202,828</b>
Basic/diluted earnings per share		0.0771	0.1522

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF THE COMPREHENSIVE INCOME****FOR THE PERIOD ENDED ON 31.12.2025****(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

	<b>Note</b>	<b>Period ended on 31.12.2025</b>	<b>Period ended on 31.12.2024</b>
The profit of the financial exercise		<b>51,769,472</b>	102,202,828
<i>Other elements of the overall result</i>		-	-
<i>Items that will not be classified in profit or loss</i>		-	-
<i>Revaluation of tangible assets</i>	11	-	-
<i>Deferred tax related to the revaluation of tangible assets</i>	8	-	-
<i>Other elements of the overall result</i>		-	-
<b>Total overall result</b>		<b>51,769,472</b>	<b>102,202,828</b>

Approved by the Management Board on: **25.03.2026**.

---

**General Director,  
Mr. Ioan NANI**

---

**Financial Director,  
Mrs. Paula Luminita COMAN**

**ANTIBIOTICE S.A.****INDIVIDUAL FINANCIAL STATEMENTS****FOR THE PERIOD ENDED ON 31.12.2025****(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

	Note	Period ended on 31.12.2025	Financial year ended 31.12.2024 (restated)
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	11	816,921,006	749,395,619
Intangible assets	12	69,948,357	55,168,937
<b>Total fixed assets</b>		<b>886,869,363</b>	<b>804,564,556</b>
<b>Current assets</b>			
Inventories	13	182,339,860	169,858,775
Trade and similar receivables	14,15	309,421,285	298,073,567
Expenses recorded in advance		3,984,188	4,078,280
Cash and cash equivalents	16	9,944,346	2,681,342
<b>Total current assets</b>		<b>505,689,679</b>	<b>474,691,964</b>
<b>Total assets</b>		<b>1,392,559,042</b>	<b>1,279,256,520</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Subscribed capital	17	67,133,804	67,133,804
Reserves from revaluation	17	202,188,240	213,945,112
Legal reserves and other reserves		441,525,130	412,159,000
Retained earnings		221,226,538	201,070,907
<b>Total equity</b>		<b>932,073,712</b>	<b>894,308,823</b>
<b>Long-term liabilities</b>			
Loans and bank debts	19	135,735,402	85,715,093
Subsidies for investments - non-current portion	20	10,008,082	5,145,731
Deferred tax liabilities	9	64,381,163	59,031,869
<b>Total long-term liabilities</b>		<b>210,124,647</b>	<b>149,892,693</b>
<b>Current liabilities</b>			
Trade and similar liabilities	18	136,929,626	169,233,444
Bank loans	19	97,749,630	54,994,289
Other liabilities	18	15,164,544	10,310,387
Subsidies for investments - current portion	20	516,884	516,884
Provisions		-	-
<b>Total current liabilities</b>		<b>250,360,684</b>	<b>235,055,004</b>
<b>Total liabilities</b>		<b>460,485,330</b>	<b>384,947,697</b>
<b>Total equity and liabilities</b>		<b>1,392,559,042</b>	<b>1,279,256,520</b>

Approved by the Management Board on: **25.03.2026**.

---

**General Director,  
Mr. Ioan NANI**

---

**Financial Director,  
Mrs. Paula Luminita COMAN**

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED ON 31.12.2025****(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

<b>31.12.2024</b>	<b>Share capital</b>	<b>Legal reserves and other reserves</b>	<b>Legal reserves and other reserves</b>	<b>Cumulative retained earnings</b>	<b>Total equity</b>
<b>Balance on 01.01.2024</b>	<b>67,133,804</b>	<b>324,877,598</b>	<b>225,417,959</b>	<b>229,534,759</b>	<b>846,964,120</b>
Result of the year	-	-	-	102,202,828	102,202,828
Other comprehensive income	-	-	-	-	-
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,202,828</b>	<b>102,202,828</b>
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 the retained earnings over to other reserves	-	87,281,402	-	(87,281,402)	-
<b>Balance on 31.12.2024</b>	<b>67,133,804</b>	<b>412,159,000</b>	<b>213,945,112</b>	<b>201,070,907</b>	<b>894,308,823</b>

In the cumulative retained earnings, the value of 120,811,620 lei is the amount resulting from the first-time application of IFRS according to OMFP 881/2012, whose amortized value until 31.12.2024 is 5,461,135.50 lei.

Approved by the Management Board on: **25.03.2026**.

\_\_\_\_\_  
General Director,  
Mr. Ioan NANI

\_\_\_\_\_  
Financial Director,  
Mrs. Paula Luminita COMAN

The attached notes are an integral part of the individual interim financial statements

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED ON 31.12.2025****(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

<b>31.12.2025</b>	<b>Share capital</b>	<b>Legal reserves and other reserves</b>	<b>Revaluation reserves</b>	<b>Revaluation reserves</b>	<b>Total equity</b>
<b>Balance on 01.01.2025</b>	<b>67,133,804</b>	<b>412,159,000</b>	<b>213,945,112</b>	<b>201,070,907</b>	<b>894,308,823</b>
Result of the year	-	-	-	51,769,472	51,769,472
Other comprehensive income	-	-	-	-	-
<b>Total overall result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,769,472</b>	<b>51,769,472</b>
Reserves representing the surplus achieved from revaluation	-	-	(11,756,872)	11,756,872	-
Dividends	-	-	-	(13,800,876)	(13,800,876)
Transfer from the retained earnings over to other reserves	-	29,366,130	-	(29,569,837)	-
<b>Balance on 31.12.2025</b>	<b>67,133,804</b>	<b>441,525,130</b>	<b>202,188,240</b>	<b>221,226,538</b>	<b>932,073,712</b>

Approved by the Management Board on: **25.03.2026**.

---

**General Director,  
Mr. Ioan NANI**

---

**Financial Director,  
Mrs. Paula Luminita COMAN**

The attached notes are an integral part of the individual interim financial statements

**ANTIBIOTICE S.A.****INDIVIDUAL STATEMENT OF CASH FLOWS****FOR THE PERIOD ENDED ON 31.12.2025****(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

	Note	Period ended on 31.12.2025	Financial year ended 31 December 2024(restated)
<b>The indirect method</b>		<b>60.146.564</b>	<b>103.112.562</b>
<b>Pre-tax profit</b>			
Adjustments for:			
Depreciation related to intangible assets		4,785,528	3,934,578
Depreciation related to tangible assets		48,229,530	41,123,209
Expenses related to inventory provisions		(4,114,275)	(7,861,723)
(Revenues) related to customer provisions and assimilated accounts		(6,197,999)	3,001,202
The net loss from the disposal of tangible assets		-	(163,499)
Income from subsidies		(458,321)	(439,209)
Interest expense		4,466,510	4,541,505
Interest income		(1,935)	(1,798)
<b>Cash flow generated from operating activity before changes in working capital</b>		<b>106,853,602</b>	<b>147,246,827</b>
(Increases)/Decreases of inventories		(8,366,810)	(1,782,568)
(Increases)/Decreases in receivables		(5,149,719)	(65,302,780)
(Increases) of expenses in advance		116,934	(588,665)
Increases/(decreases) in liabilities		(14,059,988)	19,126,127
Increases of income in advance		-	163,499
Interest collected		1,935	1,798
Profit tax paid		(6,638,249)	(3,716,895)
<b>Net cash from operating activities</b>		<b>72,439,050</b>	<b>95,147,343</b>
<b>Cash flows from investment activities:</b>			
Purchases of tangible assets		(131,357,628)	(98,774,675)
Purchases of intangible assets		(11,253,063)	(17,385,901)
Revenues from subsidies		5,320,672	
<b>Net cash from investment activities</b>		<b>(137,272,019)</b>	<b>(116,160,576)</b>
<b>Cash flows from financing activities:</b>			
(Refund) Credit line usage		35,147,153	25,442,197
Collection/(Repayment) of long-term loan		57,362,149	59,750,136
Dividends paid		(15,948,819)	(48,168,486)
Interest paid		(4,466,444)	(4,605,455)
<b>Net cash from financing activities</b>		<b>72,095,973</b>	<b>21,633,145</b>
(Decrease)/Net increase in cash and cash equivalents		7,263,004	619,913
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>16</b>	<b>2,681,342</b>	<b>1,807,930</b>
The effect of the exchange rate on the movement of cash and cash equivalents		-	253,499
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16</b>	<b>9,944,346</b>	<b>2,681,342</b>

Approved by the Management Board on: **25.03.2026**.

\_\_\_\_\_  
**General Director,**  
**Mr. Ioan NANI**

\_\_\_\_\_  
**Financial Director,**  
**Mrs. Paula Luminita COMAN**

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**1. COMPANY RELATED INFORMATION**

**1.1. Company overview**

Antibiotice S.A. ("ATB" symbol - Bucharest Stock Exchange symbol, "The Company") is a commercial company established in Romania, with registered office at Str. Valea Lupului, nr. 1, Iasi. The company is registered at the Trade Registry Office under no. J1991000285223 and it has the unique registration code 1973096.

The scope 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 are the individual interim financial statements of Antibiotice S.A. drawn up on 31.12.2025, which were authorized on: **25.03.2026**.

