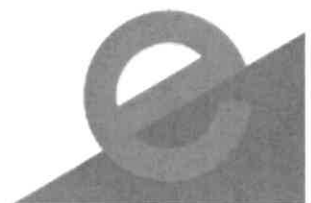


Annual Report of the Board of Directors for the financial year 2023

Reporting date: 31 December 2023

- **ZENTIVA SA**
- **Registered office:** Bd. Theodor Pallady nr.50, Bucharest
- **Phone / Fax:** 021.304.72.00, 021.304.75.00 / 021.345.40.04
- **No. and registration date with the Trade Registry Office:** J40/363/1991
- **Tax Identification Number:** RO 336206
- **Class, type, no. and main characteristics of securities:** 697,017,040 dematerialized class I shares;
- **Regulated market wherein trading is performed:** Bucharest Stock Exchange;
- **Market value:** RON 2,92 / share representing the reference price on the last trading day of 2023.

Market capitalization as at the 31 December 2023: RON 2,035,289,757.



1. STOCKS AND SHAREHOLDERS

ZENTIVA SA (hereinafter, the “Company”) was established in 1962 under the name Intreprinderea de Medicamente Bucuresti (hereinafter “IMB”).

In 1990, the Company was incorporated, taking over the entire patrimony of the former IMB in accordance with the Government Decision.

In November 1999, the majority shareholding was taken over by the group of institutional investors consisting of the European Bank for Reconstruction and Development, the Post-Privatization Foundation, GED Eastern Fund, Euro Merchant Balkan Fund, Black Sea Fund and Galenica North East through the Cypriot company Venoma Holdings Limited.

On 27 June 2002, the Extraordinary General Shareholders’ Meeting approved the increase in the share capital by the amount of former RON 277,974,100,000 (equivalent of RON 27,797,410), and from the amount of former RON 138,987,050,000 (equivalent of RON 13,898,705), respectively, to the value of former RON 416,961,150,000 (equivalent of RON 41,696,115), by granting of 2 free share for each share held by the shareholders recorded with the Shareholders Register as at the reference date 30 May 2002.

On 12 October 2005, Zentiva N.V., a Dutch company seated in Amsterdam, the Netherlands, with branches in several European countries, purchased the stocks of Venoma.

In October 2005, Zentiva NV made a public offer regarding the purchase of the shares of issuer Sicomed SA, subsequently renamed as Zentiva SA, for the amount of RON 1.37 / share, during the period 9 November 2005 – 12 January 2006.

In March 2009, Sanofi - Aventis Europe announced it had become a shareholder of Zentiva N.V., holding approximately 96.8% of shares.

In August 2009, Sanofi-Aventis Europe made a public offer for the purchase of the shares of issuer Zentiva SA, for the amount of RON 0.7/share, during the period 12 August 2009 – 22 August 2009. Between 20 February 2018 and 5 April 2018, Sanofi-Aventis Europe, through Zentiva N.V., conducted a public purchase offer at a price of RON 3.50 per share, acquiring 48,216,352 shares, and reaching a shareholding of 93.2295% of the share capital of the Company.

On 31 August 2018 the transfer of shares from Venoma Holdings Limited, ZENTIVA NV and Sanofi Aventis Europe to Zentiva Group a.s. was registered. Therefore, Zentiva Group a.s. became a shareholder of Zentiva SA (holding of 93.2295% of the share capital).

On 30 September 2018, the transfer of shares was finalized between Zentiva N.V. (100% owned and controlled by Sanofi Aventis Europe), as seller, and AI Sirona BidCo s.r.o. (100% owned and controlled by AI Sirona [Luxembourg] Acquisition S. à r.l., a company which is, in its turn, entirely owned by AI Sirona [Luxembourg] Subco S. à r.l. and ultimately controlled by Advent Funds GPE VIII, a fund managed by Advent International Corporation), as buyer, by which the control over Zentiva Group a.s. was transferred. On 31 December 2018, Zentiva Group a.s. held 388,730,877 shares, representing 93.2295% of the share capital of the Company.

Between 18 December 2018 – 11 January 2018, Zentiva Group a.s. conducted a mandatory public offer for purchase at a price of RON 3.7472 per share, acquiring 200,333 shares, and reaching a shareholding of 388,931,210 shares representing 93.2776% of the share capital of the Company.

Between 5 July 2019 – 5 August 2019 (subscription period), the Company performed the share capital increase by granting preference rights, by issuing 300,000,000 new shares, with a nominal value of RON 0.1 / share, which were offered for subscription to the shareholders recorded with the Shareholders Register of the Company held by Depozitarul Central SA, as at the registration date 16 May 2019.



1. SHARES AND SHAREHOLDERS (continued)

Following the subscriptions made, out of the total number of 300,000,000 new shares, 19,944,110 shares were not subscribed and were cancelled in accordance with the provisions of the decision of the Extraordinary General Meeting of the Shareholders of the Company dated 30 April 2019.

After the share capital increase, the share capital of the Company is RON 69,701,704 (compared to RON 41,696,115 prior to the increase), being divided into 697,017,040 nominative shares with a value of RON 0.1 each, and is held as follows:

- the shareholder Zentiva Group a.s. holds 668,778,101 shares, representing 95.9486% of the Company's share capital;
- other natural and legal persons hold 28,238,939 shares, representing 4.0514% of the Company's share capital.

The synthetic shareholding structure as of 31 December 2023 remained identical to the one as of 31 December 2022, i.e.:

Shareholding structure	31 December 2023 (%)	31 December 2022 (%)
Zentiva Group a.s.*	95.9486	95.9486
Other minority shareholders	4.0514	4.0514
Total	100	100

Source: Depozitarul Central

*On 31 December 2019, the company Zentiva Group a.s. merged with the company Al Sirona Bidco s.r.o., the latter being the sole shareholder of Zentiva Group a.s. Following the merger, the company Zentiva Group a.s. ceased to exist, its entire assets being transferred to the company Al Sirona Bidco s.r.o., which, as of 31 December 2019 also, changed its legal form from a limited liability company ("s.r.o.") to a joint stock company ("a.s."), as well as the name from Al Sirona Bidco s.r.o. to Zentiva Group a.s.

The Company's shares have been listed on the Standard category of the Bucharest Stock Exchange since 1998.

Out of the total number of 697,017,040 shares, 696,833,149 shares are being traded on the capital market, with the remaining 183,891 shares being held by Zentiva SA.

The Company did not trade its own stocks during 2023.

