

Independent Limited Assurance Report on the information included in the current report issued by the Company in accordance with requirements of Law 24/2017 (Article 82) and Regulation no. 1/2006

*To the management of the Zentiva S.A.*

We were engaged by the Zentiva S.A. (hereinafter "the Company ") to perform certain procedures in accordance with Regulation no. 1/2006 of National Securities Commission (CNVM), actually Financial Supervisory Authority ("ASF") with all its subsequent amendments and updates and report on the information included in the attached current report (hereinafter "Reporting Schedule") dated 19 February 2018. This report has been prepared by the Company as result of the request received in 22 August 2017 from Financial Supervisory Authority in accordance with the requirements of the Law 24/2017, article 82 (" the criteria") to report to the Financial Supervisory Authority ("FSA") and to the Bucharest Stock Exchange. The Reporting Schedule has been prepared by the Company based on legal documents signed by the Company with its administrators, employees and significant shareholders as well as with the persons related to them.

The Reporting Schedule is the responsibility of the Company's management.

#### *Specific Purpose*

This report is intended solely for the purposes specified in the first paragraph above and for your information and must not be used for any other purpose. The report refers exclusively to the Reporting Schedule and must not be associated with any Company's financial statements as a whole. Our procedures have been performed exclusively on the transactions related to financial year ended as of 31 December 2017 as presented in the Reporting Schedule dated 19 February 2018.

#### *Management's Responsibilities*

The Company's management is responsible for the preparation of the Reporting Schedule in accordance with the requirements of the Law 24/2017, article 82. In particular, the Company's management is responsible for internal controls being designed and implemented to prevent the Reporting Schedule from being materially misstated.

In addition, the Company's management is responsible for ensuring that the documentation provided to the auditor is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation described above is free from material misstatements, whether due to fraud or error.

#### *Auditor's Responsibilities*

We conducted our assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", as adopted by the Chamber of Financial Auditors in Romania. These regulations require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Reporting Schedules.

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We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on the auditor's judgment. The procedures include, in particular, inquiry of the personnel responsible for financial reporting and risk management and additional procedures aimed at obtaining evidence about the Reporting Schedules.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

In respect of the Reporting Schedule of the Company we have performed the following procedures:

- 1) We have obtained the attached Reporting Schedule from the Company and agreed that the signatures on the Reporting Schedule are those of relevant representatives of the Company and we have undertaken a comparison of the details required to be included in the Reporting Schedule as indicated in Law 24/2017 article 82 to the information actually included by the Company.
- 2) We have compared details, for the individual contracts/agreements we have considered, as detailed in this Report, to determine if the content of the Reporting Schedule is consistent, in all material respects, with information as per signed contracts and agreements presented to us and that the presented documents have been signed by representatives of the Company that are indicated in the authorized signature Schedule provided to us by the Company. As applicable, our procedures have compared Reporting Schedule to the contract and agreement documentation for consistency of details on: the parties which signed the legal document; the date when documentation was signed and the nature of the documentation; the description of the type of goods/services as indicated in the documentation; the total value of the contract/agreement documentation, and, as applicable, contract related terms and conditions.
- 3) We have compared details disclosed in the Reporting Schedule for consistency with the information provided to us from discussion with management and to the extent indicated in contract/agreement documentation, in relation to the basis and nature of the contract/agreement entered into by the parties.
- 4) From discussions with the management and from perusal of Company policies and procedures provided to us, we have considered the consistency of the transactions performed with administrators, employees and significant shareholders, as well as with persons related to them with the Company's policies and procedures.
- 5) To the extent that there is a market price for the goods or services provided by administrators, employees and significant shareholders, as well as with persons related to them, we have discussed the basis for the price agreement and considered if, to the extent applicable, the prices agreed are consistent with that used for third (other) parties, where similar goods or services could be provided. To the extent that no market prices are available, we have analyzed if the transactions have been performed based on the signed approved contracts.

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Our procedures have been performed only over the transactions related to the financial year ended as of 31 December 2017 as presented in the attached Reporting Schedule dated 19 February 2018. We have not performed any procedures to verify whether the Reporting Schedule includes all the transactions and details that the Company has to report according to article 82 of Law 24/2017 for the reporting period.