Antibiotice S.A.:

- is the most important manufacturer of generic medicines in Romania, owned entirely by the Romanian state;
- 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 medicines for human use (RX medicines 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 surface and hand disinfection, veterinary medicines and biofertilizers. The product portfolio consists of over 160 products from 11 therapeutic classes. Prescription products are mainly grouped by ATC1 therapeutic classes and are intended for pathologies with high incidence and the treatment of chronic conditions. Non-prescription products are grouped into portfolio concepts, for more efficient communication to the target audience. The concepts include food supplements, medical devices, cosmetics, OTC medicines and OTX medicines (RX products with OTC behavior being dispensed from pharmacies without a prescription). The products in the current portfolio are carefully monitored, with actions being 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 contributes greatly to the development of Antibiotice S.A. on the domestic market, as well as on international markets, both through its own research and development activity and by assimilating new products through business development (in-licensing contracts).
- has a diversified production capacity, organized on 3 production divisions, 8 manufacturing flows on which: penicillin injectable powders are produced; penicillin capsules; non-beta-lactam capsules; cephalosporin capsules; tablets; ointments, creams, gels; suppositories; pessaries; active substances obtained through biosynthesis and 10 partner sites. All the 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 the fixed assets registered in the company's accounting;
- owns 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 has WHO certification for the range of essential antituberculosis drugs;
- is a traditional supplier of anti-infective drugs for hospitals in the USA, Vietnam and European markets (Great Britain, Denmark, The Netherlands, Serbia, Lithuania, Hungary);
- is the world market leader for the consumption of active substances based on biotechnologies derived from *Streptomyces noursei* for pharmaceutical use (in the form of compacted Nystatin, micronized Nystatin and standard Nystatin). The superior quality of this product, recognized by the US authorities (FDA) as an international reference standard, is reflected in a continuous increase in the number of new customers in Europe, South America and North America.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**1. COMPANY RELATED INFORMATION (continued)**

**1.2. Corporate Governance Structures**

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

- The General Meeting of Shareholders
- The Management Board
- The Advisory Committees
- The Executive Management
- The Corporate Governance Secretariat
- The Internal Audit, Management Control and Risk Management

**The General Meeting of Shareholders**

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

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

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

The legal framework for ensuring the corporate governance system is:

- Law no. 31/1990 on the commercial companies, as amended and supplemented;
- GEO no. 109/2011 on corporate governance of public enterprises, as amended and supplemented
- Law no. 24/2017 on the issuers of financial instruments and market operations
- The ASF Regulation no. 5/2018 on issuers of financial instruments and market operations
- The Antibiotice S.A. Corporate Governance Code which also includes the Regulation on the Organization and Functioning of the Board of Directors and the Regulation on the Evaluation of Administrators
- The Code of Ethics

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

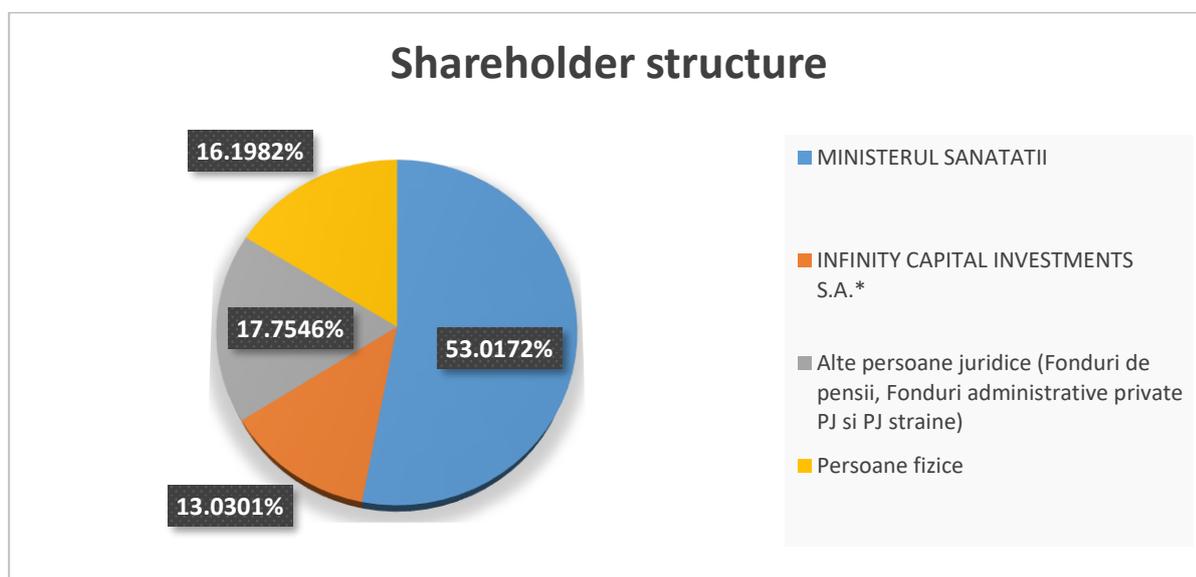
**1. COMPANY RELATED INFORMATION (continued)**

**1.2. Corporate Governance Structures**

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

The main shareholders of the company as of 31.12.2025 (excerpt from the Register of Shareholders)

THE MINISTRY OF HEALTH (*)	53.0172%
INFINITY CAPITAL INVESTMENTS S.A. (*)	13.0301%
Other shareholders	33.9528%



Shareholder classes:

- Legal entities – 83,8018 %
- Natural persons – 16,1982 %

Alte persoane juridice (Fonduri de pensii, Fonduri administrative private, persoane juridice si persoane juridice straine) = Other legal entities (Pension funds, Private administrative funds, legal entities and foreign legal entities)

Persoane fizice = Natural persons

**Antibiotice S.A. on the capital market**

Antibiotice S.A. has been listed on the Bucharest Stock Exchange under the symbol ATB, in the Premium category, since April 16, 1997.

The shares of Antibiotice S.A. are included in the following indices: BET, ROTX, BET-TR, BET-TRN, BET-XT, BET-XT-TR, BET-XT-TRN, BET Plus, BET-BK.

The BET index is a weighted index with the free float capitalization of the most liquid Romanian companies on the BVB regulated market, which meet the highest quality standards.

This index was designed to be a benchmark of performance and transparency of the regulated market managed by BVB.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**1. COMPANY RELATED INFORMATION (continued)**

**1.2. Corporate Governance Structures**

The corporate governance framework adopted and applied:

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

On the Antibiotice S.A. company website at [www.antibiotice.ro/investitori/informatii\\_actionari](http://www.antibiotice.ro/investitori/informatii_actionari), there is a section dedicated to shareholders, where documents related to the General Meetings of Shareholders can be accessed and downloaded: procedures regarding the access to and the participation in meetings, the convening notice, the agenda, information materials, special powers of representation, correspondence voting forms, draft resolutions, resolutions and the voting results.

**1.2. Corporate Governance Structures (continued)**

**The Corporate Governance Code**

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

**The Code of Ethics**

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

**The Advisory Committees**

The Management Board exercises part of its responsibilities through the three advisory committees: the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee. The specialized advisory committees carry out investigations, analyzes, they develop recommendations and they periodically submit reports on their activities to the Management Board.

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

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**1. COMPANY RELATED INFORMATION (continued)**

**The executive management**

Antibiotice S.A. is represented by the General Director, according to the prerogatives established by law and the company's statute. The Management Board retains the responsibility of representing the company in relations with the directors it has appointed. The composition of the management team of Antibiotice S.A., as of 31.12.2025 can be accessed at: [https://www.antibiotice.ro/investitori-  
php/corporate-governance/structuri-de-guvernanta/](https://www.antibiotice.ro/investitori-<br/>php/corporate-governance/structuri-de-guvernanta/).

**2. GENERAL INFORMATION**

**2.1. The drafting basis**

The individual financial statements have been prepared in accordance with the provisions of O.M.F.P. no. 2844/2016 for the approval of accounting regulations in accordance with International Financial Reporting Standards, as amended and supplemented. These provisions are in accordance with those of the International Financial Reporting Standards ("IFRS") and with the IFRIC interpretations, adopted by the European Union. The financial statements have been prepared on a going concern basis.

The Company has prepared individual IFRS financial statements comprising the individual statement of comprehensive income, the individual statement of financial position, the individual statement of cash flows and the individual statement of changes in equity for the year ended on 31.12.2025.

These separate financial statements have been prepared in accordance with IAS 1 Presentation of Financial Statements, as adopted by the European Union.

**2.2. The evaluation basis**

The individual financial statements are prepared on the historical cost basis except for land and buildings presented at revalued cost using fair value as deemed cost and for items presented at fair value, namely financial assets and liabilities at fair value, through the profit and loss account except for those for which the fair value cannot be reliably determined.

These separate financial statements have been prepared for general purposes, for the use of persons familiar with the provisions of International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market. Consequently, these financial statements should not be considered as the sole source of information by a potential investor or other user.

**2.3. The functional and presentation currency**

The functional currency, as defined by IAS 21 "The Effects of Changes in Foreign Exchange Rates", is the Romanian Leu. The individual financial statements are presented in Romanian Leu, the amounts being rounded to the nearest Romanian Leu, the currency that the Company has chosen as its presentation currency.

The transactions carried out by the Company in a currency other than the functional currency are recorded at the exchange rate in effect at the date of the transactions. The monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at the reporting date. The gain or loss resulting from exchange rate differences on the conclusion of these transactions and from the translation at the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currencies is reflected in the separate statement of comprehensive income.

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

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

	<b>31.12.2025</b>	<b>31.12.2024</b>
EUR	5.0985	4.9741
USD	4.3417	4.7768

**2.4. Critical accounting evaluations and estimates**

The Company makes certain estimates and assumptions regarding the future. The estimates and judgments are continuously evaluated based on the historical experience and other factors, including forecasts of future events that are considered to be reasonable under the existing circumstances. In the future, the actual experience may differ from these estimates and assumptions. The following are examples of evaluations, estimates, assumptions applied within the Company:

- The evaluation of investment properties and owned buildings - Based on the valuations carried out by external valuers, the fair value of investment properties and owned buildings is determined. These valuations are based on assumptions that include future rental income, anticipated maintenance costs, future development costs and the discount rate. The valuers also refer to market information related to transaction prices for similar properties.
- Allowances for impairment of receivables – For trade receivables, a simplified approach is adopted in which impairment losses are recognized based on lifetime expected credit losses at each reporting date. If there is credit insurance or guarantees for outstanding balances, the calculation of expected credit losses is based on the insurer's probability of default for the insured portion of the outstanding balance and the remaining uncovered amount will have the probability of default of the counterparty. For trade receivables, the simplified model regulated by IFRS 9 is used.
- Inventory impairment adjustments - The assessment of inventory impairment is made on an individual basis and it is based on the management's best estimate of the present value of the cash flows expected to be received. Each depreciated asset is analyzed individually. The accuracy of the adjustments depends on the estimate of future cash flows. Inventory adjustments are based on the calculation made at the end of the financial year for the specific value adjustment related to inventories of raw materials, supplies and finished goods that no longer meet the quality requirements. The calculation of the general inventory impairment adjustment is made based on the shelf life of the items in stock.
- Legal proceedings - The Company reviews pending legal cases by following the developments in the legal proceedings and the existing situation at each reporting date, in order to assess the provisions and the disclosures in its financial statements. Among the factors considered in making decisions related to provisions are the nature of the litigation or claims and the potential level of damages in the jurisdiction in which the litigation is being heard, the progress of the case (including progress after the date of the financial statements but before such statements are issued), the opinions or views of legal advisors, experience in similar cases and any decision of the Company's management related to how it will respond to the litigation, claim or assessment.
- Accounting estimates of expenses - There are objective situations in which, until the closing date of certain fiscal periods or until the closing date of a financial year, the exact values of certain expenses incurred by the company are not known (e.g. marketing-sales campaigns for product promotion and sales stimulation). For this category of expenses, preliminary estimates of expenses will be made, which will be effectively recorded in the following periods.
- Taxation - The Romanian tax system is in a stage of consolidation and harmonization with 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. Given the diversity of business relationships and the long-term nature and complexity of existing contractual agreements, differences that arise between actual results and assumptions made or future changes to these assumptions could require future adjustments to tax income and expenses already recorded. In Romania, the fiscal year remains open for tax verification for 5 years. The company's management believes that the tax obligations included in the financial statements are adequate.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**2.5. Short-term or long-term classification of assets and liabilities**

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

An asset is current when:

- it is expected to be achieved or intended to be sold or consumed in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be achieved within twelve months of the reporting period, or
- It is cash and cash equivalents.