The market capitalization of the Zentiva SA shares as at the 31 December 2023 amounted to RON 2,035,289,757 (2022: RON 1,352,213,058).

As of 31 December 2023, the price per share was RON 2.92 / share (2022: RON 1.94 / share).

As of 31 December 2023, the Company has net assets of RON 1,191,262,465 which represents more than 50% of the share capital of RON 69,701,704 (as of 31 December 2022, the Company had net assets of RON 999,354,559, representing more than 50% of the share capital of RON 69,701,704) which is in compliance with the requirements of Romanian Company Law (Law no. 31/1990, as amended and supplemented). As of 31 December 2023, the Company did not set a legal reserve. As of 31 December 2023, the level of legal reserves reached the threshold of 20% of the Company's share capital, in accordance with the Companies Law.

Company mergers and re-organizations

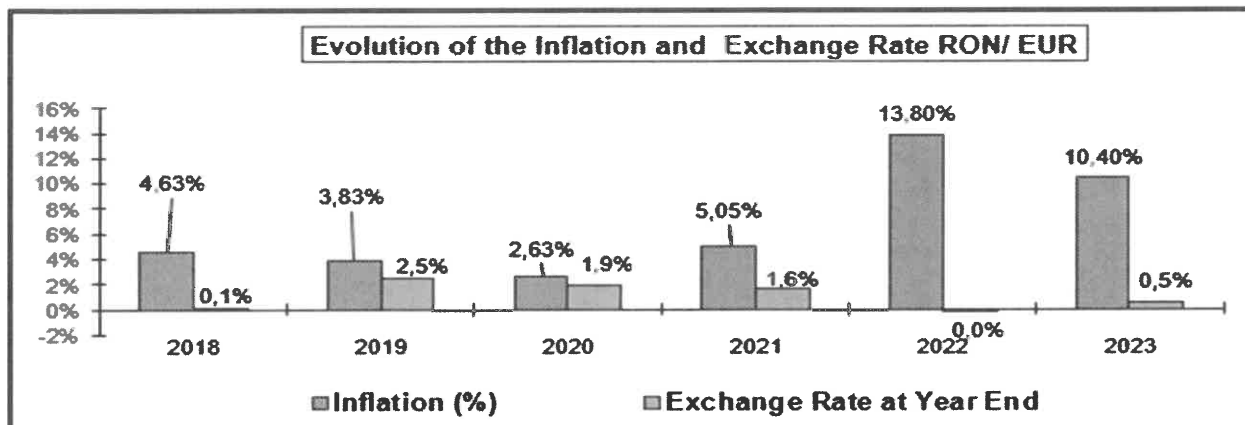
In 2023 the Company did not undergo any mergers or re-organizations.



2. ECONOMIC & FINANCIAL ENVIRONMENT

Evolution of the macroeconomic indicators in Romania

The inflation rate had significant fluctuations, from 4.6% in 2018, to 10.4% in 2023. In 2023, the national currency depreciated against the EUR by 0.5%, from RON / EUR 4.9474 at 31 December 2022 to RON / EUR 4.9746 at 31 December 2023.



Source: National Institute of Statistics and NBR

Pharmaceutical industry

The Romanian pharmaceutical market, including prescription-based and over-the-counter medicines, recorded in 2023 a growth rate of 14.1% (in value) versus the previous year, reaching the level of EUR 6.224 million (according to the sell-in information provided by the market research agency IQVIA in December 2023).

According to IQVIA, the Romanian generic medicines market grew also in 2023 by 16.7% (in value), reaching the level of EUR 1.174 million, according to IQVIA.

3. COMPANY'S ACTIVITY IN 2023

For 2023, ZENTIVA SA reports a turnover of MRON 953.6 with an increase of 25.5% compared to the previous year, and an operational profit of 192.6 MRON, with an increase of 93.7%, compared to the previous period, mainly due to the increase in sales of goods (27%) and services (8%) and the increase in the financial result (30%).

In 2023, the achieved production volume was higher by 5.5 million commercial units than the 2022 production, representing an increase of 4.5%.

The Company closed the year 2023 with a net profit of RON 192,615,832.

The most important achievements in 2023 were the following:

- Successful completion of the transfer of 6 more products for export, manufactured locally;
- External sales accounted for 44% of the achieved 2023 production volume (136.65 million manufactured commercial units both for the Romanian market, but also for other European markets - Germany, France, Italy, Czech Republic, Slovakia, etc.).
- Investments in total amount of RON 28.3 million (EUR 5.7 million) in new production equipment & laboratories and modernization of existing ones, equipment to reduce electricity consumption and reduce the carbon footprint.



3. COMPANY'S ACTIVITY IN 2023 (continued)

3.1. Reporting base

As at the 31 December 2023, Zentiva SA prepared financial statements in accordance with Order of the Ministry of Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards applicable for companies whose securities are admitted to trading on a regulated market, with all the subsequent amendments and clarifications in force.

a. Sales – Volumes and amounts

The net turnover amounts to RON 953,633,084 as of 31 December 2023 (2022: RON 759,630,870).

The Zentiva's average selling price (finished goods and merchandise) was RON 5.99 in 2023 and RON 4.99 in 2022. The price increase is due to the change in the mix of products and to the price update in line with the increase in raw material costs and manufacturing costs.

	<u>2023</u>	<u>2022</u>
Net revenue from sales of goods (million RON)	894.1	704.7
Sold quantity (million units)	149.2	141.1
Average selling price (RON / sold unit)	5.99	4.99

Source: Zentiva, Annual Financial Report

In 2023, external sales accounted for 43.7% of total turnover (RON 417.1 million), compared to 41.1% in 2022 (RON 312.3 million). The external sales were made through Zentiva k.s. (part of Zentiva Group). The medicines were mainly intended for European Union markets.

The percentage of OTC (over the counter) products in Zentiva SA sales was 4.7% in 2023 versus 4.8% in the previous year.

The sales by types of products in 2022 – 2023 are presented below:

Product type	<u>2023</u>	<u>2022</u>
Ethical (Rx)	95.3%	95.2%
OTC	4.7%	4.8%

b. Operating expenses

Description	Million RON		Variation	
	<u>2023</u>	<u>2022</u>	<u>%</u>	<u>Mn RON</u>
Operating expenses, out of which:	769.5	676.7	14%	92.8
Raw materials, materials and merchandise (including consumables)	451.6	370.7	22%	80.9
Personnel benefit expenses	162.2	135.0	20%	27.2
Depreciation, amortization and provisions for tangible and intangible assets;	31.7	30.3	5%	1.4
Other operating expenses (including marketing expenses and inventory movement)	124.0	140.6	(12)%	(16.6)
Turnover	953.6	759.6	26%	194.0
Other operating revenues	0.4	3.4	(88)%	(3.0)



3. COMPANY'S ACTIVITY IN 2023 (continued)

Expenses for raw materials, materials and merchandise have increased compared with the prior year due to the increase in the acquisition prices and of the quantity of manufactured products and merchandise sold.

