



## MEMO

### **on transfer operations from Sanofi Romania S.R.L. to the Company in connection with the distribution (including marketing and sale) of pharmaceutical generic products, as well as the execution by the Company of the agreement related to such transfers**

**ZENTIVA S.A.** is a joint stock company registered with the Bucharest Trade Registry under no. J40/363/1991, sole registration code 336206, having its headquarters located at 50 Theodor Pallady Blvd., District 3, Bucharest (hereinafter referred to as the “**Company**”).

The board of directors of the Company has put forward for the shareholders’ approval the execution by the Company of transfer operations from Sanofi Romania S.R.L. to the Company in connection with the distribution (including marketing and sale) of pharmaceutical generic products, as well as the execution by the Company of the agreement related to such transfers (“**Transfer Agreement**”), including, but not limited to:

- (i) transfer of certain contracts and/or commercial relationships concluded by Sanofi Romania S.R.L. in connection with the activity mentioned above;
- (ii) transfer of information and know-how regarding the marketing, sale and/or distribution of generic products;
- (iii) transfer of books and records, in whatever form kept, including electronic form, used or held for use exclusively in connection with the transferred activity; and
- (iv) transfer of goodwill associated with the assets listed at points (i) - (iii) above.

This proposal is based on the following considerations:

- (i) On 17 April 2018 Sanofi announced that it entered into exclusive negotiations with Advent International in relation to the acquisition by the latter of Zentiva, Sanofi’s European division for generic pharmaceutical products, the offering made by Advent being firm and binding;
- (ii) The transaction between Sanofi and Advent International was completed on 30 September 2018;
- (iii) As a result of the abovementioned transaction, Zentiva will primarily focus its activity on the generic pharmaceutical products market;
- (iv) In the context of the above mentioned transaction, there is an intention to conclude a transaction having as object certain transfer operations from Sanofi Romania S.R.L. to the Company in connection with the distribution (including marketing and sale) of pharmaceutical generic products, as well as the execution of the agreement concerning such transfers; and
- (v) Pursuant to the applicable statutory provisions, for the execution of the Transfer Agreement, the prior approval of the Extraordinary General Meeting of Shareholders is required,

The effective conclusion of the Transfer Agreement will be done under the following conditions:

- a) the value of the transaction is RON 46,141,201; and
- b) the transaction is to be considered effective retroactively, starting with 1 September 2018.

The Board of Directors and/or the General Manager of the Company will be empowered to issue any decision, to conclude all the necessary, useful and/or desirable acts and to perform all the necessary, useful and/or desirable deeds for implementing the resolutions which will be adopted by the EGMS in connection with the Transfer Agreement, including, but not limited to:

- (i) negotiate, establish and approve the final terms and conditions of the Transfer Agreement;
- (ii) approve any contracts in relation to the Transfer Agreement and any other arrangements, any ancillary agreements, certificates, affidavits, registers, notices, addenda and any other acts and documents which are necessary, to fulfil any formalities and to authorise and/or to execute any other actions which are necessary in order to give full effect to the Transfer Agreement; and

- (iii) empower representatives of the Company to sign any such documents, to fulfil any such formalities and execute any such actions.