

S.C. ZENTIVA S.A.

**Report of the Board of Directors
for Q1 2020**

Reported date	: 31.03.2020
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

SUMMARY:

Statement of comprehensive income	3
Balance Sheet	4
Statement of Changes in Shareholders' Equity	5
Activity Analysis and Financial Ratios	6

ZENTIVA S.A.
STATEMENT OF COMPREHENSIVE INCOME
March 31 2020
(all amounts are expressed in new lei ("RON"), unless otherwise provided)

	31.03.2020	31.03.2019
Sales of goods	153.130.330	149.249.190
Rendering of services	-	0
Rental income	-	0
Other	-	0
Turnover	153.130.330	149.249.190
Other operating income	5.761.774	2.405.617
Changes in inventories of finished goods and work in progress	-4.770.336	6.140.822
Raw materials and consumables used	-63.520.442	-73.750.704
Employee benefits expenses	-23.145.466	-17.793.217
Depreciation, and impairment	-5.170.365	-3.089.430
Marketing and advertising expenses	-1.807.497	-2.542.630
Rental expenses	-768.373	-477.988
Provisions	-936.214	27.719
Other operating expenses	-19.027.847	-21.713.952
Operating profit	39.745.565	38.455.427
Financial Income	3.271.776	2.449.528
Financial Expenses	-1.491.330	-1.640.084
Profit before tax	41.526.010	39.264.871
Income Tax Expense	-7.394.159	-6.682.525
Profit after tax	34.131.852	32.582.346
Number of shares	697.017.040	416.961.150
Earnings per share (RON / share)	0,04897	0,0781

Financial statements for the period ended on March 31, 2020 are not audited.

ZENTIVA S.A.**Balance Sheet****for the period ended on March 31, 2020***(all amounts are expressed in new lei ("RON"), unless otherwise provided)*

	31.03.2020	31.12.2019
Assets		
Property, plant and equipment	159.804.719	156.707.339
Right-of-use assets	7.625.099	7.352.556
Goodwill	11.649.100	11.649.100
Customer Relationships	29.859.799	30.722.101
Intangible assets	3.937.398	3.544.971
Non current assets	212.876.114	209.976.067
Inventories	122.581.933	123.841.461
Trade and other receivables	347.729.145	295.617.763
Cash and cash equivalents	396.564.441	388.473.821
Current assets	866.875.518	807.933.045
Total assets	1.079.751.632	1.017.909.112
Capital and reserves		
Share capital, including	69.701.704	69.701.704
Issued share Capital	69.701.704	69.701.704
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	115.450.038	115.450.038
Revaluation reserve	40.198.377	40.198.377
Retained earnings / (Accumulated Losses)	484.830.458	451.685.293
Total equity	735.145.081	701.999.918
Non current liabilities		
Employee benefit liability	3.117.000	3.114.000
Other long - term liabilities	4.301.871	4.033.845
Deferred tax liability	4.882.845	4.882.845
Non-Current Provisions	4.944.015	4.948.217
Total Non - Current Liabilities	17.245.731	16.978.920
Current liabilities		
Trade accounts payable	264.354.895	241.189.632
Income taxes payable	12.328.478	4.934.319
Short-Term Loans	-	5.204.790
Lease Liabilities (Current)	3.765.502	3.765.502
Other current liabilities	36.402.201	34.209.826
Short-term provisions	10.509.744	9.626.205
Total current liabilities	327.360.820	298.930.274
Total liabilities	344.606.551	315.909.195
Total liabilities and equities	1.079.751.632	1.017.909.112

Financial statements for the period ended on March 31, 2020 are not audited.

ZENTIVA S.A.**Balance Sheet****for the period ended on March 31, 2020***(all amounts are expressed in new lei ("RON"), unless otherwise provided)***Changes in Shareholders Equity**

Shareholders' equity	Balance on 31.12.2019	Increase		Decrease		Balance on 31.03.2020
		Total, out of which	Through transfer	Total, out of which	Through transfer	
Subscribed capital	69,701,704					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	40,198,376					40,198,376
Legal reserves	11,043,893					11,043,893
Other reserves	150,100,828					150,100,828
Other shareholders' equity elements	(131,695)	(1,013,000)				(1,144,695)
Reported result, except for the reported result from adopting IAS 29 for the first time	362,371,425	43,777,193	43,777,193			406,148,618
Reported result from adopting IAS for the first time	-					-
	-					-
Financial year profit or loss	43,750,880	34,131,852		43,750,880	43,750,880	34,131,852
Profit distribution						
Total shareholders' equity	701,999,917	76,896,045	43,777,193	43,750,880	43,750,	735,145,082

ZENTIVA S.A.**Balance Sheet****for the period ended on March 31, 2020***(all amounts are expressed in new lei ("RON"), unless otherwise provided)*

At 31.03.2020 ZENTIVA S.A. reports a turnover of 153 MRON, 2.6% higher compared to the same period of 2019 and an operating profit of 39.7M RON, 3.4% higher than the same period of 2019.

Main Financial Ratios at 31.03.2020		
Ratio Name	Formula	Result
1. Current ratio	Current assets / Current liabilities	2.6
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	149

ZENTIVA S.A.

Cash Flow Statement

for the period ended on March 31, 2020

(all amounts are expressed in new lei ("RON"), unless otherwise provided)

Cash Flow Statement - Indirect method

	Financial year	
	31.03.2020	31.03.2019
Cash flows from operating activities:		
Net profit before taxation and extraordinary elements	41.526.010	39.264.871
<i>Adjustments for:</i>		
Depreciation and amortization of fixed assets	5.170.365	3.089.948
Net movement in other provisions	-3.136.245	126.812
Loss / profit from the sale of assets (fixed assets)	-	-563.362
Net income / expenditures from interests	-2.983.627	-2.470.054
Expenditures regarding pension debts and similar	-	-666.000
Income from dividends written-off		
Operating profit before changes in working capital	40.576.503	38.872.216
Decrease / (Increase) of trade receivables and of other nature	-53.843.048	45.144.245
Decrease / (Increase) of stocks	-3.510.808	-16.992.677
(Decrease) / Increase of trade debts and of other nature	30.124.576	-62.595.074
Paid income taxes	-	-8.236.848
Pension liabilities paid		
Cash from operating activities	13.347.223	-4.000.887
Cash flows from investment activities:		
Payments for the acquisition of tangible and intangible assets	-3.025.916	-5.170.574
Interest received	-	2.572.803
Net cash flows from investment activities	-3.025.916	-2.597.771
Cash flows from financing activities:		
Capital Increase	-2.221.163	-812.662
Dividends paid	-9.525	-18.165
Net cash flows from financing activities	-2.230.688	-848.992
Net increase / decrease in cash and cash equivalents	8.090.620	-7.447.650
Cash and cash equivalents at the beginning of the period	388.473.820	405.115.315
Cash and cash equivalents at the end of the period	396.564.441	397.667.665

General Manager

SIMONA COCOS

Chief Financial Officer

FRANCISC KOOS