

Liviu VATAVU

Hello,

Welcome to the teleconference presenting the results of the first 9 months of 2023.

On behalf of Antibiotice, the teleconference is attended by:

- Paula COMAN - Financial Director
- Ovidiu BATAGA - Marketing and Sales Director
- Delia RACOVEANU - International Market Sales Manager
- Liviu VATAVU - Legal and Corporate Governance Director, and
- my colleagues from Investor Relations Department, Mrs. Mihaela OBREJA and Mrs. Cerasela VASILIU.

As the time we set is 11 o'clock, we would like to start this meeting. We have a presentation material running on our screen. Can you see it, Mr. Turcas?

Florin TURCAS

- Yes, I can see it...the first page...

Liviu VATAVU

- We will continue running the presentation, we will not read it for certain, we will present some synthetic materials from it, Mrs. Coman will take over the topic and present some synthetic information and, as usual, we invite you to interrupt us, to ask us questions, to intervene whenever you feel the need to, without waiting for the end of our presentation. When you feel it is appropriate, please intervene and ask us questions. Is that okay?

Florin TURCAS

- Yes, perfect!

Liviu VATAVU

- Ok, Ms COMAN?

Paula COMAN

- Hello ! In the first nine months of 2023, Antibiotice achieved a total net turnover by 28% higher than that of the previous year;
- A net profit of 76.6 million lei compared to the last year's value, i.e. 29.5 mil. lei,
- The share value increased from 0.57 lei on January 1, 2023 to 1.18 lei on September 30, 2023. On September 21, 2023 we recorded a maximum of 1.28 lei;
- In the same period, we attracted non-refundable funds amounting to 85 million lei from the Ministry of Finance, funds that will be used during the following years for a production capacity for sterile products, solutions and topicals;
- We obtained a financing in the amount of 4.1 million lei for developing a green energy production capacity;
- The investments made between January-September 2023 were 58 million lei for developing our product portfolio, production of green energy and for modernizing the laboratories and logistics on our site.

- I give the floor to my colleague, Ovidiu BATAGA, to present our sales situation.
- Hello, again!  
I would reiterate a little bit about a topic related to our business plan. We work today and every day according to the principles presented in the business plan The Future Together. I think we very strongly mentioned this in our recent communications in mass media. In this business plan, we rely primarily on the portfolio, that's why I mentioned it, because on the screen you can see how we work on portfolio topics. You can see the grouping of sales by therapeutic classes in the mentioned graph, on the left.  
In the first 9 months of 2023 we were present in the market with 166 products from 11 therapeutic classes, including the active substances. The products are distributed by divisions because our company has 3 manufacturing and selling divisions: Oral Solid Products Division, Topical Products Division and Sterile Products & APIS Division. There are also mentioned our new products that started to gain consistency, by being launched in the market in the first 9 months of the current year: Equilibra Plus, Remiflu granules, Tinero AZ - a range consisting of 3 dermatocosmetic products, Zimba ointment, the range of injectables Vancomycin and Cefazolin. These will show their added value in the next period and we will find them mentioned in the management' reports, as we do every time. Like the Romanian market, I would mention that this year marked a consistent growth in the pharmaceutical market, a 2-digit growth, somewhere around 16%. We also had price increases, somewhere in August, the Romanian market resettled through an increase in prices correlated with the inflation and exchange rate.  
Here, on the screen, you can see the rhythms that the sales channels in the Romanian market recorded and a comparison of the Antibiotice sales with these rhythms. It can be seen that in all sales segments, whether hospitals, national chains or independent and mini-chain pharmacies, Antibiotice performed better than the market by at least 3 percent. There are channels where we recorded increases of 6%.

Liviu VATAVU

- Okay. Are there any questions up to this point? Do you want us to emphasize, to detail a topic? .... Ok, I understand this is not the case.

Ovidiu BATAGA

- Ok, I would point out where our company performed successfully in these first 9 months of the year and I think we will follow this trend in the next 3 months. We made sales in the market of 383.8 million lei, and as I said, they surpassed the pace of the market, an increase of 17.5%. We ranked the 4<sup>th</sup> as regards the consumption of boxes in the segments of medicines representative for us, generics and OTCs, having a 5.5% market share. We are still the leader in the market for the following pharmaceutical forms: ointments, suppositories, pessaries and injectable powders. It is obvious that, as regards the consumption in hospitals, one vial out of two is manufactured by Antibiotice.  
We ranked 2<sup>nd</sup> as number of boxes with capsules (16.1%), a performance achieved in the first quarter of the current year and maintained throughout the year. In terms of value, we continue to be a leader in the segments of prescription generics and non-RX medicines for hospitals, with a 14.1% market share. The injectable portfolio is representative for us.

I give Delia the floor, to present the export situation.

## Delia RACOVEANU

- Hello, again!

In the period January-September of 2023, the turnover in the international market was 175.6 million lei, by 23% higher compared to the same period last year. This increase is in line with the trend planned for the period 2023-2030 through the company's development plan The Future Together. Our sales of finished medicinal products amounted to 107.9 million lei, higher by about 28%, compared to the period January-September 2022. These results were obtained by exporting our medicines to approximately 30 countries, mainly in North America, Europe and Asia.

We can mention the first ten countries : the US, Vietnam, Great Britain, Republic of Moldova, Denmark, Hungary, the Netherlands, Iraq and and Yemen.