All the other assets are classified as non-current assets.

A debt is short-term when:

- it is expected to be settled in the normal operating cycle;
- it is held mainly for the purpose of trading;
- it is due to be settled within twelve months after the reporting period or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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

**2.6. The revenue recognition IFRS 15 - Revenue from contracts with customers**

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

The fair value is the amount at which an asset could be exchanged or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

**The revenue valuation**

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

The revenue is the gross inflow of economic benefits during the period arising in the normal course of an entity's activities, in the form of inflows or increases in assets or decreases in liabilities, resulting in increases in equity other than from contributions from equity holders. The revenue is the increase in economic benefits during the period, in the form of inflows or increases in assets or decreases in liabilities, resulting in increases in equity other than from contributions from equity holders. The fair value is the amount at which an asset could be exchanged or a liability settled within a transaction carried out under objective conditions between knowledgeable, willing parties.

IFRS 15 - Revenue from Contracts with Customers establishes a general framework that will apply to the recognition of revenue from a contract with a customer (with limited exceptions), regardless of the type of transaction or industry. The standard establishes five steps to follow for revenue recognition:

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**The revenue valuation (continued)**

- identifying the contract(s) with a customer;
- identifying the performance obligations in a contract;
- determining the transaction price for the obligations in the contract;
- allocating the transaction price to the performance obligations;
- recognizing revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 - Revenues from Contracts with Customers focuses on identifying obligations and makes a clear distinction between obligations that are satisfied "at a point in time" and those that are satisfied "over a period of time"; this is determined by the manner in which the control of the goods or services is transferred to the customer. The principle underlying this standard is that the Company should recognize and record the revenue in a manner that indicates the transfer of goods or services.

The revenues from the sale of finished products, products made on other manufacturing sites and from other activities are recognized when the obligation to register a contract exists, namely when all the following conditions have been met:

- a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and undertake to fulfill their obligations;
- b) the Company can identify the rights of each party with respect to the goods or services to be transferred;
- c) the Company can identify the payment terms for the goods or services to be transferred;
- d) the contract has commercial content;
- e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

The revenue from the sale of goods is recognized to illustrate the transfer of promised goods to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods. Revenue is recognized when the Company satisfies a performance obligation by transferring promised goods (an asset) to a customer. The asset is transferred when the customer obtains control of that asset. When the performance obligation is satisfied, the transaction price allocated to that performance obligation should be recognized as revenue. The Company believes that collection terms do not generate a financial component of the revenue invoiced to distributors. The seller guarantees the quality of the products delivered for the entire period of validity under the condition that the customer complies with legal regulations and written instructions received in advance from the seller regarding the transport, handling and storage of the products.

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

Under IFRS 15, the revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for the transfer of goods or services to a customer. Under IFRS 15, the revenue will be recognized when a customer obtains the control of the goods.

***The revenue from the sale of finished products***

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

***Revenues from the sale of products manufactured on partner sites***

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

***Income from studies and research***

The company holds authorization to conduct clinical studies and laboratory analyses for third parties and the consideration is recognized as income from studies and research.

***Income from various activities***

The revenues from various activities include amounts obtained for providing wastewater collection services for nearby businesses.

**Employee Benefits – IAS 19**

***Current benefits granted to employees***

The short-term employee benefits include indemnities, salaries and social security contributions. These benefits are recognized as expenses when the services are rendered by the employees.

***Benefits after the conclusion of the employment contract***

Both the Company and its employees are legally bound to contribute to the social insurance established at the National Pension Fund managed by the National Pension House (contribution plan based on the "pay as you go" principle). The Company has no other legal or implicit obligation to pay future contributions. Its obligation is only to pay the contributions when they become due. If the Company ceases to employ persons who are contributors to the National Pension House financing plan, it will have no obligation to pay the benefits earned by its employees in previous years. The Company's contributions to the contribution plan are presented under expenses in the year to which they refer.

**2.7. Tangible immobilization accounting policies**

The tangible assets are tangible elements that:

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

**Recognition**

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

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

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

**The valuation after recognition**

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**Valuation after recognition (continued)**

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

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

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

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

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

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

The effects of taxes on profit resulting from the revaluation of tangible assets are recognized and presented (if applicable) in accordance with IAS 12 Profit tax.

The revaluations are carried out with sufficient regularity, to ensure that the accounting value does not differ significantly from what would have been determined by using the fair value at the end of the reporting period.

***Subsequent costs***

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

**The depreciation of tangible assets**

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

The land owned by the company is not depreciated.

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**The depreciation of tangible assets (continued)**

<b>Category</b>	<b>Lifespan</b>
Buildings and constructions	24-40 years
Equipment and installations	7-24 years
Means of transport	4- 6 years
Computation technique	2- 15 years
Furniture and office equipment	3- 15 years

**The depreciation of tangible assets**

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

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

**2.8. Intangible assets accounting policies**

**Purchased intangible assets**

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

The expenses related to the acquisition of patents, copyrights, licenses, trademarks and other intangible assets recognized from an accounting viewpoint, with the exception of the costs of establishment, of the commercial fund, of intangible assets with an indefinite useful life, framed as such according to the accounting regulations, are recovered by means of straight-line depreciation deductions during the contract period or during the period of use.

**Licenses**

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

**Software**

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

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

**The depreciation of intangible assets**

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**2.9. Intangible assets accounting policies**

**Internally generated intangible assets (development costs)**

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

(a) a research phase and

(b) a development phase.

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

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

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

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

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

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

The subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they refer. All the other expenses are recognized in profit or loss when they are incurred.

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

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**Internally generated intangible assets (development costs) (continued)**

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

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

**The depreciation of intangible assets**

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

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

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

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

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

The intangible assets are presented in detail in Note 12.

**2.10. Stock accounting policies**

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

- held for sale in the ordinary course of business;
- in the process of being produced for such sale; or
- in the form of raw materials, supplies and other consumables to be used in the production process or for the provision of services.

***The inventory valuation***

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

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

***The cost of inventories***

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

The cost of purchasing inventories includes the purchase price, import duties and other taxes (except for those that the entity can subsequently recover from the tax authorities), transportation, handling and other costs that can be directly attributed to the acquisition of finished goods, materials and services. The trade discounts, rebates and other similar items are deducted to determine the cost of purchases.

The adjustments for inventory depreciation - The assessment for the inventory depreciation is made on an individual basis and it is based on the management's best estimate of the present value of the cash flows expected to be received. Each depreciated asset is analyzed individually. The accuracy of the adjustments depends on the estimate of future cash flows. The inventory adjustments are based on the calculation made at the end of the financial year for the specific value adjustment related to inventories of raw materials, consumables and finished goods that no longer correspond in terms of quality. The calculation of the general adjustment for depreciation of finished products and merchandise is made based on the shelf life of the items in stock.

**2.11. Financial instruments**

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

***Financial assets***

***Initial recognition and measurement***

The financial assets are classified, upon initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income.

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

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

All the regular purchases or sales of financial assets are recognized and derecognized on a trade date basis. The regular purchases or sales are purchases or sales of financial assets that require delivery of the assets within the time frame established by regulations or market conventions.

Except for the trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at fair value.

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

The allowances for impairment of trade receivables include allowances for disputed receivables and allowances established by applying the simplified analysis model provided by IFRS 9 Financial Instruments. The Company applies the simplified approach of IFRS 9 for measuring expected credit losses, which aims at a reduction of expected credit losses (ECL) over the lifetime for all trade receivables. In order to measure the expected credit losses, trade receivables are grouped based on common credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales for a period of 36 months prior to 31.12.2024, and 01.01.2024 and the related historical credit losses recorded during this period. The historical loss rates are adjusted to reflect current and future information on macroeconomic factors that impact the ability of customers to settle receivables.

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

The allowances for the impairment of receivables – For trade receivables, a simplified approach is adopted in which the impairment losses are recognized based on the lifetime expected credit losses at each reporting date. If there is credit insurance or guarantees for outstanding balances, the calculation of expected credit losses is based on the insurer's probability of default for the insured portion of the outstanding balance and the amount remaining uncovered will have the counterparty's probability of default. For the trade receivables, the simplified model regulated by IFRS 9 is used.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (if applicable) a shorter period, to the amortised cost of a financial liability.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, they are cancelled or they have expired. The difference between the carrying amount of the derecognised financial liability and the consideration paid and payable is recognised in profit or loss.

**Cash and cash equivalents**

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

The cash and cash equivalents are included in the separate statement of cash flows. The carrying amount of these assets is approximately equal to their fair value.

**2.12. Taxation**

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

**The current tax**

The current tax assets and liabilities are measured at the amount expected to be paid or payable to the tax authorities. The tax rates and the tax laws used to calculate the amount are those that have been enacted or substantively enacted by the reporting date.

The current tax comprises the tax payable or recoverable on the taxable profit or loss of the year and any adjustment to the tax payable or recoverable in respect of the previous years. The amount of current tax payable and recoverable is the best estimate of the amount expected to be paid or recovered, reflecting the uncertainty relating to the income tax. It is determined using tax rates that have been enacted or substantively enacted by the reporting date. The current tax assets and liabilities are offset only if certain criteria are met.