### **Conclusion**

Based on the procedures performed and evidence obtained, as described above, regarding the legal documents which are included in the Reporting Schedule, nothing has come to our attention that causes us to believe that:

- a) The details as indicated in the Reporting Schedule are not in accordance with the related contracts/agreements presented to us.
- b) The details in the Reporting Schedule are not, in all material respects, consistent with the requirements of the legislation.
- c) The related contracts/agreements provided to us were not properly authorized by representatives of the Company.
- d) The prices have not been established by mutual agreement between the parties in accordance with the type of goods/services and also by considering other terms and conditions mentioned in the respective contracts signed between the parties.
- e) The terms and conditions of the contracts reported by the Company under which transactions have been completed with administrators, employees, significant shareholders, as well as with the persons related to them, are not established on the basis of the contracts signed by the Company according to the type of services and to other terms and conditions agreed between the parties.

Our report is solely for the purpose set forth in the first paragraph of this Report and for your information and is not to be used for any other purpose.

This Report relates only to the Reporting Schedule, as mentioned, and does not extend to any other reports of the Company, individually or taken as a whole.

On behalf of  
Ernst & Young Assurance Services SRL

Mihaela Sandu  
Partner



20 July 2018  
Bucharest, Romania

Attachment

1. Reporting Schedule

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**Current Raport**

<b>Current Report according</b>	- art. 82 from Law no. 24/2017 and art. 113 from Regulation no.1/2006
<b>Date of the report:</b>	-19.02.2018
<b>Name of the issuer</b>	- S.C. ZENTIVA S.A.
<b>Main seat:</b>	- <i>Bd. Theodor Pallady nr.50, Bucuresti</i>
<b>Tel. /Fax no.:</b>	- 021-3047200 /021-345.40.04
<b>Unique Code:</b>	- 336206
<b>Registration No.</b>	- J/40/363/1991
<b>Shared capital</b>	- 41.696.115 RON
<b>Capital market</b>	- <i>Bucharest Stock Exchange</i>

**Significant events to be reported:**

1. With regard to the current reports Zentiva S.A. informed in relation to the conclusion with Sanofi Romania SRL, on September 1, 2009, of some frame promotional/administrative services agreements and a supply agreement of medicines, on 26.09.2011, Zentiva SA informs:

(i) The cumulated value of the frame agreements regarding the promotional/administrative services provided by Zentiva SA to Sanofi Romania SRL through its sales force, employees/providers in relation to its operations (selling of pharmaceutical products), during the year 2017, is 3.784.646 RON.

(ii) The cumulated value of the frame agreements regarding the promotional/administrative services provided by Sanofi Romania SRL to Zentiva SA through its sales force, employees/providers in relation to its operations (selling of pharmaceutical products), during the year 2017, is 10.157.335RON.

(iii) The value of the supply agreement Zentiva SA delivers to Sanofi Romania SRL medicines, during the year 2017, is 254.153.143 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Sanofi Romania SRL : 86.038.274 RON;
- Sanofi Romania SRL receivables to be received from Zentiva SA : 72.246 RON.

2. With regard to the current report Zentiva S.A. informed in relation to the conclusion with Zentiva a.s. of two frame services agreements on 19.04.2014, covering promotional services, respectively regulatory services, provided by Zentiva SA to Zentiva a.s. in relation to the selling on the Romanian market of pharmaceutical products belonging to other group entities, Zentiva SA informs:

(i) The cumulated value of the frame agreements regarding the promotional services, respectively regulatory services, provided by Zentiva SA to Zentiva a.s. in relation to the selling on the Romanian market of pharmaceutical products belonging to other group entities, during the year 2017, is 789.413 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

Zentiva SA - Bdul Theodor Pallady nr. 50 - 032266, sector 3 , Bucuresti - Romania  
tel. (+40) 21.304.71.29 - fax (+40) 21.345.40.04,

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- Zentiva SA receivables to be received from Zentiva a.s. : 111.958 RON;
- Zentiva a.s receivables to be received from Zentiva SA : 0 RON.

