

Liviu VATAVU

Hello,

Welcome to the teleconference for the presentation of the financial results on Q 1 2024! On behalf of Antibiotice, the following are participating in the teleconference:

- Mrs. Paula COMAN - Financial Director - CFO;
- Mrs. Stefania ALEXANDRU - Strategic Planning and Performance Management Director
- Mr. Liviu VATAVU - Legal and Corporate Governance Director and
- Mrs. Mihaela OBREJA - Risk Management and Investor Relations Manager.

In order for this discussion to be recorded and published on the company's website so that it can be accessed by the other investors, I would like to know if you agree with the recording.

- Yes, Andrei Puscaragiu...
- Yes, this is fine ...

Mr. Liviu VATAVU

- Okay, thank you very much and I would like my colleague, Mrs. Alexandru, to take over the discussion and start with the presentation of the financial results on Q I 2024.

Mrs. Stefania ALEXANDRU

- Hello, for the first quarter, Antibiotice finished the quarter with the following results that stand out: total revenues of 192.5 million lei, 13% higher compared to the value from the similar period of 2023, cumulative gross profit with the value of the claw-back tax consolidates a business yield of 27%, the sales on the international markets increased by 18.7%, compared to the same period last year; on the Romanian market we consolidate the 4th place from the viewpoint of the consumption as number of boxes on the market for generic medicines with medical prescription and over the counter, with a market share of 4.7%; we maintain our leading position in the hospital segment, with a market share of 13.5%; in the first quarter we recorded a maximum share value of 2.01 lei/sharea and the net accounting asset was worth 884 million lei, higher by 4% compared to the value registered on 31.12.2023.

Regarding the company's product portfolio, in the first quarter, the portfolio had a number of 166 products from 11 therapeutic classes. We assimilated a number of new products in the Oral Solid Forms Division, from the anti-infective therapeutic area - 3 products, **Amoxiplus® tablets 625 mg, 1g** and **Cefuroxima Atb® 500 mg** and a product that completes the range of Nutriensa® food supplements, intended for prophylaxis urinary infections, with the **Urexpert®** brand.

The Division of Topical Forms and the Division of sterile solutions did not register an enrichment of the portfolio in terms of products this quarter.

Mr. Liviu VATAVU

- Mrs. Alexandru, I will interrupt you for just a second... We would like this meeting to be interactive, if there are questions from you, I think that any of my colleagues can answer... you can interrupt us, we are waiting for your questions; the questions we can answer will receive the answer on the spot; for those for which we will need documentation, we will answer you in a very short time, in the following days. So, don't hesitate to interrupt us with your questions, we'd love to hear from you. Mrs. Alexandru, please go on...

Mrs. Stefania ALEXANDRU

- Regarding the results recorded on the Romanian market, from the perspective of sales to patients, we recorded a sales value of 126.8 million lei similar to last year; we are the quantitative leader in terms of indivisible units and we practically maintain this leading position in the segment of ointments, suppositories and pessaries and injectable powders; we maintain the 4th place in the consumption as number of boxes in the segment of generic drugs with prescription and over the counter, we maintain our leading position in the segment of generics with medical prescription and over the counter in hospitals and we occupy the 2nd place, according to the number of boxes regarding the sales of capsules pharmaceutical form. On the international markets, we recorded a sales value of 77.8 million lei, an increase of 18.7% compared to the first quarter of last year, we consolidated sales on the range of active substances based on *streptomyces nursei*, which is sold in over 50 countries and we consolidated our position as the world leader for this active substance; the revenues from the sale of finished products were 49.7 million lei, up by 43.5% compared to the first quarter of 2023; the main markets on which we capitalized finished products are the USA, the United Kingdom of Great Britain, Denmark, Vietnam and Moldova.
- the new markets we accessed were Italy and Poland;
- the increase in the quantities delivered by product category was achieved from the products in the portfolio of anti-infectives, cardiovascular drugs, or products intended to maintain the quality of life. I would kindly ask my colleague Paula to take the floor...

Mrs. Paula COMAN

- As you have seen, our financial results for the first quarter comply with the growth trend planned in The Future Together business plan. The increase in turnover compared to the first quarter of 2023, was from 179 million lei to 183 million in this first quarter of 2024, and the gross profit from 26 million lei to 39 million lei. This yield was supported both by a sales structure in the market international, a sales structure of Nystatin in international markets, a consolidation of the sales structure in the domestic market, as well as managerial measures from the standpoint of costs, so that these actions of ours led to a total income in the first quarter of 2024 of 192.5 million lei, 12% higher than in the period of the first quarter of 2023, a total expenditure of 153.4 million lei, 5.6% higher than during the same period of the previous year, which led to a profit of 39.8 million lei, 50% higher than during the previous year. Here one can notice an increase in the activity of balancing expenses and financial incomes, so that the incomes from the exchange rate

differences were in this period worth 1.14 million lei, while the expenses from the exchange rate differences were worth 0.94 million lei.