The taxation - The Romanian tax system is in 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. Given the diversity of the business relationships and the long-term nature and complexity of the existing contractual agreements, the differences that arise between the actual results and the assumptions made or the future changes to these assumptions could require future adjustments to the tax income and expenses already recorded. In Romania, the fiscal year remains open for tax verification for 5 years. The company's management believes that the tax obligations included in the individual financial statements are adequate.

**The deferred tax**

In calculating the deferred tax, the Company will take into account the provisions of IAS 12 "Income Taxes".

The deferred tax is recognized as the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in calculating the taxable income.

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

The current tax and the deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current tax and the deferred tax are also recognized in other comprehensive income or, respectively, directly in equity.

The recognition of deferred tax assets is limited to those times when it is probable that taxable profit for the period will be available.

**2. GENERAL INFORMATION (continued)**

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

The amount of the asset or liability is determined by using tax rates that have been enacted or substantively enacted by the reporting date and they are expected to apply when the deferred tax liabilities/assets are settled/recovered.

The Company offsets deferred tax assets and liabilities if, and only if, it has a legally enforceable right to set off the assets and liabilities against the current tax, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

### **2.13. Provisions**

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

The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

A provision is recognized when, as a result of a past event, the Company has a present obligation, legal or constructive, that can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The provisions are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

According to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision must be recognized if:

- a) The company has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) a reliable estimate of the amount of the obligation can be made.

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

Legal Proceedings - The Company reviews pending legal cases by following the developments in the legal proceedings and the existing situation at each reporting date, in order to assess the provisions and the disclosures in its separate 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 in which the litigation is being heard, the progress of the case (including progress after the date of the separate financial statements but before such statements are issued), the opinions or views 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, claim or assessment.

### **2.14. The recognition of expenses**

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

Accounting estimates of expenses - There are objective situations in which, until the closing date of certain fiscal periods or until the closing date of a financial year, the exact values of certain expenses incurred by the company are not known (example - marketing-sales campaigns for product promotion and sales stimulation). For this category of expenses, preliminary estimates of expenses will be made, which will be effectively recorded in the following periods.

### **2.15. Dividends**

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

## **2. GENERAL INFORMATION (continued)**

### **2.14. Dividends (continued)**

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

The dividends are distributed from the annual distributable net profit based on the audited individual annual financial statements, after their approval by the Ordinary General Meeting of the Company and after the approval of the dividend proposal by the Ordinary General Meeting. The distributable profit represents the part of the net profit of the financial year that can be distributed in the form of dividend.

The shareholders receive dividends proportionally to their share of the paid-up share capital of the company; no priority or preference right is applicable to the distribution of dividends in favor of any shareholder.

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

When accounting for dividends, the provisions of IAS 10 "Events after the Balance Sheet Date" are taken into account.

#### **2.16. Capital and reserves**

The capital and reserves (equity) represent the shareholders' right to the assets of an entity, after deducting all liabilities. The equity includes: capital contributions, reserves, retained earnings and the profit for the financial year.

Antibiotice S.A. was established in accordance with Law no. 31/1990 on the commercial companies, as subsequently supplemented and amended.

In the first set of individual financial statements prepared in accordance with IFRS, the Company applied IAS 29 "Financial Reporting in Hyperinflationary Economies" for shareholder contributions obtained before January 1, 2004, namely they were adjusted with the appropriate inflation index.

#### **2.17. Earnings per share**

The Company presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are determined by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

The earnings per share are presented in detail in Note 10.

#### ***Segmented reporting***

A segment is a distinct component of the company that provides certain products or services (activity segment) or it provides products and services in a certain geographical environment (geographic segment) and that is subject to risks and rewards that are different from those of other segments. In terms of activity segments, the company does not identify distinct components in terms of associated risks and rewards.

#### **2.18. Affiliated parties**

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

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

The key management personnel are those individuals who have the authority and responsibility to plan, direct and control the activities of the entity, directly or indirectly, including any director (executive or not) of the entity.

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**2.17. Affiliated parties (continued)**

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

- (i) the entity and the company are members of the same group (meaning that each parent, subsidiary and subsidiary in the same group is related to the others);
- (ii) the entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) the entity is an associate of a third party and the other is an associate of the third party;
- (v) the entity is a post-employment benefit plan for the benefit of employees of the reporting entity or of an entity affiliated with the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also affiliated with the reporting entity;
- (vi) the entity is controlled or jointly controlled by an affiliated person;
- (vii) the controlling affiliated person significantly influences the entity or he/she is a member of the key management personnel of the entity (or of the entity's parent company).

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

**2.19. Contingent assets and liabilities**

A contingent liability is:

- a) a potential obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but which is not recognized because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured reliably.

The contingent liabilities are not recognized in the financial statements, but they are disclosed in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a potential asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognized in the financial statements, but is disclosed when an inflow of economic benefits is probable.

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

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**The risk management (continued)**

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

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

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

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

<b>Trade receivables, cash and cash equivalents at amortized cost</b>	<b>Period ended on 31.12.2025</b>	<b>Period ended on 31.12.2024</b>
Creante comerciale si asimilate	309,421,285	298,073,567
Numerar si echivalente de numerar	9,944,346	2,681,342
<b>Total</b>	<b>319,365,631</b>	<b>300,754,909</b>

The values by maturity intervals of financial assets are:

<b>Financial liabilities at amortized cost</b>	<b>Period ended on 31.12.2025</b>	<b>Period ended on 31.12.2024</b>
Trade and similar debts	136,929,626	169,233,444
Bank loans	97,749,630	54,994,289
<b>Total</b>	<b>234,679,256</b>	<b>224,227,733</b>

The values per maturity interval of financial liabilities are presented under liquidity risk.

**Calculation and analysis of net worth (equity)**

<b>Indicators (LEI)</b>	<b>Period ended on 31.12.2025</b>	<b>Period ended on 31.12.2024</b>
Short-term loans and borrowings	97,749,630	54,994,289
Long-term loans and borrowings	135,735,402	85,715,093
Cash and cash equivalents	(9,944,346)	(2,681,342)
<b>Net debt</b>	<b>223,540,686</b>	<b>138,028,040</b>
<b>Total equity</b>	<b>932,073,712</b>	<b>894,308,823</b>
<b>Net debt to equity (%)</b>	<b>23,98%</b>	<b>15,43%</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**The credit risk**

The credit risk is the risk of financial loss to the company that occurs if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk arising from its operational activity, mainly from the collection of trade receivables.

With regard to cash and cash equivalents, the company has analyzed the credit risk and it has determined that it is not significant.

**Receivables**

The trade receivables come from commercial relationships with distributors on the national pharmaceutical market and from commercial relationships with partners on the international market.

At the company level there is a Commercial Policy; it clearly states the commercial conditions of sale and there are conditions imposed in the selection of clients.

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

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

The receivables balance is monitored at the end of each month and any delays from a client are analyzed.

The credit risk profile of the trade receivables is presented according to their maturity, monitoring the domestic and international receivables separately. The historical default rates are analyzed.

The trade receivables are non-interest bearing and they generally have payment terms ranging from prepayment to 180 days.

The trade receivables are considered past due when they are more than 90 days overdue. Trade receivables are written off when management considers that their collection is unlikely.

In accordance with IFRS 9, the company's financial assets and liabilities are measured at amortized cost.

The Company did not include fair value information for financial assets and liabilities that are not measured at fair value if the carrying amount represents a reasonable approximation of the fair value. The Company used the simplified approach of IFRS 9 to determine the expected credit loss for the trade receivables related to third parties that did not contain a significant financing component.

The methodology used by the Company to assess the expected losses on the trade receivables can be described as follows:

- determining an appropriate monitoring period to track the historical loss rate. The Company selected 3 previous periods for the data collection;
- collecting data on trade receivables and grouping them by maturity in each period analyzed;
- analyzing the evolution of these balances over a 12-month period and determining the unpaid amounts in each group of balances to determine the proportion of balances in each debt category that was ultimately not collected;
- determining the weighted average loss rate (%) by maturity for the 3 periods analyzed;
- applying the loss rate thus determined to trade receivables as of December 31, 2025.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**The market risk**

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

The main subcategories of the market risk are the following:

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

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

The Company is mainly exposed to the foreign exchange risk when purchasing raw materials, packaging and other materials from external suppliers. The suppliers from which the Company purchases these items necessary to support the production of medicines must hold quality documents, as provided for in the European rules for the production and registration of medicines on the market.

As of 31.12.2025, the company's net exposure by currency type to foreign exchange risk was as follows:

	<b>The period ended on</b>	
	<b>31.12.2025</b>	<b>31.12.2024</b>
<b>Assets/liabilities in EURO equivalent in LEI</b>		
Monetary financial assets	16,367,951	3,908,682
Monetary financial liabilities	(35,998,754)	(25,050,046)
Net financial assets	<b>(19,630,802)</b>	<b>(21,141,364)</b>
<b>RON/EUR variation</b>		
	<b>Gain/Loss</b>	
RON appreciation against EUR by 5%	(981,540)	(1,057,068)
RON depreciation against EUR by 5%	981,540	1,057,068
<b>Impact on results</b>	-	-
<b>Assets and liabilities in EURO</b>		
	<b>31.12.2025</b>	<b>31.12.2024</b>
Monetary financial assets	3,210,346	785,807
Monetary financial liabilities	(7,060,656)	(5,036,096)
Net financial assets	<b>(3,850,309)</b>	<b>(4,250,289)</b>
<b>Assets/Liabilities in USD equivalent LEI</b>		
Monetary financial assets	25,092,746	23,528,797
Monetary financial liabilities	(12,889,257)	(26,563,667)
Net financial assets	<b>12,203,488</b>	<b>(3,034,870)</b>
<b>RON/USD variation</b>		
RON appreciation against USD by 5%	(610,174)	(151,743)
RON depreciation against USD by 5%	610,174	151,743
<b>Impact on profit</b>	-	-
<b>Assets and liabilities in USD</b>		
Monetary financial assets	5,779,475	4,925,640
Monetary financial liabilities	(2,968,712)	(5,560,975)
<b>Net financial assets</b>	<b>2,810,763</b>	<b>(635,335)</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Market risk (continued)**

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

<b>Assets / Liabilities</b>	<b>Fiscal year ended</b>	
	<b>31.12.2025</b>	<b>31 .12. 2024</b>
LEI	174,254,531	111,613,638
EUR	(19,630,802)	(21,141,364)
USD	12,203,488	(3,034,870)
Other currencies (CAD,GBP)	(1,283)	(11,176)
<b>Net exposure</b>	<b>166,825,934</b>	<b>87,426,229</b>

**Liquidity risk**

The company's policy is to ensure that it has enough cash to fulfil its obligations when due. To reach this objective, the company seeks to maintain cash balances sufficient to meet the payment needs.