Personnel benefit expenses increased by 20% in 2023, i.e., by RON 27.2 million; the number of employees was 979 at the end of 2023 and 903 employees at the end of 2022. The increase in labor costs was influenced by the internalization of employees from an external workforce supplier, but also by the increase in the employee number and by the annual indexation of wages according to Company's policy.

Other operating expenses decreased by RON 16.6 million compared to 2022, mainly due to the increase in changes in inventories and of the decrease of other expenses, influenced by the termination of the factoring agreement.

Other operating revenues decreased by RON 3.0 million compared with previous year.

c. Cash availability

The Company's cash availabilities at the end of 2023 amounted to RON 27.3 million while as of 31 December 2022 were RON 11.2 million consisting mainly of cash in banks.

d. Cash Pooling - Intercompany receivable

In 2023 and 2022 the Company participated in a cash pooling agreement with AI Sirona (Luxembourg) Acquisition SARL (the ultimate parent entity of Zentiva Group, a.s.). Through the cash pooling arrangements AI Sirona (Luxembourg) Acquisition SARL manages centrally the surplus cash and the short-term liquidity needs of the subsidiaries. The cash deposits/drawdowns under the cash pooling agreement are subject to interest rates based on 3M ROBOR rate and applicable mark-up based on valid Group transfer pricing policy.

The Company has assessed the purpose of the cash pooling deposits held at AI Sirona (Luxembourg) Acquisition SARL and has concluded that they are held to generate an investment return. In accordance with the provisions of the cash pooling agreement at any time the Company may, by thirty days prior notice to the treasury group entity, request payment of the credit balance maintained and therefore the Company's management have assessed that the presentation as short term is appropriate

The total interest income for cash-pooling transactions during the year is in the amount of RON 37,877,564 (2022: interest income in the amount of RON 31,614,121) and is presented in Note 6.4 Financial income.

3.2. Portfolio of products and marketing market

The product portfolio of Zentiva SA includes 137 products for human use, as solids (tablets, capsules, and pellets) and injectable solutions.

a. Until 27 September 2018, the distribution activity on the local market was ensured by Sanofi Romania SRL, the exclusive distributor of the Sanofi Group on the Romanian market. After Zentiva exited Sanofi Group, the distribution activity on local market was ensured by Romanian distribution companies.

b. Zentiva is a part of Zentiva Group, which has production facilities in Czech Republic, Romania and India. The sales on the EU market were ensured by Sanofi Winthrop (part of Sanofi Group) until 30 September 2018 and by Zentiva k.s. (part of Zentiva Group) after 1 October 2018.



3. COMPANY'S ACTIVITY IN 2023 (continued)

3.3. Selection policy for suppliers of raw materials

The policy of Zentiva SA is to permanently search for suppliers that deliver high quality raw materials.

The Quality Insurance Department assesses the potential producers and the existing ones on a permanent basis. Their focus is on the quality of documentation provided by them, which is necessary for authorization purposes and the quality of the supplied products, as well as the products behavior during the technological process.

3.4. The main competitors of Zentiva SA on the local market

Zentiva SA is one of the main producers of medicines on the local market.

According to the statistical data supplied by IQVIA, Zentiva had in 2023 an average producer price of RON 15.24* (+ 22.6% increase versus the average of RON 12.34 in 2022), ensuring patient accessibility to cost-effective medication.

*the average price is computed based on IQVIA consumption data (sales on the Romanian market from pharmacy to the patients)

As a reference, the average producer price for all medicines on local pharmaceutical market was of RON 40.15 in 2023 (+ 14.3% increase versus the average of RON 35.12 in 2022).

Other local producers, well-established on the medicines market, are: Terapia Cluj, Antibiotice Iasi, Biofarm.

The main importers of pharmaceutical products are: Novartis, Sanofi, AstraZeneca, Merck Sharp Dohme and Johnson&Johnson.

3.5. Information about personnel

In 2023, Zentiva SA had an average no of employees of 956 employees (2022: 884 employees).

The employees' rights and other labor relationships are regulated by the Collective Labor Agreement. For 40% of the employees, such rights are supported by the Zentiva SA Trade Union.

3.6. Information about Company's environmental policy

The following regulatory documents related to environmental protection were applicable in 2023:

- Environmental Permit no. 234/7 May 2012, revised on 22 June 2021, with the mention that "The authorization maintains its validity for the entire period in which its beneficiary obtains the annual visa";
- Wastewater Collection Agreement no. 1521/31 August 2012, valid for an unlimited period of time;
- Water Management Authorization no. 205 - B from 5 Mai 2022, valid until 30 April 2026.

The waste management process was maintained by applying solutions for waste elimination.

The supervisory audits performed by Lloyd's Register Romania confirmed that the environmental management system, which was implemented according to EN ISO 14001:2015, and the Energy Management Systems are properly maintained.



3. COMPANY'S ACTIVITY IN 2023 (continued)

3.7. Research and development activity

The R&D expenses for 2023 were RON 6.1 million vs. RON 3.6 million in 2022 and consist in activities linked to the transfer of products. For 2024, R&D expenses are forecasted at RON 11.1 million.

3.8. Investment activity

In 2023, the Company investment expenses amounted RON 28.3 million. The objectives of the investment program, which will be continued in 2024 are to maintain the Good Manufacturing Practice Guidelines and update technologies in line with the international quality and environmental standards, and to extend the product portfolio and of new forms of packaging. The investments provided in the 2024 budget is RON 41.1 million (EUR 8.3 million).

In 2023, the financing of the investments programs was made exclusively from own sources.

4. COMPANY'S TANGIBLE ASSETS

4.1. The operating activity of Zentiva SA is located at Bd. Theodor Pallady nr.50, on the Ducești industrial platform, in the South-Eastern area of Bucharest Municipality.

4.2. The depreciation methods of the fixed assets used by the Company are the following:

- the straight-line method for buildings, fixed assets purchased under financial lease and for fixed assets other than those related to the production capacity;
- the reducing balancing method for the fixed assets in the form of equipment related to the production capacity;

The useful life and depreciation method are subject to periodic review, in order to ensure the expectations relating to the economic benefits of the assets.