This means that we managed to balance the customer balances with those from suppliers for each currency separately, so as not to generate losses from exchange rate differences and the income and the expenses with interest are at this moment worth 0.88 million lei. From the point of view of the financial situation, I can bring to your discussion the fact that the amount of receivables is 18% higher, it is correlated with the sale I told you about earlier, of 183 million and all the due dates of our clients are within the contractual term. Regarding the company's debts, they are 1% lower than those at the end of 2023, and the equity is 1.17 billion lei, 3% higher than at the end of 2023. From the viewpoint of business returns, I told you that the turnover increased by 2.2%, the gross margin, which indicates the level of expenses with materials is 64%, compared to the same period last year when it was 63% of the sales value - that is to level of 121 million lei - compared to the previous year when it was 105; the added value is 102.65 million lei compared to 85 the previous year; the profitability of the gross profit is 21% compared to that of 14% the previous year, and the EBITDA is 50.34 million lei, compared to 40.5 million lei, the previous year. As my colleague Mr. Vatavu said, if you have questions about our results from March 31, 2024, please feel free to ask.

Mr. Andrei PUSCARAGIU

- Thank you for the presentation and congratulations for the good results obtained last year and in the first quarter! I would have a question related to the evolution that was noticed in the last quarters.... because if we look at it historically, in the last 5-10 years, the profitability of Antibiotice was usually around 30-35 million RON and we notice a strong increase in profit in 2023 and an increase that continued during the first quarter of 2024. My question is: What are the factors that determined this significant evolution, especially in the area of profitability, after a long period of time in which the profit fluctuated in this area of 30-35 million? What exactly happened in 2023 to lead to this strong growth, which seems to continue? My second question is: does the business enter a new stage where we can expect in the following years that the profitability will continue to go up from the level recorded in 2023?

Mr. Liviu VATAVU

- Thank you very much for your questions. Mrs. Alexandru?

Mrs. Stefania ALEXANDRU

- I will begin with the first part. In the 2020-2023 stage, several repositioning actions took place, from the view point of the product portfolio, the actions carried out and the partnerships we have. Starting with the year 2023, we practically also established the activity of Strategic Planning and Performance Management, which I deal with, precisely to be able to correlate much better all the activities we carry out. What we practically managed to do for improvement was to follow as carefully as possible the structure on

both the domestic and international markets, the sale of products and to channel our efforts towards that structure that brings us the best returns, that returns our better yields. This, correlated with the promotion efforts of our colleagues in the field, leads to what we can observe now, namely, the strengthening of this profitability.

Regarding the future, we have outlined a business plan until 2030, The Future Together, which entails 5 pillars. This involved actions, strategies defined for each category, from human resources, to portfolio, to performance management, activities carried out on domestic and international markets, financial activity as well as the legislative framework and that of integrated management and sustainability. Within this business plan, we propose to double the turnover, somewhere around 250 million euros and a gross profitability rate of 20%. These would be the indicators we proposed for the 2030 horizon.

Mr. Liviu VATAVU

- That is, we propose to continue in the same way, to achieve performance.

Mrs. Paula COMAN:

- The rate of profit growth will not increase as we saw in 2023, the rate we want is to be strengthened at the margin level of 20%. when I refer now to the year 2024, in the first quarter, we saw the growth rate related to profit growth, but it will flatten out until the end of the year, as it was budgeted and presented in the Budget of revenues and expenses in GMS of 29.02.2024.

Mr. Andrei PUSCARAGIU:

- I understand. Thank you very much! I have one more question if I may. It is somewhat related to what you said, to the last information presented: How do the results from the first quarter correlate with what it was foreseen in the budget? In line with the budget, slightly over the budget, slightly under the budget?

Mrs. Paula COMAN: - We are within the budget indicators.

Mrs. Stefania Alexandru: - As planned.

Mr. Andrei PUSCARAGIU: - Ok, thanks a lot for your answers!

Mr. Liviu VATAVU: - Thank you! Are there any other questions?

Mr. Florin TURCAS: - Yes, I would have a question at this stage.

Mr. Liviu VATAVU: - Please!

Mr. Florin TURCAS:

- You mentioned many times the program "The Future Together". In my opinion, it should be presented on the first page of the company's presentation or at least it should be there in the "Search" tab so that we can find it; I tried to look for it and I couldn't find it in the "Search" tab. In my opinion, it is an important element that should be in the forefront of any presentation, because I can see that you follow it and it is well structured.

Mrs. Stefania Alexandru:

- Yes, it is a very good statement. Indeed, it is an oversight on our part that we will rectify. Thank you very much!

Mr. Florin TURCAS:

- It's not an error, it's just that it would be better so. Are there more presentations or can are we asking all the questions now?

Mr. Liviu VATAVU:

- Please ask all the questions now.

Mr. Florin TURCAS:

- Alright, the 1% tax, how does it affect you? Does it or does it not affect you?

Mrs. Paula Coman:

- It doesn't affect us. Our calculations show that the taxes related to profit will be in the same trend as up until now.

Mr. Florin TURCAS:

- Ok, one final question: on Bloomberg you appear with R&D = 0 (zero), so without research/development amounts, for a pharmaceutical company this is...

