

S.C. ZENTIVA S.A.

**Report of the Board of Directors
for Q3 2019**

Reported date	: 30.09.2019
Company name	: S.C. ZENTIVA S.A.
Location of the registered office	: 50 Theodor Pallady boulevard, Bucharest
Tel. / Fax	: 021-304.72.00 / 021-345.40.04
Tax registration code	: RO 336206
<i>Trade Register order number</i>	: <i>J/40/363/1991</i>
Subscribed and paid-in social capital	: 69,701,704 RON

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ZENTIVA S.A.
STATEMENT OF COMPREHENSIVE INCOME
September 30, 2019
(all amounts are expressed in new lei ("RON"), unless otherwise provided)

	30.09.2019	30.09.2018
Sales of goods	405,314,220	275,012,177
Rendering of services	-	37,193,389
Rental income	-	512,513
Other	-	154,106
Turnover	405,314,220	312,872,184
Other operating income	9,745,552	250,647,251
Changes in inventories of finished goods and work in progress	13,442,283	32,031,851
Raw materials and consumables used	(208,999,794)	(170,017,123)
Employee benefits expenses	(57,755,922)	(45,419,655)
Depreciation, and impairment	(8,816,496)	220,545
Marketing and advertising expenses	(5,705,413)	(12,764,900)
Rental expenses	(1,615,775)	(2,277,260)
Provisions	(515,521)	245,562
Other operating expenses	(79,221,050)	(75,107,173)
Operating profit	65,872,086	290,431,282
Financial Income	8,495,086	94,393,449
Financial Expenses	(2,647,857)	(92,536,083)
Profit before tax	71,719,315	292,288,649
Income Tax Expense	(12,495,922)	(46,001,184)
Profit after tax	59,223,392	246,287,465
Number of shares	697.017.040	416.961.150
Earnings per share (RON / share)	0.08497	0.59067

Financial statements for the period ended on September 30, 2019 are not audited.

ZENTIVA S.A.
STATEMENT OF FINANCIAL POSITION
for the period ended on September 30, 2019
(all amounts are expressed in new lei ("RON"), unless otherwise provided)

	30.09.2019	31.12.2018
Assets		
Property, plant and equipment	151,257,712	144.234.784
Goodwill	46,141,201	46.141.201
Intangible assets	3,536,821	3.895.132
Non current assets	200,935,733	194.271.117
Inventories	137,610,960	98.982.129
Trade and other receivables	273,893,647	199.832.571
Other financial assets	-3,699	-
Cash and cash equivalents	384,908,859	405.115.315
Current assets	796,409,766	703.930.016
Total assets	997,345,500	898.201.133
Capital and reserves		
Share capital, including	69,701,704	41.696.115
Issued share Capital	69,701,704	41.696.115
Inflation related to share capital	-	-
Share premium, including:	24,964,505	24.964.506
Share premium at nominal value	9,863,684	9.863.684
Inflation related to share premium	15,100,822	15.100.822
Legal and other reserves	112,745,368	112.745.368
Revaluation reserve	83,559,775	40.198.377
Retained earnings / (Accumulated Losses)	414,091,629	411.088.300
Total equity	705,062,982	630.692.665
Non current liabilities		
Employee benefit liability	1,813,000	2.479.000
Other long - term liabilities	4,060,259	-
Deferred tax liability	6,710,996	5.033.947
Non-Current Provisions	4,944,015	4.944.015
Total Non - Current Liabilities	17,528,270	12.456.962
Current liabilities		
Trade accounts payable	231,511,065	205.337.404
Income taxes payable	2,301,273	8.236.848
Other current liabilities	28,281,196	28.816.540
Short-term provisions	12,660,714	12.660.714
Total current liabilities	274,754,248	255.051.506
Total liabilities	292,282,517	267.508.468
Total liabilities and equities	997,345,499	898.201.133

Financial statements for the period ended on September 30, 2019 are not audited.

ZENTIVA S.A.**Changes in Shareholder's Equity
for the period ended on September 30, 2019***(all amounts are expressed in new lei ("RON"), unless otherwise provided)***Current year**

Shareholders' equity	Balance on 31.12.2018	Increase		Decrease		Balance on 30.09.2019
		Total, out of which	Through transfer	Total, out of which	Through transfer	
Subscribed capital	41,696,115	28,005,589	28,005,589			69,701,704
Hyperinflation adjustment of capital	-					-
Share premiums	9,863,684					9,863,684
Hyperinflation adjustment of share premiums	15,100,822					15,100,822
Reevaluation reserves	8,339,223					8,339,223
Legal reserves	40,198,377	43.361.399				83,559,775
Other reserves	151,138,149			44.398.720		106,739,429
Other shareholders' equity elements	(751,695)					(751,695)
Reported result, except for the reported result from adopting	102,487,014	250.799.633	250.799.633			353,286,648
IAS 29 for the first time	-					-
Reported result from adopting IAS for the first time	-					-
	-					-
Financial year profit or loss	262,620,976	48.941.550		262.620.976		59,223,392
Profit distribution						
Total shareholders' equities	630,692,665					705,062,982

On August 8th the Board of Directors adopted the decisions for the acknowledgement and approval of the subscription results for the shares offered within the share capital increase of the Company. The results of the share capital increase are as follows:

- out of the total number of 300,000,000 new shares offered for sale to the holders of preference rights, was subscribed a total number of 280,055,890 ordinary, dematerialised and nominative shares, with a nominal value of RON 0.1 each, at a subscription price of RON 0.1 each;
- the total number of subscribed shares represents 93.35% of the total shares offered for sale and amounts RON 28,005,589.

Following the share capital increase, the new structure of the fully subscribed and paid up share capital of the Company is the following:

- Zentiva Group a.s., headquartered in Czech Republic, Prague 10, Dolní M?cholupy, U Kabelovny 130, postal code 10237, holds 668,778,101 shares totalling RON 66,877,810.1 representing 95.9486% of Company's share capital
- Other natural and legal persons holding 28,238,939 shares, totalling RON 2,823,893.9, representing 4.0514% of Company's share capital

ZENTIVA S.A.**Changes in Shareholder's Equity
for the period ended on September 30, 2019***(all amounts are expressed in new lei ("RON"), unless otherwise provided)*

At 30.09.2019 ZENTIVA S.A. reports a turnover of 405 MRON, 30% higher compared to the same period of 2018 and an operating profit of 65.8M RON.

Operating profit is significantly below the 2018 results which were favorably influenced by transactions linked with the separation of Zentiva Group from Sanofi, transactions which will not be repeated in 2019.

Main Financial Ratios at 30.09.2019		
Ratio Name	Formula	Result
1. Current ratio	Current assets / Current liabilities	2.9
2. Debt ratios	Long term debt / Shareholder's equity	0%
	Long term debt / Total capital employed	0%
3. Debtors days ratio	Trade receivables / Net turnover	182
4. Asset turnover ratio	Net turnover / Non current assets	2.02

General Manager**SIMONA COCOS****Chief Financial Officer****FRANCISC KOOS**