As of 31 December 2022, the Company revalued the existing land and buildings in the Company's patrimony. The revaluation was made by an independent valuer in accordance with the International Valuation Standards.

The net impact following the revaluation was in the amount of RON 11,481,031, of which in the revaluation reserve it was registered the amount of RON 10,884,283.

As at 31 December 2023, the independent valuer reassessed the fair values using updated market estimates and concluded that there are no significant variations compared to the fair values estimated as at 31 December 2022.



4. COMPANY'S TANGIBLE ASSETS (continued)

Gross value and depreciation amount in 2023 comparing to year 2022 is the following:

PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery, tools and equipment	Constructions in progress	Total
Gross value 1 as of January 2023	57,988,369	56,850,095	243,245,736	24,842,447	382,926,649
Additions	-	-	-	27,977,711	27,977,711
Disposals	-	-	(2,778,659)	-	(2,778,659)
Transfers	-	2,653,043	15,107,397	(17,760,440)	-
Gross value as of 31 December 2023	57,988,369	59,503,139	255,574,474	35,059,718	408,125,701
Depreciation as of 1 January 2023	-	-	(169,722,258)	(609,878)	(170,332,137)
Depreciation in the year	(300,151)	(3,847,978)	(14,967,476)	-	(19,115,605)
Impairment	-	(929,026)	-	-	(929,026)
Other movements	10	(282)	-	-	(272)
Disposals	-	-	2,757,059	-	2,757,059
Depreciation as of 31 December 2023	(300,141)	(4,777,286)	(181,932,675)	(609,878)	(187,619,981)
Net book value as of 31 December 2023	57,688,228	54,725,853	73,641,700	34,449,840	220,505,720
	Land	Buildings	Machinery, tools and equipment	Constructions in progress	Total
Gross value 1 as of January 2022	53,101,955	58,589,228	246,394,324	5,809,384	363,894,891
Additions	-	-	-	27,109,730	27,109,730
Impact through revaluation reserve	5,137,903	5,746,380	-	-	10,884,283
Impact from revaluation in profit and loss	-	596,748	-	-	596,748
Cancelled depreciation after reevaluation	(251,261)	(8,411,308)	-	-	(8,662,569)
Disposals	(229)	-	(10,896,206)	-	(10,896,435)
Transfers	-	329,048	7,747,618	(8,076,666)	-
Gross value as of 31 December 2022	57,988,369	56,850,095	243,245,736	24,842,447	382,926,649
Depreciation as of 1 January 2022	(14,191)	(2,688,781)	(165,810,418)	(609,878)	(169,123,268)
Depreciation in the year	(237,069)	(5,722,527)	(14,926,955)	-	(20,886,552)
Cancelled depreciation after reevaluation	251,261	8,411,308	-	-	8,662,569
Other movements	-	-	125,195	-	125,195
Disposals	-	-	10,889,920	-	10,889,920
Depreciation as of 31 December 2022	-	-	(169,722,258)	(609,878)	(170,332,137)
Net book value as of 31 December 2022	57,988,369	56,850,095	73,523,478	24,232,570	212,594,512



5. COMPANY'S MANAGEMENT

5.1. Board of Directors

As at 31 December 2023, the Board of Directors had the following composition:

- **Simona Cocos**
- **Member of the Board – Starting April 2010**
- **President of the Board – Starting August 2021**

Born in 1967, she graduated from the Faculty of Chemistry in 1992. In 2006 she obtained a Professional Diploma in Management at Open University (UK) / Codecs Romania and in 2008 she graduated from a MBA program in Business / Economics at Open University (UK).

Starting 1995 she held several positions at Sanofi Romania, the last ones being: Marketing Manager, and Marketing Director, respectively.

Margareta Tanase **Member of the Board – Starting April 2010**

Born in 1960, she graduated the Faculty of Chemistry – Polytechnic Institute Bucharest in 1989.

Starting 2000 she held several positions at Sicomed / Zentiva, the last ones being: Regulatory Affairs Manager, and Regulatory Affairs and Medical Director, respectively.

Kenneth Lynard **Member of the Board – Starting October 2019**

Born in 1968, Kenneth holds a MSc in Auditing & Accounting from Copenhagen Business School (Denmark) and an Executive MBA from IMD, Lausanne (Switzerland).

Earlier in his career, Kenneth was the CFO for Europe, Middle East, Africa and Canada at Medtronic, one of the world's largest medical device companies, and he has also held multiple management positions in other regional healthcare and financial services companies.

During 2012 - 2016, Kenneth was the CFO for Commercial Operations of Gilead Sciences, a large California (USA) based biopharmaceutical company, and Group CFO during 2017 - 2019, at Affidea a privately held advanced diagnostics imaging company.

Kenneth Lynard is also part of the management bodies of several other entities from Zentiva Group, also being a member of the Board of Directors and Chief Financial Officer of the company Zentiva Group as.

Alin Briciu **Member of the Board – Starting February 2023**

Born in 1982, Alin was appointed Head of Finance, Central Eastern Europe (CEE) within Zentiva, as of February 1st 2023, position from which he ensures strong regional financial management (planning, reporting and analytics), full compliance with all group financial and accounting policies across CEE and leads, develops and implements improvements and change management strategies and initiatives across CEE markets.

He started professional activity in the pharmaceutical field in 2007 and he joined Labormed Pharma SA 16 years ago, holding over time multiple managerial positions at the group level.



5. COMPANY'S MANAGEMENT (continued)

On February 10, 2023, Kevin Joseph Clifford sent a letter to the Company, whereby he presented his resignation from the position as member of the Board of directors of the Company and from any other position held in the Company (i.e., member of the audit committee, member of the remuneration committee), his mandate being terminated on 10 February 2023

Consequently, the Company acknowledged the resignation of Kevin Joseph Clifford and the Board approved on February 10, 2023 the appointment of Alin Briciu as temporary member of the Board of directors of the Company, until his appointment as a permanent member by the Ordinary General Meeting of Shareholders by decision of March 20, 2023.

Francois Noel MARCHAND:
Independent Member of the Board – Starting February 2017

Born in 1971, Francois holds a Diploma in Management at EDHEC Lille (France) and he is the Human Resources Director for Auchan Romania, a company with a turnover of EUR 1.1 billion, 33 stores and more than 10,000 employees.

Company is not aware of any member of the Board of Directors holding shares issued by the Company during the relevant financial year.