**3.** With regard to the current report dated 13.10.2010, Zentiva S.A. informed in relation to the conclusion with ECZACIBASI-ZENTIVA SAGLIK URUNLERI VE TICARET A.S. of a supply agreement of medicines based on which Zentiva SA acquires medicines, Zentiva SA informs:

*(i)* The cumulated value of the supply agreement, during the year 2017, is 3.459.334 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from ECZACIBASI-ZENTIVA SAGLIK URUNLERI VE TICARET A.S.: 1.030.759 RON;
- ECZACIBASI-ZENTIVA SAGLIK URUNLERI VE TICARET A.S. receivables to be received from Zentiva SA : 0 RON.

**4.** With regard to the current reports dated 27.09.2011, 10.04.2012 and 02.02.2017, Zentiva S.A. informed in relation to the conclusion with Sanofi Wintrop Industrie of a frame services agreement and a license and supply agreements of medicines, Zentiva SA informs:

*(i)* The value of the frame services agreement regarding the promotional, consultancy, regulatory and other services provided by Zentiva SA to Sanofi Wintrop Industrie in relation to the selling on the Romanian market of the Zentiva drugs belonging to other entities from the group, during the year 2017, is 21.491.160 RON.

*(ii)* The cumulated value of the license and supply agreements of medicines, during the year 2017, is 132.722.813 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Sanofi Wintrop Industrie: 37.301.589 RON;
- Sanofi Wintrop Industrie receivables to be received from Zentiva SA : 940.766 RON.

**5.** With regard to the current report dated 15.07.2013, Zentiva S.A. informed in relation to the conclusion with Sanofi India Limited of a services agreement based on which Zentiva SA provides control and release services in relation to the medicines manufactured by Sanofi India Limited, Zentiva SA informs:

*(i)* The value of the services agreement based on which Zentiva SA provides control and release services in relation to the medicines manufactured by Sanofi India Limited, during the year 2017, is 1.585.436 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Sanofi India Limited: 850.903 RON;
- Sanofi India Limited receivables to be received from Zentiva SA : 0 RON.

**6.** With regard to the current report dated 08.06.2015, Zentiva S.A. informed in relation to the conclusion with Sanofi-Aventis Group an agreement having as object the re-invoicing to Sanofi Aventis Group of the operating costs for running a Global Procurement Support Platform, Zentiva SA informs:

*(i)* The value of the agreement, during the year 2017, is 1.832.182 RON.

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As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Sanofi-Aventis Group: 490.380 RON;
- Sanofi-Aventis Group receivables to be received from Zentiva SA : 0 RON.

7. With regard to the current report dated 17.09.2013, Zentiva S.A. informed in relation to the conclusion with Sanofi SA a cash pooling agreement, Zentiva SA informs:

(i) The value of the agreement, during the year 2017, representing only interest income, is 910.643 RON.

In relation to the rationale of setting up the value of the agreement, please note that the capital movements specific to the cash management operations have not been considered.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Sanofi SA: 0 RON;
- Sanofi SA receivables to be received from Zentiva SA :0 RON.

8. With regard to the license agreement concluded with Zentiva Group a.s. on January 1, 2009 and the framework services agreement concluded with Zentiva Group a.s. on September 22, 2008, Zentiva SA informs:

(i) The cumulated value of both agreements, during the year 2017, is 16.678.258 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Zentiva Group a.s.: 0 RON;
- Zentiva Group a.s.receivables to be received from Zentiva SA: 1.971.236 RON.

9. With regard to the frame services agreement concluded with Zentiva k.s. on June 1, 2009 regarding the regulatory services provided by Zentiva SA to Zentiva k.s. in relation to Zentiva products belonging to other group entities, Zentiva SA informs:

(i) The value of the agreement, during the year 2017, is 52.903 RON.

As per the available internal accounting data, at the date of the present current report, the value of the mutual receivables are:

- Zentiva SA receivables to be received from Zentiva k.s.: 22.786 RON;
- Zentiva k.s..receivables to be received from Zentiva SA: 29.412 RON.

Please note that the all the amounts mentioned in this current report do not contain VAT.

Also we mention that semestrial current reports will be disseminated following the end of each semester in relation to the value of the reported agreements concluded with affiliates, within the prior reported semester.

**Zentiva SA**  
**Simona Cocos**  
*General Manager*