Mrs. Paula Coman:

- We don't know where Bloomberg gets its information from, but we will look into it; we have such a department within the Portfolio Directorate and somewhere around 4% of the annual turnover is provided for research/development. We will look into it and fill in; if Bloomberg is getting the information from some source, at the moment, we do not know what the source is.

Mr. Florin TURCAS:

- Okay, it's very important because, you'll realize that any foreign investor looks at this, at Bloomberg, not at the direct reports. Thank you very much and I wish you all the best!

Mrs. Paula COMAN:

- Thank you!

Mr. Liviu VATAVU:

- And if you go to our website under the heading "General Meetings", you will find the management plan of the company, which includes part of the business plan "The Future Together" as of today. But we will try to make the whole business plan known.

Mr. Florin TURCAS:

- Yes, I know it exists, it's just that it's hard to find, and I believe it should be placed in the forefront.

Mr. Liviu VATAVU:

- I agree with you. If there are no more questions...

Mr. Ciprian Nedisan:

- I have a question. Related to the value of the stocks, you have a small decrease and you mentioned that you manufactured the stocks for the next production and for the next sales; in terms of forecasts, should we expect a stagnation or a decrease in the production and sales during the second quarter?

Mrs. Stefania ALEXANDRU:

- No, from this viewpoint we do not expect a stagnation, as we pointed out; everything related to stocks is in close correlation with the sales side. The sales indicators do not have a downward trend, so no, we do not expect a stagnation or to [...], we go according to our plan.

Mr. Ciprian NEDISAN:

- One more thing, how do you see the evolution of the Romanian market in the next period?

Mrs. Stefania ALEXANDRU:

- Regarding the evolution in the following quarters, as we could see in the first quarter as well, there was indeed a stagnation in the prescription of oral anti-infective products, a fact given by that legislative amendment that imposes a much more careful prescription regime monitored, but as an evolution it will be the same as at it was at the end of the year, i.e. the average of 10%-15% predicted by the market analysis companies. So, we have no signals at this moment that the pace will slow down. Regarding the innovative products, we can see that the pace is faster, but we do not believe that this will impact the results we are expecting.

Mr. Ciprian NEDISAN:

- As for the production capacity, where do you think you rank? Let's say that if you have periods with larger orders, will you be able to fulfill them?

Mrs. Stefania ALEXANDRU:

- Absolutely, from this viewpoint at the moment we have no signals or information according to which we would not be able to deal with orders that might occur, as it was the case when during the Covid period the orders for the portfolio of anti-infectives increased a lot, but we had no problems fulfilling all the orders. So, we do not believe that we have a risk from this standpoint.

Mr. Ciprian NEDISAN:

- Ok, thank you!

Mr. Liviu VATAVU:

- Do we have a written question?

Mrs. Mihaela Obreja:

- Yes, from Mr. Pal.

Mr. Liviu VATAVU: - Could you please read it, Mrs. Alexandru?

Mrs. Stefania ALEXANDRU:

- Yes, revenues increased by 13%, the number of boxes of products sold decreased slightly compared to the previous period. Can the increase in prices partially explain the increase in revenues? What can we expect in terms of the number of boxes sold in 2024 and beyond?

Mr. Liviu VATAVU:

- So, this is a question submitted in writing by....?

Mrs. Stefania ALEXANDRU:

- By Mr. Valentin PAL.

Mr. Liviu VATAVU:

- Mr. Valentin Pal, we thank you for your question!

Mrs. Stefania Alexandru:

- Regarding the slight decrease in the sales of boxes registered during the first quarter, this is not due to the increase in prices, or, to the difference between the increase in income and the evolution of the sales of boxes is not due to the increase in prices, but to a resettlement in the structure. The decrease in the sales of boxes, as we pointed out previously, is mainly due to the lower consumption of the products which are part of the portfolio of oral anti-infectives; we are recalibrating our actions on other segments of the portfolio that register increases, i.e. the products in the portfolio of dermatological products or in the portfolio intended for cardiovascular diseases or quality of life from the Nutriensa range. The number of boxes sold for the year 2024 according to our plans is in an upward trend; we intend to increase (the sales) from period to period, from quarter to quarter, as Mrs. Coman also mentioned, there may be variations, but annually when we look at it, we intend the number of boxes sold to be in an upward evolution. I hope I answered the question.

Mr. Liviu VATAVU:

- Thank you, Mrs. Alexandru! Alright, it means you answered the question. Are there any further questions? I understand that there are no more questions. Then, once again, we thank you very much for your presence, for your active participation and for the interest you show in our meetings. We are pleased to meet you; we are pleased to present to you our materials and results and we take great pleasure in discussing with you. We wish you success in everything you do and we are waiting for you at our next meeting with investors - when will it take place?

Mrs. Paula COMAN:

- In August, August 20-21, 2024.

Mr. Liviu VATAVU:

- Thank you! Bye-bye!

Mrs. Andrei PUSCARAGIU:

- Thank you! Good-bye and good luck!

- Thank you, likewise!