The Board of Director members are appointed by the Ordinary General Shareholders Meeting based on shareholders' votes and in compliance with the statutory requirements relating to quorum and majority. Therefore, the Company is not aware of any agreements, specific understandings or family relationships that may be incidental to the members of the Board of Directors.

5.2. Executive management

Executive management members as at 31 December 2023:

Simona Cocos - General Manager, Member and President of the Board

She the General Manager starting October 2009 and she is reporting to the Board of Directors and is responsible with the Company activity management.

Company is not aware of any member of the executive management holding shares issued by the Company during the relevant financial year.

Company is not aware of any agreements, specific understandings or family relationships between the executive management members and any other person based on which such a person has been appointed as an executive that need to be disclosed .

To the best of the Company's knowledge and belief, there are no litigations or administrative proceedings involving the members of the Board of Directors or of the executive management, related to their activity within the Company or their ability to perform their professional responsibilities.



6. FINANCIAL STATEMENT

The comparative figures of the main balance sheet and income statement indicators for the last two years is the following:

Statement of Financial Position (RON)	31 December 2023	31 December 2022
Total non-current assets	281,772,621	272,322,135
Total inventories	191,883,609	173,060,231
Total trade receivables and related receivables	414,723,733	165,089,137
Cash and cash equivalents	27,302,728	11,190,679
Cash pooling intercompany receivable	583,820,497	583,511,187
Current liabilities	(280,350,759)	(174,185,032)
Total assets minus current liabilities	1,219,152,428	1,030,988,338
Total shareholders' equity	1,191,262,465	999,354,559

Statement of Comprehensive Income (RON)	1 January - 31 December 2023	1 January - 31 December 2022
Revenue	953,633,084	759,630,870
Other operating income	395,084	3,366,161
Operating expenses - Total	769,513,235	676,666,687
Operating profit / (loss)	184,514,933	86,330,344
Net profit / (loss)	192,615,832	99,465,204

The profit distribution for the financial year ended 31 December 2023 will be decided and approved in April 2024, when the General Meeting of Shareholders will take place.

7. COMPANY'S EXPOSURE TO RISKS

Price risk

For the products in Zentiva portfolio in Romania, which are sold on based on prescriptions, the price is regulated by the Ministry of Health. They account for 95% of the turnover on the local market. The price of over-the-counter products is determined by market supply and demand.

No potential risks were identified that are likely to affect the Company's liquidity.

The Company did not purchase own shares.

The Company did not issue any bonds or other debt securities.



7. COMPANY'S EXPOSURE TO RISKS (continued)

Market risk

The market risk is the risk that the fair value of the future cash flows of an instrument will fluctuate because of the changes of the market prices. The market prices have four types of risks: interest rate risk, currency risk, commodity price risk and other price risk, such as the equity price risk. The financial instruments affected by the market risk include credits and loans, deposits, trade receivables and payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

On 31 December 2023, the Company has no loans received and has a cash pooling agreement with the parent company, at a variable interest rate (as detailed in Note 14, 15 and it has a debit balance as at 31 December 2023 and 2022).

Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's exposure to the risk of the changes in foreign exchange rate mainly refers to the operating activities of the Company (when the receivables or payables are expressed in a currency different from the functional currency of the Company).

The company has transactions in currencies other than its functional currency (RON).

The exposure to the foreign exchange risk (due mainly to the EUR and USD currencies) is not material, and the company does not use hedging instruments.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (mainly for trade receivables) and from its financing activities, including deposits with banks and financial institutions and cash pooling intercompany receivable, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company, subject to the established policy; nonetheless, the Company considers that the credit risk on receivables is low (mainly intra-Group receivables).

Outstanding customer receivables are monitored at the end of each reporting period and any subsequent collections are analyzed.

The impairment indicators are analyzed at each reporting date.

The Company credit risk mainly relates to the receivables from related parties, for which the impairment probability is considered low. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13, 14 and Note 15.

The Company assesses the concentration of the risk with respect to trade receivables as low due to the fact most of third party receivables are insured.



7. COMPANY'S EXPOSURE TO RISKS (continued)

Financial instruments and cash deposits

The credit risk from the balances with banks and financial institutions is managed by the treasury department of the Company, in accordance with the Company's policies. The maximum exposure of the Company to the credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Note 14 and 15.

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool.

The Company has no long-term financing (neither trade, nor liabilities to financial institutions).

The Company's financial liabilities with maturities over 1 year are represented by lease liabilities.

Capital management

Capital includes shares and equity attributable to shareholders. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes of managing capital during the financial years ended 31 December 2023 and 2022.

8. OBJECTIVES FOR 2024

For 2024, our objective is to maintain our leadership in the healthcare field, focusing on identifying growth opportunities and on diversifying our business according to European quality standards; to secure an efficient and profitable organization. Also, we reaffirm our commitment to our customers and partners for delivering the same best possible services to our meeting the Romanian patients' needs to the same extent of involvement as before.

Our key priorities for 2024 are:

- To maintain the profitability of the local producer, in the context of an increase in costs for utilities, increase in costs for materials (raw materials, excipients, and packaging materials);
- To enhance the production capacity, by implementing the investment plan for 2024;
- To diversify and enhance Zentiva's presence on various markets and transfer of new products that should be produced locally;
- To increase the volume sales of products on the local market;
- To strengthen our product portfolio through new launches.



9. INTERNAL CONTROL

The internal control system is implemented by the Group and is designed to provide reasonable assurance regarding the achievement of objectives, in the following categories:

- Effectiveness and efficiency of operations;
- Fairness and reliability of financial statements and financial reporting;
- Compliance with applicable laws and regulations.

The objectives of internal control are the authorization (all transactions are authorized), recording (all transactions are recorded), access (allow access to assets and data only for authorized purposes), asset management accountability (ensure that accounting records describe only real assets), safeguarding of assets and prevention of fraud.