We succeeded to consolidate our business in the US, recording this year a value of about 6 million dollars, with 6 sterile beta-lactam antibiotics, penicillins used in hospitals.

In Europe, as I mentioned previously, our sales have had the greatest evolution, every year our sales increasing by 25-30% in this region.

In countries such as the United Kingdom of Great Britain, Netherlands, Hungary, Lithuania or Albania, the healthcare systems in hospitals were accessed with a portfolio of anti-infective drugs, injectable powders. In the first 9 months we already reported an increase in sales of approximately 42%. We are thus among the top manufacturers of anti-infective medicines for hospitals in these countries.

Our sales in the Vietnamese market, the main market for our products in Asia, recorded a 12% increase as compared to the period January-Septemembr 2022, reaching a value of 5.6 million dolars, by launching 3 new cardiovascular medicines and attending tenders for oral antiinfectives.

In the Republic of Moldova, where we have also our own representative office with our own promotion team, in the first 9 months we achieved sales of 1.5 million USD, by 9% higher compared to the same period last year, notable being the upward trend of the products in the focus and promotional actions of the team and this is the result of a consistent promotion, which offers predictability of our sales in a very competitive market.

## PAULA COMAN

- Business returns have increased as you have seen from our results. As Delia said, we accessed new territories, we defined a strategic Antibiotice portfolio by increasing sales in the Hospital segment, by increasing sales in the optimal structure in the Retail segment, consolidating sales of Nystatin and obtaining this way a better yield and a greater position as a world leader, as well as through cost management measures so that business yields, respectively gross margin, added value, operating profit, gross profit and net profit have been increasing and we will go through the same measures so that the evolution of the indicators in the future will follow the same trend.
- Thank you!

## LIVIU VATAVU

- Thank you very much, Ms. Paula! Ovidiu, Delia?
- Mr. Domnul Turcas? Do you have questions for us?

FLORIN TURCAS

- Yes, I would like to congratulate you on the good results obtained and ask you to what extent you can maintain them in the future?  
That would be the first question and the second question, to what extent are these good results a surprise for you, as you did not foresee such results in the budget?

LIVIU VATAVU

- The results are not a surprise for us because we have been working on a business plan in which we propose ourselves to increase these indicators. It is true, this year was favorable to us, we succeeded in exceeding our targets, the wind was at our back more than we expected or than we anticipated but the results are not surprising. Everything we do is planned, we have a strategic plan for 2020-2030, we achieved our indicators, slightly in advance, as we said before.

OVIDIU BATAGA

- Yes, here I would venture a rather relevant explanation. The pharmaceutical markets are being re-settling in a permanent dynamic and especially after the post-pandemic period, all sales channels have re-settled and each one is trying to re-balance, we should be on the market trend even if we work according to an initial planning, adaptations and correlations also appear during the game. This need for adaptation is marked during this year and I am talking about the domestic and international markets. So, if this wind from the stern means a double-digit market then you have to be there because otherwise you leave the place free for competitors. What you just asked, the idea of maintaining on the wave, we have just been consolidating our position in order to preserve what we have today in the following years, and I believe we have done a lot this year and we can see the results, the market share obtained, the products launched, consolidation of the current portfolio and especially the consolidation of the sales segments in all the ATB territories. I think I can confirm that the next period will bring us the expected results.

LIVIU VATAVU

- Yes, all in all it was a good year, it was a good 9-month period for us. We have consolidated our position in the market, our market share, we have consolidated our turnover, our profit, our shares have had an evolution, not only good, but very good, it doesn't even cross our minds that we will not be able to keep what we have won in these nine months, it never happened in our evolution, it won't happen from now on either.

PAULA COMAN

- And the prospects for the following years must give us all confidence because we are working on an investment plan so as to consolidate the portfolio, increase the range of products we put in the market.

FLORIN TURCAS

- Will you update your business plan, will you present a new version or.....?

Paula COMAN

- Well, together with the 2024 budget, we will present also a budget for 2025 and 2026. So, at the beginning of 2024, we will present a three-year budget and, certainly, we will estimate the trends until 2030.

FLORIN TURCAS

- And how do you see the evolution of the pharmaceutical market as a whole, let's say in the short term or, if you can, even in the medium term.

OVIDIU BATAGA

- Yes, we did a mid-term analysis, this year will be closed at a percentage of about 16% as I said before. We analyzed the prospects together with the market research firms Cegedim si IQVIA, they always make seasonal forecasts, every six months they come with upgrades, at their forecasts. Their last forecast shows a market that will grow by double digits but not at the same rate because this year, as I said, we were also influenced by the prices in August and by the assimilation of some molecules at the level of therapeutic classes, the estimation for the year is 16%, it is somewhere around 12-13%. Being more ambitious, we estimated sales in the market of about 15 percent, so we will constantly try to be above the market.

That's why we were saying that there will be repeatability in the dynamics of our sales and a greater certainty in reaching our goals. But we will live and see because every time these estimates for the following years are revalidated somewhere in May-June and this information will be updated.

LIVIU VATAVU

- Thank you, Ovidiu!

FLORIN TURCAS

- I wish you much success!

LIVIU VATAVU

- We also thank you for today's meeting. Good luck to you in the future. Let's hear from each other with good news at the next report.  
Goodbye!

FLORIN TURCAS

- All the best!