Liquidity risk refers to the possibility that the Company may be unable to meet its financial obligations when they become due. The Company prepares budgets, analyses, and cash flow estimates, which allow it to assess the level of financing required in the upcoming periods.

Carrying amounts of monetary assets and liabilities are presented below:

**2025**

<b>31.12.2025</b>	<b>Between 3 and 12</b>			<b>Total</b>
	<b>Up to 3 months</b>	<b>months</b>	<b>Over 12 months</b>	
Trade and similar receivables	124,029,402	170,255,149	15,136,734	309,421,285
Cash and cash equivalents	9,944,346	-	-	9,944,346
<b>Total</b>	<b>133,973,748</b>	<b>170,255,149</b>	<b>15,136,734</b>	<b>319,365,631</b>
<b>31.12.2025</b>	<b>Between 3 and 12</b>			<b>Total</b>
	<b>Up to 3 months</b>	<b>months</b>	<b>Over 12 months</b>	
Trade and similar debts	123,977,176	12,952,450	-	136,929,626
Other debts	15,164,543	-	-	15,164,543
Short-term loans	-	97,749,630	-	97,749,630
Long-term loans	-	-	135,735,402	135,735,402
<b>Total</b>	<b>139,141,719</b>	<b>110,702,080</b>	<b>135,735,402</b>	<b>385,579,201</b>
<b>Net position as of 2025</b>	<b>(5,167,971)</b>	<b>59,553,069</b>	<b>(120,598,668)</b>	<b>(66,113,570)</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**2. GENERAL INFORMATION (continued)**

**2.18. Contingent assets and liabilities (continued)**

**Liquidity risk (continued)**

**2024**

<b>31.12.2024</b>	<b>Up to 3 months</b>	<b>Between 3 and 12 months</b>	<b>Over 12 months</b>	<b>Total</b>
Trade and similar receivables	157,686,185	125,238,142	15,149,240	298,,073,567
Cash and cash equivalents	2,681,342	-	-	2,681,342
<b>Total</b>	<b>160,367,527</b>	<b>125,238,142</b>	<b>15,149,240</b>	<b>300,754,909</b>

<b>31.12.2024</b>	<b>Pana la 3 luni</b>	<b>Between 3 and 12 months</b>	<b>Over 12 months</b>	<b>Total</b>
Trade and similar debts	123,800,989	45,432,455	-	169,233,444
Other debts	10,310,387	-	-	10,310,387
Short-term loans	2,673,493	52,320,796	-	54,994,289
Long-term loans	-	-	85,715,093	85,715,093
<b>Total</b>	<b>136,784,869</b>	<b>97,753,251</b>	<b>85,715,093</b>	<b>320,253,213</b>
<b>Net position as of 2024</b>	<b>23,582,658</b>	<b>27,484,891</b>	<b>(70,565,853)</b>	<b>(19,498,304)</b>

**2.19. New IFRS accounting standards and amendments to existing standards, which are effective in the current year**

During the reporting year, the Company applied a number of amendments to the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union, which became mandatorily effective for reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a significant impact on the disclosures or on the amounts reported in these individual financial statements.

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

- Amendments to IAS 1 Presentation of accounting policies

- Amendments to IAS 8 Definition of accounting estimates

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

- Amendments to IAS 12 International tax reform — Pillar II model rules\*

*\* The exception introduced by the amendments to IAS 12 (requiring an entity not to recognise and not to disclose information about deferred tax assets and liabilities related to deferred tax arising from the OECD Pillar Two rules) is applicable immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The other disclosure requirements are mandatory for the annual periods beginning on or after January 1, 2023.*

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**2. GENERAL INFORMATION (continued)**

**2.19. New IFRS accounting standards and amendments to existing standards, which are effective in the current year (continued)**

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

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

- Amendments to IFRS 16 Leases - Lease liabilities in a sale and leaseback transaction, effective date from January 1, 2024
- Amendments to IAS 1 Presentation of financial statements - Classification of debts into short-term debts and long-term debts and long-term debts with financial indicators, effective date from January 1, 2024

***New IFRS Accounting Standards and amendments to existing standards issued but not yet adopted by the European Union***

Currently, IFRS as adopted by the EU do not differ significantly from IFRS as adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, not yet adopted by the EU at the date of authorisation of these separate financial statements:

- Amendments to IAS 7 and IFRS 7 Financing arrangements in relation to suppliers (effective date established by the IASB: January 1, 2024)

Not yet adopted by the EU:

- Amendments to IAS 21 Lack of convertibility (effective date established by the IASB: January 1, 2025). They were not yet adopted by the EU.
- IFRS 14 Regulatory deferral accounts (effective date established by the IASB: January 1, 2016).” The European Commission decided not to start the approval process of this interim standard and to wait for the final standard.
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures and subsequent amendments (the effective date was deferred indefinitely by the IASB, but early application is permitted).

The approval process was postponed indefinitely until the research project on the equivalence method is completed.

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

Hedge accounting for risks related to a portfolio of financial assets and liabilities, the principles of which have not been adopted by the EU, remains unregulated. According to the Company's estimates, the use of hedge accounting for a portfolio of financial assets and liabilities in accordance with **IAS 39: "Financial Instruments: Recognition and Measurement"** would not significantly affect the individual financial statements, if applied at the balance sheet date.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**3. OPERATING REVENUES**

An analysis of the revenues is presented below:

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Sales of finished products	609,288,882	619,179,955
Sales of products made on other manufacturing sites	185,424,330	169,286,796
Revenues from other activities	2,038,667	888,981
Trade discounts granted	(151,475,950)	(114,344,761)
<b>Total</b>	<b>645,275,929</b>	<b>675,010,971</b>

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

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
On the Romanian market	379,015,315	421,785,427
On foreign markets	266,260,614	253,225,544
<b>Total</b>	<b>645,275,929</b>	<b>675,010,971</b>

**4. OTHER REVENUES**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Revenues from the revaluation of tangible assets	-	-
Revenue from compensation, fines and penalties	206,351	39,681
Revenue from the sale of tangible and intangible assets	53,111	163,500
Other operating revenues	1,517,905	2,132,069
<b>Total</b>	<b>1,777,367</b>	<b>2,335,250</b>
Revenues from subsidies	458,321	439,209
<b>Total</b>	<b>2,235,688</b>	<b>2,774,459</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**5. EXPENSES ON RAW MATERIALS, USED CONSUMABLES AND GOODS**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Raw material costs	135,873,358	128,162,209
Expenses for consumables	16,040,980	17,171,039
Cost of goods	92,057,274	85,233,701
Packaging consumption	229,404	16,048
Trade discounts received	(29,677)	-
<b>Total</b>	<b>244,171,340</b>	<b>230,582,997</b>

**6. EXPENSES ON EMPLOYEE BENEFITS AND REMUNERATION OF MANAGEMENT BOARD MEMBERS**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Wages	159,578,445	148,898,485
Labour insurance contribution	3,756,717	3,615,053
Meal vouchers and other benefits granted to employees	14,288,393	12,871,826
Revenue from operating subsidies for personnel payments	(1,380,140)	-
Revenue from operating subsidies for insurances and social protection	(31,054)	-
<b>Total employee benefit expenses</b>	<b>176,212,361</b>	<b>165,385,364</b>

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

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Wages	732,097	589,596
Civil contracts	1,981,413	1,662,068
Social taxes and contributions	61,393	234,510
Variable allowances	-	6,162,261
<b>Total</b>	<b>2,774,903</b>	<b>8,648,435</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**7. OTHER EXPENSES**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Expenses for services performed by third parties	17,806,327	18,320,014
Repair expenses	2,368,736	2,401,474
Expenses with other taxes and duties*	53,856,756	52,144,851
Protocol, advertising and publicity expenses	22,625,905	27,506,748
Insurance premium expenses	3,413,043	3,687,072
Consultancy expenses	482,443	444,691
Other general expenses	4,472,295	8,589,938
Rent expenses	669,978	649,523
Travel expenses	1,453,640	1,708,513
Postal and telecommunications expenses	559,900	748,741
Expenses for compensations, fines and penalties	16,710	336,946
<b>Total</b>	<b>107,725,734</b>	<b>116,538,511</b>

Other general expenses in value of 4,472,295 lei, recorded in 2025, included:

- environmental protection expenses: 1,431,314 lei;
- expenses for supporting international sales: 899,654 lei;
- professional training expenses: 885,246 lei;
- bank commission expenses: 561,774 lei;
- losses from receivables and sundry debtors: 49,650 lei;
- other operating expenses: 644,659 lei.