Some elements of the Internal Control system that are key to ensuring the system is effective and efficient include:

Code of Ethics and adherence to local and international relevant laws	The pharmaceutical industry is also subject to strict regulations at both national and international levels. The Company applies internal policies and standards derived from legal requirements.
Well defined system of policies and procedures	Work requirements and clear definition of roles and responsibilities, and their communication to all stakeholders are critical. Well written procedures increase accountability and transparency and are fundamental to quality assurance and quality improvement programs implementation.
Delegations of authority and legal representation	Operations are correctly managed when legal representation, delegation and approval limits are clearly defined and known by all.
Segregation of duties	Segregation of duties helps ensuring that errors, irregularities or acts of fraud are prevented or detected early enough. Segregation of duties means that no single individual has control over two or more key phases of a process. Effective segregation is achieved by: <ul style="list-style-type: none"> • Assigning responsibilities in a manner consistent with the organizational structure; • Cross-checking and supervision of high-risk transactions; • Implementing compensating controls when conflicts exist.
Fraud prevention and detection	Fraud prevention is one of the top priorities of internal control.
Training	All employees must have the relevant competencies to perform their role as well as understand the policies and procedures applicable to their responsibility. Trainings are developed in a way that promotes the awareness of all employees on internal control.
Periodical assessment and monitoring	On an annual basis an assessment of specific risks, activities and controls put in place by management is conducted in order to manage risks. Periodical monitoring is another tool used to test the effectiveness of the controls previously identified and assessed and potential deficiencies are addressed.

10. ANNUAL REPORT ON CORPORATE GOVERNANCE

The Company Zentiva SA is a one-tier company managed by the General Manager under the supervision of the Board of Directors.

The main aspects concerning corporate governance are included in certain documents / policies issued both at local and at Group levels. They ensure the internal framework necessary for defining the corporate governance structures, the activity principles and rules, the responsibilities and competencies of the Board of Directors and of the Company's executive management.

The Company publishes on its website information pertaining to its corporate governance structures, as well as the list of the BoD members, indicating the independent and / or the non-executive members, various reports and documents stipulated in the Governance Code – such as the Corporate Governance Regulation, Shareholder Rights and Procedural Rules Related to GSM, Articles of Incorporation.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

General Shareholders Meeting

Main rules and procedures related to the General Shareholders Meeting are mentioned in the document Corporate Governance Regulation – Zentiva SA, published on the company website.

The General Shareholders Meeting is the supreme managing body of the Company having the overall ability to make decisions in respect to its activity and its economic, trade and development policy.

The Shareholders General Meeting can be ordinary and extraordinary. The resolutions of the Shareholders General Meeting are adopted according to the legal provisions and the provisions of the Articles of Incorporation and are mandatory for all the shareholders, under the conditions provided by the legislation in force.

Convening and organization of the Shareholders General Meetings

The General Shareholders Meeting is convened by the Board of Directors, pursuant to their decision and in observance of the law at a date which may not be sooner than 30 (thirty) days after convening notice publication in the Official Gazette of Romania, part IV. Additionally, the Board of Directors has the obligation to convene the General Shareholders Meeting upon request of shareholders accounting for at least 10% of the share capital, upon request of financial auditors or if, further to the occurrence of loss, the value of the net assets determined as the difference between total assets and total liabilities of the Company is less than half of the Company's share capital.

The General Shareholders Meeting is convened as provided under and in observance of the publicity conditions provided by capital market regulations and by Law 31/1990.

The General Shareholders Meeting is chaired by a Chairman of the meeting, who will be Chairman of the Board of Directors or, in his/her absence, another member in the Board of Directors appointed by the latter. The Chairman of the meeting will appoint a meeting secretary selected among the attending shareholders and one or more technical secretaries.

The meeting secretary will make up the Minutes detailing the issues discussed and the resolutions adopted, a summary of discussions, and upon shareholders' request, the documentation of their statements made during the meeting. The Minutes will be signed by the Chairman of the meeting and by the meeting Secretary.

Rules and procedures related to the attendance to the General Shareholders Meeting

The shareholders registered at the reference date may attend and vote in the Shareholders General Meeting in person or may be represented by persons other than shareholders, save for the directors, managers or officers of the company (as provided by applicable law), based on special power-of-attorney.

The special power-of-attorney will be drafted in three original copies, one for the Company, the second copy will be delivered to the representative, the third copy remaining with the shareholder. After being filled-in and signed, the copy of the special power-of-attorney intended for the Company, together with a copy of the I.D. or of the incorporation certificate of the represented shareholder, will be submitted, in original, at the Company's seat not later than 48 hours before the Meeting, subject to losing the exercising of the voting right in the meeting. The power-of-attorney may also be delivered in electronic format, via e-mail at the e-mail address mentioned in the convening notice, together with a copy of the I.D. or of incorporation certificate of the represented shareholder, provided that the original is sent to the Company 48 hours before the meeting, at the latest.

The powers-of-attorney shall be kept by the Company, this fact being mentioned in the Minutes.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

The access of individual shareholders at the General Assembly is made based on the presentation of an ID proof for shareholders who are individuals and, for legal entity shareholders and represented shareholders who are individuals, based on a special power-of-attorney granted to the representing individual, as well as the ID of the representative.

The shareholders recorded at the reference date in the Shareholders' Register may vote by mail before the date of the General Meeting, by using the form for voting by mail. The voting form, together with a copy of the I.D. or incorporation certificate of the shareholder, will be delivered to the Company, in original, at its seat not later than 48 hours before the Meeting, subject to losing the right to have the vote taken into consideration.

The special power-of-attorney form, the form for voting by mail, the draft resolution, as well as the information materials subject to approval on the General Meeting agenda, may be obtained both at the Company's seat, and from the Company's website, starting at least 30 days before the meeting.

One or more shareholders, holding individually or jointly at least 5% of the share capital, are entitled to include new items on the agenda of the Shareholders General Meeting, provided that each item is accompanied by a justification or by a draft resolution submitted for approval to the General Meeting, which will be delivered in written form at the Company's seat not later than 15 days after publication of the meeting convening notice.

If the Meeting agenda includes the election of Board members, the applications for the position of members in the Company's Board of Directors may be submitted, according to Article 117¹ of Law no. 31/1990, as republished and subsequently amended and supplemented, at the Company's seat at the date mentioned in the convening notice, at the latest. A CV will be included for each nominated applicant, indicating at least the applicant's name, residence and professional qualification.

The list containing information related to the name, residence and professional qualification of the persons nominated for the position of director, may be consulted and supplemented by the shareholders under the aforesaid conditions.

All documents sent to the Company with respect to the Shareholders General Meeting will be delivered in a closed envelope, with the following note written thereon: "For the Shareholders General Meeting", mentioning the date / time and the type (Ordinary or Extraordinary) of the meeting.

The meeting will start at the time mentioned in the convening notice. The shareholders' access at the meeting will be done starting 30 minutes before the meeting start time.

Shareholders questions

The Company's shareholders may address written questions concerning the items on the agenda of the Shareholders General Meeting and submit such questions at the Company's seat together with copies of the identification documents allowing for the identification of the shareholder (copy of an I.D. for shareholders who are individuals and incorporation certificate accompanied by the official document attesting its capacity as a legal representative of the shareholder, for shareholders who are legal entities), at the date mentioned in the convening notice, at the latest.

The disclosure of commercially sensitive information that could result in a loss or competitive disadvantage for the Company will be avoided when providing the answers, in order to protect the interests of the Company and its shareholders.

The answers will be available on the Company's website in the FAQ section, in a Q&A form. The Company may issue a general reply for questions having the same content.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

Shareholders General Meetings main responsibilities

The Ordinary General Meeting is convened at least once a year, within at most 4 months after the end of the financial year for the following purposes:

- a) Discussing, approving or modifying the annual financial statements approved by the Board of Directors, based on the Directors report and auditor's report and determines the value of the dividends and the deadline for their distribution,
- b) Identifying the shareholders eligible to receive dividends,
- c) Electing and revoking the directors, establishing their remuneration and the minimal value of the amount insured under the professional civil liability insurance, as well as the general limits for the remuneration of directors and managers, subject to the delegation of prerogatives for managing the Company;
- d) Appointing the financial auditor as well the authorized person to sign on behalf of the Company of the service contract with the auditor;
- e) Approving the directors management report;
- f) Approving and amending the business plan, the annual revenue and expense budget and the activity schedule of the Company, proposed for approval by the Directors;
- g) Approving any other issue pertaining to its decisional competence.

The Extraordinary General Meeting is convened whenever necessary to take a decision related to:

- a) A change in the Company share capital;
- b) A change in the line of business of the Company;
- c) The change of the organization form of the Company;
- d) The relocation of the registered office of the Company;
- e) Merger with other companies or the spin-off of the Company;
- f) The anticipated dissolution of the company;
- g) The issue of bonds;
- h) The contracting of long or short term loans whose value exceeds half of the carrying amount of the company assets as at the date of the execution of the relevant legal document;
- i) Approval of all of the legal instruments in connection with acquisitions, disposal, exchange or pledging as collateral some of the non-current assets of the Company, whose value exceeds 20% of the value of the total non-current assets of the Company, considered either individually, for each legal instrument, or cumulatively, during a financial year, minus the value of the receivables at the date of the execution of the relevant legal instrument;
- j) Approval of the legal instruments for the lease of tangible assets of the Company executed for a period longer than 1 year, whose value exceeds 20% of the value of the total non-current assets of the Company, considered individually or cumulatively in relation to the same co-contracting party or involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument;
- k) Approval of the association agreements to be signed by the Company if they are for a period longer than 1 year, whose value exceeds 20% of the value of the total non-current assets of the Company, considered individually or cumulatively in relation to the same co-contracting party or involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument;
- l) Approval of any amendment to the Company's Articles of Incorporation. In this case, prior to convening the Extraordinary Shareholders General Meeting to amend the Articles of Incorporation, the draft amendments will be sent to FSA and to the regulated market where the Company's shares are traded;
- m) Passing of any other resolution that needs the approval of the Extraordinary General Shareholders Meeting.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

The resolutions of the Shareholders General Meeting

The resolutions of the Shareholders General Meeting are usually adopted by open vote.

Upon proposal of the Chairman of the General Meeting or of a group of attending shareholders (either personally or being represented) holding at least $\frac{1}{4}$ of the share capital, secret voting may be decided upon.

The secret voting is mandatory for the election and revocation of the members of the Board of Directors and of the financial auditor and for passing the resolutions related to the Directors' management and liability.

The resolutions of the Ordinary General Meeting are validly passed under the following conditions:

- upon the first convening: the shareholders accounting for at least $\frac{1}{2}$ of the Company's share capital need to be present and the resolutions need to be passed based on the favorable vote of the shareholders holding the absolute majority of the share capital present or represented in the meeting;
- upon the second convening: resolutions can be passed regardless of the share in the capital present/represented in the meeting, based on the favorable vote of the majority of the share capital present or represented in the meeting.

The resolutions of the Extraordinary Shareholders General Meeting are validly passed under the following conditions:

- upon the first convening: shareholders accounting for at least $\frac{3}{4}$ of the share capital need to be present in the meeting, and resolutions need to be passed based on the favorable vote of the shareholders holding at least $\frac{1}{2}$ of the share capital, except for the case provided in Article 8.1.5. of the Company Articles of Incorporation;
- upon the second convening: shareholders representing at least $\frac{1}{2}$ of the share capital need to be present and decisions need to be passed based on the favorable vote of shareholders holding at least $\frac{1}{3}$ of the share capital, which, in the case of the resolutions amending the company's main line of business, decreasing or increasing the share capital, changing the legal form, for merger, spin-off or dissolution of the Company, cannot be less than two thirds of the voting rights held by the shareholders present or represented in the Meeting.

The resolutions of the Shareholders General Meetings passed under the law and of the Articles of Incorporation, are binding even for the non-attending shareholders or those shareholders having voted against them.

Board of Directors

The Board of Directors holds a meeting at least once in three months or whenever necessary, at the Company seta or at another place provided in the convening notice.

The meetings will be held with the directors' physical attendance at the place of the meeting, or by remote communication means (phone, phone call, video call, telefax).

The Board of Directors will be convened by the Chairman, of his own accord or upon the grounded request of at least two directors or of the General Manager, by any communication means likely to prove the receipt of the convening notice by the addressee: phone call followed by the written confirmation of the addressee, certified mail with confirmation of receipt, e-mail.

If all the members of the Board of Directors are present and agree to hold the meeting of the Board and to pass decisions, the convening formalities are no longer needed.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

The meetings of the Board of Directors are chaired by the Chairman of the Board and, in his/her absence, by a member of the Board of Directors appointed by him/her. The Chairman appoints a secretary either selected among the members of the Board or outside the Board.

The Board of Directors can validly deliberate in the presence of at least three members and can pass decisions with a majority of at least half plus one of the present members. In case of a tie, the Chairman of the Board of Directors will have the casting vote, except if he is also a manager of the Company.

The Minutes will be signed by the Chairman of the meeting, by at least one other director and by the meeting secretary and, upon request, by the other members in the Board of Directors who have attended the discussions.