Other general expenses in value of 8,589,938 lei, recorded in 2024, included:

- environmental expenses: 1,410,289 lei;
- expenses for supporting international sales: 814,208 lei;
- professional training expenses: 1,379,270 lei;
- bank commission expenses: 504,071 lei;
- other operating expenses in value of 4,482,099 lei included the development activity projects that were not pursued for implementation, in value of 3,809,084 lei.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**7. OTHER EXPENSES (continued)**

Expenses for other taxes and duties

	Fiscal year ended 31.12. 2025	Fiscal year ended 31.12. 2024
Building tax expenses	2,980,734	2,088,047
Land tax expenses	682,716	681,639
Vehicle tax expenses	56,478	42,564
Expenses for other taxes and duties	9,318,405	9,847,717
Customs expenses	-	49
Environmental fund expenses	1,264,247	61,017
Company taxes and advertising expenses	6,813	6,220
Clawback tax expenses	39,547,364	39,417,598
<b>Total</b>	<b>53,856,756</b>	<b>52,144,851</b>

**8. FINANCIAL RESULT**

Financial revenues and expenses:

	Fiscal year ended 31.12. 2025	Fiscal year ended 31.12. 2024
Interest expenses	(4,466,445)	(4,541,505)
Interest revenues	1,935	1,798
<b>Net interest expenses</b>	<b>(4,464,510)</b>	<b>(4,539,707)</b>
Revenues from foreign exchange differences	16,550,582	7,613,145
Expenses from foreign exchange differences	(22,972,789)	(7,349,194)
<b>Net foreign exchange gains/losses</b>	<b>(6,422,207)</b>	<b>263,951</b>
<b>Other financial expenses</b>	<b>-</b>	<b>-</b>
<b>Financial result</b>	<b>(10,886,717)</b>	<b>(4,275,756)</b>

Interest expenses relate to bank loans, which are measured at amortized cost.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**9. CURRENT AND DEFERRED INCOME TAX EXPENSES**

Amounts recognized in the profit or loss statement

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Current income tax expenses	3,027,798	5,279,092
Minimum turnover tax expenses	-	-
Impact of deferred income tax	5,349,294	(4,369,358)
<b>Total</b>	<b>8,377,092</b>	<b>909,734</b>

**Income tax**

The current income tax for 2025 and 2024 was determined by a 16% statutory rate based on the accounting profit adjusted with non-deductible expenses and non-taxable income. The final value of the corporate tax was reduced by tax credits. Deferred income tax as of December 31, 2025 and December 31, 2024 was determined based on the tax rate of 16%, expected to be in effect when the temporary differences reverse.

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
<b>Accounting profit:</b>	<b>60,146,564</b>	<b>103,112,562</b>
Tax at the Romanian corporate tax rate of 16%	9,623,450	16,498,010
Profit tax at the level of the minimum turnover tax	-	-
The effect of non-deductible expenses	13,252,189	7,454,190
The effect of non-taxable income	(10,225,285)	(10,910,474)
Tax on reinvested profits	(3,110,035)	(12,555,767)
Other fiscal effects	(1,163,228)	423,775
<b>Income tax expenses</b>	<b>8,377,092</b>	<b>909,734</b>

At the date of preparation of these individual financial statements, Antibiotice is in the process of certifying the research and development activity for the exercise of their deduction according to art. 20 of Law 227/2015 on the Fiscal Code, with subsequent amendments and completions.

In accordance with art. 42 para. 1 and 2 of Law 227/2015 with subsequent amendments and completions, the legal deadline for submitting the annual corporate income tax return 2025 is June 25, 2026. If by this date the company receives the expert reports, it will apply the tax facility provided for in art. 20 of Law 227/2015 on the Fiscal Code, thus the value of the profit tax will be different from that presented.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**9. CURRENT AND DEFERRED INCOME TAX EXPENSES (continued)**

**Changes in deferred tax balances**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Inventories	348,047	1,982,127
Employee benefits	1,240,937	1,694,184
<b>Total deferred tax assets</b>	<b>1,588,984</b>	<b>3,676,311</b>
Tangible fixed assets	(65,970,147)	(62,708,180)
<b>Total deferred tax liabilities</b>	<b>(65,970,147)</b>	<b>(62,708,180)</b>
<b>Total deferred tax debts</b>	<b>(64,381,163)</b>	<b>(59,031,869)</b>

**10. EARNINGS PER SHARE**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Net profit (A)	51,769,472	102,202,828
Number of ordinary shares (B)	671,338,040	671,338,040
<b>Basic and diluted earnings per share (A/B)</b>	<b>0.0716</b>	<b>0.1522</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**11. TANGIBLE FIXED ASSETS**

	Land	Buildings	"Machinery and equipment, vehicles"	Installations and furniture items	Tangible fixed assets in progress	Advances	Total
<b>COST</b>							
<b>Balance as of 01.01.2024</b>	<b>204,794,472</b>	<b>312,770,025</b>	<b>286,240,810</b>	<b>10,234,687</b>	<b>42,671,079</b>	-	<b>856,713,072</b>
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)	-	(54,373)
Increase / (decrease) from revaluation	-	-	-	-	-	-	-
Disposals and other reductions	-	(744,329)	(7,157,185)	(60,561)	-	-	(7,962,075)
<b>Balance as of 31.12.2024</b>	<b>204,794,472</b>	<b>377,607,191</b>	<b>331,164,790</b>	<b>13,332,568</b>	<b>20,572,278</b>	-	<b>947,471,299</b>
<b>Balance as of 01.01.2025</b>	<b>204,794,472</b>	<b>377,607,191</b>	<b>331,164,790</b>	<b>13,332,568</b>	<b>20,572,278</b>	-	<b>947,471,299</b>
Increases:	-	-	-	-	58,885,044	56,199,070	115,084,114
Transfers to/from fixed assets in progress	-	8,318,872	36,165,929	149,076	(44,633,877)	-	-
Increase / (decrease) from revaluation	-	-	-	-	-	-	-
Disposals and other reductions	-	(516,828)	(7,711,543)	(195,190)	-	-	(8,423,561)
<b>Balance as of 31.12.2025</b>	<b>204,794,472</b>	<b>385,409,235</b>	<b>359,619,176</b>	<b>13,286,454</b>	<b>34,823,445</b>	<b>56,199,070</b>	<b>1,054,131,852</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**11. TANGIBLE FIXED ASSETS (continued)**

	Land	Buildings	Machinery and equipment, vehicles	Installations and furniture items	Tangible fixed assets in progress	Advances	Total
<b>ACCUMULATED DEPRECIATION</b>							
<b>Balance as of 01.01.2024</b>	-	<b>118,996</b>	<b>157,293,502</b>	<b>6,939,034</b>	-	-	<b>164,351,532</b>
Depreciation recorded during the period	-	22,283,783	18,258,169	526,883	-	-	41,068,835
Disposals and other reductions	-	(126,941)	(7,157,185)	(60,561)	-	-	(7,344,687)
Accumulated depreciation of revalued tangible fixed assets	-	22,283,783	-	-	-	-	22,283,783
<b>Balance as of 31.12.2024</b>	-	<b>22,275,838</b>	<b>168,394,486</b>	<b>7,405,356</b>	-	-	<b>198,075,680</b>
<b>Balance as of 01.01.2025</b>	-	<b>22,275,838</b>	<b>168,394,486</b>	<b>7,405,356</b>	-	-	<b>198,075,680</b>
Depreciation recorded during the period	-	24,257,603	22,080,435	686,722	-	-	47,024,760
Disposals and other reductions	-	(44,038)	(7,650,365)	(195,190)	-	-	(7,889,593)
<b>Balance as of 31.12.2025</b>	-	<b>46,489,402</b>	<b>182,824,556</b>	<b>7,896,888</b>	-	-	<b>237,210,846</b>
<b>NET BOOK VALUE</b>							
<b>Net book value as of 31.12.2024</b>	<b>204,794,472</b>	<b>355,331,353</b>	<b>162,770,304</b>	<b>5,927,212</b>	<b>20,572,278</b>	-	<b>749,395,619</b>
<b>Net book value as of 31.12.2025</b>	<b>204,794,472</b>	<b>338,919,833</b>	<b>176,794,620</b>	<b>5,389,567</b>	<b>34,823,445</b>	<b>56,199,070</b>	<b>816,921,006</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**11. TANGIBLE FIXED ASSETS (continued)**

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

**1. Development of product portfolio**

In this period, the Company continued its investments in R&D projects in order to obtain new, quality, safe, efficient and competitive products on the market. The 2025 program for developing new products had the following objectives:

- (a) upgrading the product portfolio;
- (b) providing competitive pharmaceuticals on the external markets.

**2. Investments in new production sites**

The project "Production, packaging and storage capacity for sterile products, solutions and topicals" is part of the Business Plan of the trading company Antibiotice S.A. for 2030. The investment covers the 3 stages for injectable products and sterile topicals on the industrial site of Antibiotice SA: production, packaging and storage. The warehouse for pharmaceuticals, part of this project, was completed in 2024. In the first quarter of 2025, the warehouse was audited and authorized by the National Agency for Medicines and Medicinal Devices. For the manufacturing flows: for the sterile solutions flows, the Company concluded the design, supply and installation contract and currently, the contractor Syntegon Germany carries out the flow design; for the sterile topicals flow, procedures were carried out for concluding supply contracts for manufacturing equipment, and the contracts are currently ongoing.

The Company started a very important project entitled "Research and production capacity for critical medicines – Inova a+ Research Center and Manufacturing flow for sterile penicillin powders" with partial financing from the Ministry of Investments and European Projects. This project is part of the projects that will be financed through the "Strategic Technologies for Europe" (STEP) platform established by European Union Regulation 795/2024. The project consists of building and fully equipping a research capacity for the pharmaceutical field and a production capacity for penicillins, with dedicated flows for sterile powders filled in vials and oral solid forms, tablets and suspendable powders. Currently, the designer has obtained all the approvals required for the building permit and has submitted the documentation for Construction Authorization (DTAC) to the City Hall of Iași for the issuance of the Building Permit. Simultaneously, the designer prepares the technical project, with the tender procedure for appointing the contractor who will carry out the construction works will be launched at the beginning of May 2026.

**3. Digitalization strategy**

Within the digitalization and computerization plan, Antibiotice 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.

**4. Adapting to the development trends of the industrial site, 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 environmental protection legislation and ensure the continuity of technological processes carried out on the site.

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

Investments in this area consisted mainly of the acquisition of equipment for equipping product quality control laboratories. In 2025, investments were made to upgrade quality control laboratories to ensure standards and operational efficiency.

**6. Investments in upgrading the existing sites and equipment**

To modernize the drug manufacturing flows of the three divisions, in 2025, procedures were carried out for the acquisition of equipment, installations, facilities and laboratory equipment.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**12. INTANGIBLE FIXED ASSETS**

	<b>Concessions, patents and other similar rights</b>	<b>Other intangible fixed assets</b>	<b>Development expenses</b>	<b>Total intangible fixed assets</b>
<b>COST</b>				
<b>Balance as of January 1, 2024</b>	<b>13,117,162</b>	<b>25,636,490</b>	<b>33,000,156</b>	<b>71,753,808</b>
Increases	5,821,065	-	11,564,836	17,385,901
Disposals/reductions	(3,037,722)	-	(3,809,084)	(6,846,806)
Transfers	-	6,854,845	(6,854,845)	-
<b>Balance as of December 31, 2024</b>	<b>15,900,505</b>	<b>32,491,335</b>	<b>33,901,063</b>	<b>82,292,903</b>
<b>Balance as of January 1, 2025</b>	<b>15,900,505</b>	<b>32,491,335</b>	<b>33,901,063</b>	<b>82,292,903</b>
Increases	11,992,243	-	15,516,344	27,508,587
Disposals / reductions	(4,206,883)	-	(2,547,693)	(6,754,576)
Transfers	-	5,807,272	(5,807,272)	-
<b>Balance as of December 31, 2025</b>	<b>23,685,865</b>	<b>38,298,607</b>	<b>41,062,442</b>	<b>103,046,914</b>
<b>ACCUMULATED DEPRECIATION</b>				
<b>Balance as of January 1, 2024</b>	<b>11,811,036</b>	<b>14,416,074</b>	<b>-</b>	<b>26,227,110</b>
Depreciation expense	690,172	3,244,406	-	3,934,578
Disposals / reductions	(3,037,722)	-	-	(3,037,722)
<b>Balance as of December 31, 2024</b>	<b>9,463,486</b>	<b>17,660,480</b>	<b>-</b>	<b>27,123,966</b>
<b>Balance as of January 1, 2025</b>	<b>9,463,486</b>	<b>17,660,480</b>	<b>-</b>	<b>27,123,966</b>
Depreciation expense	1,189,063	4,785,528	-	5,974,591
Disposals / reductions	-	-	-	-
<b>Balance as of December 31, 2025</b>	<b>10,652,549</b>	<b>22,446,008</b>	<b>-</b>	<b>33,098,557</b>
<b>NET BOOK VALUE</b>				
<b>As of December 31, 2024</b>	<b>6,437,019</b>	<b>14,830,855</b>	<b>33,901,063</b>	<b>55,168,937</b>
<b>As of December 31, 2025</b>	<b>13,033,316</b>	<b>15,852,599</b>	<b>41,062,442</b>	<b>69,948,357</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**13. INVENTORIES**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Finished products	83,735,577	72,949,599
Raw materials	65,721,749	72,934,378
Goods	31,140,427	24,902,168
Supplies	409,757	84,890
Inventory items	20,688	25,265
By-products	251	2,469
Packaging	131,311	78,777
Products in progress	1,971,651	5,170,799
Semi-finished goods	1,383,744	-
Inventories – gross value	<b>184,515,155</b>	<b>176,148,345</b>
Value adjustments for raw materials and supplies	(326,123)	(1,964,160)
Value adjustments for finished products	(1,539,290)	(1,767,036)
Value adjustments for goods	(309,882)	(2,558,374)
<b>Total value adjustments</b>	<b>(2,175,295)</b>	<b>(6,289,570)</b>
<b>Total inventories - net value</b>	<b>182,339,860</b>	<b>169,858,775</b>

**14. TRADE AND OTHER RECEIVABLES**

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
<b>Short-term receivables</b>		
Trade receivables	339,085,361	311,936,942
Customers – invoices to be prepared	(30,681,602)	(19,937,130)
Bills of exchange	4,721,474	8,113,470
Advances paid to suppliers of fixed assets	-	12,931,075
Advances paid to suppliers of inventories and services	2,270,546	600,427
Advances paid to employees	86	-
Other receivables	12,552,975	9,154,337
Adjustments for depreciation	(18,527,556)	(24,725,555)
<b>Balance at the end of the period</b>	<b>309,421,285</b>	<b>298,073,567</b>

Changes in impairment adjustments for receivables.

	<b>Fiscal year ended 31.12. 2025</b>	<b>Fiscal year ended 31.12. 2024</b>
Balance at the beginning of the period	(24,725,555)	(20,628,873)
Impairment adjustment recognized in the comprehensive income statement related to trade receivables	6,197,999	(4,096,682)
<b>Balance at the end of the period</b>	<b>(18,527,556)</b>	<b>(24,725,555)</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**15. TRADE AND OTHER RECEIVABLES**

Adjustments for impairment of receivables are established/cancelled by applying the simplified approach of IFRS 9, the historical loss rate was:

**31.12.2025**

IFRS 9	0 days	Between					181-365 days	Over 365 days	Total
		1-30 days	31-60 days	61-90 days	91-180 days	181-365 days			
Receivables	288,339,290	28,876,657	4,588,816	1,873,625	358,637	175,389	41,885	324,254,300	
Historical loss rate	0%	0%	0%	0%	0%	0%	100%		

**31.12.2024**

IFRS 9	0 days	Between					181-365 days	Over 365 days	Total
		1-30 days	31-60 days	61-90 days	91-180 days	181-365 days			
Receivables	275,513,691	21,209,994	38,136	-	44,537	-	(18,655)	296,787,703	
Historical loss rate	0%	0%	0%	0%	0%	0%	100%		

The risk profile of receivables from the domestic and international markets was taken into account in the application of IFRS 9 for 2025. Receivables from the domestic market do not present a risk of non-collection and were not taken into account in the calculation of IFRS 9.

**16. CASH AND CASH EQUIVALENTS**

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

	Fiscal year ended 31.12.2025	Fiscal year ended 31.12.2024
Cash at bank	9,928,610	2,673,916
Bills of exchange	-	-
Cash and cash equivalents	15,736	7,426
<b>Total</b>	<b>9,944,346</b>	<b>2,681,342</b>

The Company has accounts opened with commercial banks in Romania that are part of European banking groups or with state-owned banks.

As of December 31, 2025 and December 31, 2024, the Company did not hold restricted cash.

**17. SHARE CAPITAL**

	Balance as of 31.12.2025	Balance as of 31.12.2024
Fully paid-up ordinary shares	67,133,804	67,133,804

The company's subscribed share capital as of December 31, 2025 was 67,133,804 lei, the nominal value of a share being 0,1000 lei/share. The Company has 671,338,040 shares which grants equal rights to the company's shareholders. Antibiotice S.A. has not issued shares that offer preferential rights to its shareholders. In accordance with the provisions of IAS 29 – Hyperinflationary Economies, the share capital was restated taking into account the inflation index communicated by the National Statistics Commission. This was applied starting with the balance determined according to GD 500/1994, from the reporting date until 31.12.2003, the date on which it was considered that the national economy ceased to be hyperinflationary. Subsequently, the share capital increased according to the historical amounts registered with the Trade Register.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**17. SHARE CAPITAL (continued)**

**Reserves**

The reserves include the following components::

Description	31.12. 2025	31.12.2024
Fixed assets revaluation reserves	240,808,844	254,696,593
Legal reserves	13,426,761	13,426,761
Deferred income tax recognized in equity	(38,620,604)	(40,751,480)
Other reserves	428,098,368	398,732,239
<b>TOTAL</b>	<b>643,713,369</b>	<b>626,104,113</b>

**Shareholding structure**

	Balance as of 31.12.2025		Balance as of 31.12.2024	
	Number of shares	% ownership	Number of shares	% ownership
MINISTRY OF HEALTH	355,925,135	53,0172	355,925,135	53.0173
INFINITY CAPITAL INVESTMENTS S.A.*	87,475,826	13,0301	197,475,826	29.4153
Other individuals and legal entities	227,937,079	33,9528	117,937,079	17.5675
<b>Total</b>	<b>671,338,040</b>	<b>100,0000</b>	<b>671,338,040</b>	<b>100.0000</b>

\* As of 31.12.2022 the company was named SIF OLTENIA.

**Revaluation reserve**

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

	Fiscal year ended 31.12.2025	Fiscal year ended 31.12.2024
<b>Balance at the beginning of the period for the revaluation reserve</b>	<b>254,696,592</b>	<b>268,354,743</b>
<b>Balance at the beginning of the period for deferred tax related to the revaluation reserve</b>	<b>(40,751,480)</b>	<b>(42,936,784)</b>
Transfer of the revaluation reserve to retained earnings following depreciation and disposals of tangible assets, net of tax	(13,887,748)	(13,658,151)
Revaluation of tangible fixed assets	-	-
Decrease in deferred tax related to the revaluation reserve	2,130,876	2,185,304
Deferred income tax	-	-
<b>Balance at the ending of the period for the revaluation reserve</b>	<b>240,808,844</b>	<b>254,696,592</b>
<b>Balance at the end of the period for deferred tax related to the revaluation reserve</b>	<b>(38,620,604)</b>	<b>(40,751,480)</b>
<b>Reconciliation of revaluation reserves</b>	<b>202,188,240</b>	<b>213,945,112</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**17. SHARE CAPITAL (continued)**

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

<b>Nature of the reserve</b>	<b>Description and purpose of the reserve</b>
Revaluation reserves for fixed asset	If the carrying amount of a tangible asset is increased as a result of revaluation, then the increase must be recognized in other comprehensive income and accumulated in equity, as revaluation surplus. Revaluation reserves cannot be distributed and cannot be used to increase the share capital.
Legal reserves	According to the Law 31/1990, every year, at least 5% of the profit is taken to form the reserve fund, until it reaches at least one fifth of the share capital.
Other reserves	Other reserves include reserves representing tax benefits that cannot be distributed, with implications for the recalculation of corporate income tax. The difference represents reserves constituted from profits.

The retained earnings include the following components:

<b>Description</b>	<b>31.12.2025</b>	<b>31.12. 2024</b>
Retained earnings – surplus arising from revaluation reserves	55,438,900	42,760,250
Retained earnings from error correction	13,566,042	13,769,750
Retained earnings arising from the use, at the date of transition to IFRS, of fair value as deemed cost	119,889,843	120,811,620
Profit and loss for the year	51,769,472	102,202,828
Profit distribution	(19,437,719)	(78,473,541)
<b>Total</b>	<b>221,226,538</b>	<b>201,070,907</b>

**PROFIT DISTRIBUTION**

As at 31.12.2025, S.C. Antibiotice S.A. recorded a net profit in value of 51,769,472 lei, which is proposed for distribution as follows:

<b>Description</b>	<b>31.12.2025</b>	<b>31.12. 2024</b>
Dividends	24,019,745	13,800,876
Other reserves	25,080,866	86,868,522
Own financing sources	2,668,861	1,533,431
<b>Total</b>	<b>51,769,462</b>	<b>102,202,828</b>

Distribution of the profit according to the OGMS held on 16.04.2024, in accordance with the Decision no. 3 regarding the approval of the financial statements is the following:

- dividends – 30,927,369 lei
- other reserves – 19,233,858 lei
- own financing sources – 30,927,369 lei, and

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**17. SHARE CAPITAL (continued)**

Distribution of the profit according to the OGMS held on 01.07.2024, in accordance with the Decision no. 2, is the following:

- dividends – 55,669,264 lei
- other reserves – 19,233,858 lei
- own financing sources – 6,185,474 lei.

Distribution of the profit according to the Management Board from 25.03.2026, is the following:

- dividends – 24,019,745 lei
- other reserves – 25,080,866 lei
- own financing sources – 2,668,861 lei

**18. TRADE AND SIMILAR LIABILITIES**

Liabilities mainly include trade payables and other short-term financial liabilities (liabilities in relation to personnel, liabilities regarding taxes and duties, liabilities regarding short-term bank loans, liabilities in relation to various creditors) which are initially recognized at fair value and subsequently recorded at amortized cost using the effective interest method.

	<b>Balance as of 31.12.2025</b>	<b>Balance as of 31.12.2024</b>
Trade liabilities	69,472,257	83,501,751
Bills payable	3,569,074	2,582,237
Liabilities from the acquisition of fixed assets	29,183,542	44,300,365
Other current liabilities*	29,256,267	35,537,614
Advances received on orders	811,180	3,311,477
<b>Total</b>	<b>132,292,320</b>	<b>169,233,444</b>
<b>*Other current liabilities</b>		
	<b>Balance as of 31.12.2025</b>	<b>Balance as of 31.12.2024</b>
Salary payables to employees and social security liabilities **	18,663,618	23,585,855
Unclaimed employee benefits	48,773	35,708
Other creditors	4,426,659	2,911,858
Interest payable	55,507	74,601
Other taxes payable	116,242	424,287
Dividends payable	5,945,468	8,505,305
<b>Total</b>	<b>29,256,267</b>	<b>35,537,614</b>

\*\*in these liabilities, the following are included:

- 3,069,734 lei - salaries due to employees, representing the settlement for the month of December 2024, paid in January 2025;
- 48,635 lei - represents the amounts withheld from employee entitlements, in accordance with legal regulations, for December 2024, which will be paid to third parties;
- 172,176 lei - amounts owed to employees, representing bonuses, as well as liabilities to employees represented by guarantees withheld from employees in accordance with legal requirements

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

---

**18. TRADE AND SIMILAR LIABILITIES (continued)**

- 3,499,568 lei - the amounts withheld according to legal requirements from the gross income of employees representing the social security contribution;
- 1,475,005 lei - the amounts withheld according to legal requirements from the gross income of employees representing the contribution to social health insurance;
- 312,309 lei - the labor insurance contribution owed by the unit for personnel rights related to December 2024;
- 988,086 lei - the income tax withheld according to legal requirements from the gross income of employees for December 2024;
- 8,698,986 lei - the amounts representing debts regarding employee profit sharing and unused vacation leaves.

**Added-value tax**

The fiscal period for VAT is the calendar month, the value added tax is shown based on the VAT return. The VAT amount payable is paid to the tax authorities by the 25<sup>th</sup> of the following month, regardless of the level of recovery of receivables from customers. The tax authorities allow VAT to be settled on a net basis. If the deductible VAT is higher than the VAT collected, the difference is refundable at the company's request. VAT on sales and purchases not settled at the end of the reporting period is recognized in the statement of financial position at net value and presented separately as a current asset or liability. In cases where adjustments have been recorded for the depreciation of receivables, the depreciation loss is recorded for the VAT-inclusive value of the debit. The related VAT must be paid to the state budget and can only be recovered in the event of the debtor's prescription, as a result of the bankruptcy decision.

**Claw-back tax**

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

**Other liabilities**

	<b>Fiscal year ended 31.12.2025</b>	<b>Fiscal year ended 31.12.2024</b>
VAT payable	4,841,196	-
Clawback tax	10,145,309	10,152,471
Other special funds	178,039	157,916
<b>Total</b>	<b>15,164,544</b>	<b>10,310,387</b>

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**19. BANK LOANS**

The bank loans as at December 31, 2025 and December 31, 2024 were as follows:

Financing bank	Financing type	Grant date	Balance as of	Balance as of	Short-term as	Long-term as	Period
			31.12.2024 (audited)	31.12.2025	at 31.12. 2025	at 31.12. 2025	
Transilvania Bank	credit line – working capital	21.03.2025	33,751,804	1,130,922	1,130,922	-	12 months
Transilvania Bank	Short-term credit – supplier payments	16.05.2025	-	76,477,500	76,477,500	-	12 months
Unicredit Bank	credit line - working capital	Initial granted in 2016, renewable annually	10,548,511(*)	1,839,045	1,839,045	-	12 months 120 months
Unicredit Bank	investment credit	03.05.2018	36,719,867(**)	26,575,065	10,960,323	15,614,742	
European Investment Bank	investment credit	26.06.2024	59,689,200	61,182,000	7,341,840	53,840,160	96 months
European Investment Bank	investment credit	17.01.2025	-	66,280,500	-	66,280,500	96 months
<b>TOTAL</b>			<b>140,709,382</b>	<b>233,485,032</b>	<b>97,749,630</b>	<b>135,735,402</b>	

Through investment activity financing contracts concluded with UniCredit Bank and European Investment Bank, financial indicators are established based on which the financial condition of the company is assessed. As at 31.12.2025, all the indicators fell within the contractual limits.

(\*) line of credit for financing the working capital and the part of the investment loan with short-term maturity

(\*\*) long-term investment loan

(\*\*\*) short-term investment loan

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**20. INVESTMENT SUBSIDIES**

	<b>Fiscal year ended 31.12.2025</b>	<b>Fiscal year ended 31.12.2024</b>
As at January 1	5,662,615	1,892,704
Subsidy inflows	5,320,672	4,209,120
Transferred to the statement of comprehensive income	(458,321)	(439,209)
<b>As at December 31, 2025 / December 31, 2024</b>	<b>10,524,966</b>	<b>5,662,615</b>
Current	516,884	516,884
Fixed	10,008,082	5,145,731

In 2025, Antibiotice S.A. received from the Ministry of Finance the amount of 5,320,672 lei for the project " Production, packaging and storage capacity for sterile products, solutions and topicals". The Ministry of Public Finances issued the Financing Agreement no. 538 of 17.05.2023, based on the GD no. 807/2014 for the establishment of state aid schemes with the objective of stimulating investments with a major impact on the economy.

**21. CONTINGENT LIABILITIES**

As at December 31, 2025 and December 31, 2024, Antibiotice S.A. had no contingent liabilities.

**22. PRESENTATION OF AFFILIATED PARTIES**

**22.1. Amounts payable to and receivable from related parties**

At the end of the fiscal years 2025 and 2024, the Company had no receivables or debts towards the associated entity.

**22.2. Information regarding transactions with affiliated parties**

During the fiscal years 2025 and 2024, the company did not carry out commercial transactions with the associated entity.

**23. EVENTS AFTER THE REPORTING PERIOD**

On February 28, 2026, an armed conflict broke out in the Middle East, which generated an increased level of uncertainty in the international economic environment. The company's management analyzed the potential effects of this event on the activity, financial position and business continuity of Antibiotice SA.

Based on the assessments made up to the date of approval of the financial statements, management believes that this event does not have and will not have a significant impact on the company's operations, financial performance, cash flows or ability to continue as a going concern, and the going concern assumption remains appropriate. Consequently, no adjustments to the financial statements were necessary at the reporting date.

**24. INFORMATION REGARDING THE AUDIT OF INDIVIDUAL FINANCIAL STATEMENTS**

A fee of 370,861 RON was charged for the audit of the individual financial statements as of December 31, 2025.

**25. RESTATEMENTS**

During the reporting period, the Company identified an error in the prior period and corrected it in the current set of financial statements. In 2024, certain balances previously presented under trade receivables were reclassified to advances for the purchase of fixed assets, with no impact on profit or loss or total equity.

**ANTIBIOTICE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED ON 31.12.2025**  
**(all amounts are expressed in LEI ("RON"), unless otherwise specified)**

**25. RESTATEMENTS (continued)**

The restatement represents a reclassification between the lines of current assets (trade receivables) and fixed assets (advances for the acquisition of fixed assets) that was identified subsequent to the issuance of the financial statements for 2024. This restatement was recorded as an event subsequent to the balance sheet date which led to the adjustment of the financial statements by restatement of each affected line in the Statement of Financial Position as at 31 December 2024, respectively the Statement of Cash Flows for the year ended December 31, 2024.

There is no impact on the statement of equity and the statement of profit or loss.

The tables below summarize this impact. The amounts are presented in RON.

**Individual financial position statement**

	<b>Fiscal year ended 31.12.2024 reported</b>	<b>Restatements</b>	<b>Fiscal year ended 31.12.2024 (restated)</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	749,395,619	12,931,075	<b>762,326,694</b>
<b>Total fixed assets</b>	<b>804,564,556</b>	<b>12,931,075</b>	<b>817,495,631</b>
<b>Current assets</b>			
Trade and similar receivables	298,073,567	(12,931,075)	<b>285,142,492</b>
<b>Total current assets</b>	<b>474,691,964</b>	<b>(12,931,075)</b>	<b>461,760,889</b>
<b>Total assets</b>	<b>1,279,256,520</b>	-	<b>1,279,256,520</b>

**Cash flow statement**

	<b>Fiscal year ended 31.12.2024 reported</b>	<b>Restatements</b>	<b>Fiscal year ended 31.12.2024 (restated)</b>
(Increases)/Decreases in receivables	(65,302,780)	12,931,075	<b>(52,371,705)</b>
<b>Net cash from operating activities</b>	<b>95,147,343</b>	<b>12,931,075</b>	<b>108,078,418</b>
Acquisitions of tangible assets	(98,774,675)	(12,931,075)	<b>(111,705,750)</b>
<b>Net cash from investing activities</b>	<b>(116,160,576)</b>	<b>(12,931,075)</b>	<b>(129,091,651)</b>

Authorized by the Management Board on **25.03.2026**.

\_\_\_\_\_  
**General Director,**  
**Ioan NANI, Economist**

\_\_\_\_\_  
**Financial Director,**  
**Paula Luminita COMAN, Economist**