The responsibilities of the Board of Directors

The Board of Directors has the following main responsibilities:

- a. Prepare and update the Company's registers according to the law provisions;
- b. Hire and dismiss the Company managers, establish their rights and obligations;
- c. Appoint the Chairman of the Board;
- d. Contract the independent registry which keeps the record of the Company's shares;
- e. Approve the accounting as costs of the unrecoverable debts amounting to up to 0.5% of the turnover;
- f. Approve the write-off of the fixed assets;
- g. Approve the calculation method of the fixed assets depreciation as required by law;
- h. Approve the research and development program and allocates the necessary financial resources;
- i. Approve the annual investment plan of the Company;
- j. Annually, within 4 months after the end of the financial year, submits for approval of the Shareholders' General Meeting the Company activity report, the Company annual financial statement for the previous year prepared in accordance with the specific requirements of the Ministry of Finance and FSA as well the draft of the Company's activity program and draft budget for the current year;
- k. Approve the signing of association agreements, in observance of the exclusive competences of the Shareholders General Meeting;
- l. Setting up or closing one or more of the Company's subsidiaries, representative offices, agencies, working units or any other secondary offices of the Company as well as the setting-up or closing Company branches;
- m. Other responsibilities established by the law as its competency.

The Company publicly announces, in accordance with the law, by drafting and publishing a report, the significant transactions with affiliated parties, after their approval and no later than at the time of their conclusion. "Significant transaction" means any transfer of resources, services or obligations whether or not it involves the payment of a price, the individual or aggregate value of which represents more than 5% of the Company's net assets, according to the latest separate financial statements published by the Company.

Under the supervision of the Board of Directors, the Company will provide all the necessary facilities and information in order to allow the shareholders to exercise the right granted by their shares.

In this respect the Board of Directors has the legal obligation to:

1. Inform the shareholders on the convening of the Shareholders General Meeting, in accordance with the applicable procedures;
2. Inform the public about the allocation and payment of the dividends, issuance of new shares, including the distribution, subscription, conversion cancellation operations;
3. Appoint as payment agent for the Company a financial institution through which the shareholders to be able to exercise their financial rights, except when the Company could provide for this services on its own.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

In 2023, the structure of the Company's Board of Directors included 1 independent director out of a total of 5 directors.

The mandates of the current members of the Company's Board of Directors expire on March 21, 2027, these being granted in compliance with the legal regulations in force.

The appointed structure of the Board of Directors allows an efficient coordination of the executive management on all lines of activity – general, financial, production management and commercial activity coordination.

In 2023, the Board of Directors held 15 meetings, to which all 5 members attended – and passed decisions which allowed it to efficiently and effectively fulfil its duties. Thus, in its meetings, the Board of Directors thoroughly analyzed the financial results obtained during the reporting period and cumulatively since the beginning of the year, as well as the economic performance against the budget and the similar period of the previous year. On a case-by-case basis, the Board requested detailed explanations from the executive management with regard to the plans for increasing production efficiency, investment plans, provisions set, write-off of expired inventories, liquidity management, operating and general profitability of the activity. Further to the thorough analysis of the results for the period, the Board decided on the approval thereof for publication and submission with BVB.

Concerning the directors' remuneration policy, the remuneration of the members of the Board of Directors for the financial year 2023 was subject to the approval of the Ordinary Shareholders General Meeting convened on 27 April 2023, being determined at an aggregate maximum level. In 2023, the remuneration for the Board of Directors was: RON 2,896,972.

The remuneration of the executive directors comprises a fixed monthly component and an annual bonus (called performance bonus), while the remuneration of the independent director includes only a fixed monthly component, without other fixed or variable elements or components.

Non-executive directors (except the independent director) have a free mandate. By exception, the non-executive members of the Board of Directors or the other managers appointed from among the employees of the Company or among the employees of the affiliated companies in Romania may have the same rights and obligations provided for the executive members of the Board of Directors, based on remunerated mandate agreements concluded with the Company.

On 10 December 2021, the Company's Board of Directors decided to set up a Remuneration Committee, having the attributions provided by the "Remuneration Policy of the Company's managers". The Remuneration Committee had the following members:

- Marchand Francois Noel - Chairman of the Remuneration Committee (independent member);
- Kenneth Lynard - Member of the Remuneration Committee; and;
- Kevin Joseph Clifford - Member of the Remuneration Committee.

In 2023, there was an amendment regarding the Remuneration Committee structure. In this sense, starting with March 22, 2023, the Remuneration Committee has the following structure:

- Marchand Francois Noel - Chairman of the Remuneration Committee (independent member);
- Kenneth Lynard - Member of the Remuneration Committee; and;
- Alin Briciu - Member of the Remuneration Committee.

In 2017 an Audit Committee was set-up, in order to support the Board of Directors in overseeing the internal control system, particularly the efficacy of financial reporting.



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

During 2023, the structure of the Audit Committee has changed two times. Thus, starting with December 19, 2023 the Audit Committee had the following structure:

- Marchand Francois Noel - Chairman of the Audit Committee (independent member);
- Kenneth Lynard - Member of the Audit Committee;
- Alin Briciu - Member of the Audit Committee; and;
- Andreea-Elena Manta – Temporary member of the Audit Committee.

Executive Management – General Manager

The Board of Directors entrusted the management of the Company to one Executive Manager, who has the capacity to delegate management duties as defined under Article 143 of Law 31/1990, referred to as General Manager of the Company.

The Company is represented and validly bound in relations with third parties by the General Manager.

The General Manager has a general mandate for representing the Company before third parties.

The General Manager sub-delegated part of his/her responsibilities to technical managers, authorized to represent the Company based on special mandates in line with the policies applicable within the Company.

The General Manager reports to the Board of Directors.

Starting September 2018, the General Manager concluded a management agreement with the Company, valid until the membership of the Board of Directors ceases.

Executive Management - Industrial Operations Manager

The Board of Directors entrusted the management of the industrial activity to an Industrial Operations Manager. Starting with March 24, 2023, the Industrial Operations Manager role within Company was held by Mr. Zsolt Baranyai.

Rights of holders of financial instruments

In a special, easily identifiable and accessible section of its website, the Company provides current reports, releases, its financial calendar, annual, biannual and quarterly reports. Additionally, the Company assigns internal resources for its relationship with shareholders and for briefing the shareholders on the questions asked in writing or over the phone.

The Company has permanently undertaken the obligation to comply with the rights of the holders of financial instruments issued by it and to ensure the fair treatment of its shareholders. The Company makes every effort to achieve an active and efficient communication with its shareholders and to facilitate their participation at the General Shareholders Meetings (GSMs), and the full exercising of their rights. The shareholders' participation at the GSM is entirely encouraged, the shareholders who are not able to attend being provided with the possibility to exercise their voting right in absentia, based on a special power-of-attorney. In GSMs, dialogue is encouraged between the shareholders and the members of the Board of Directors and/or of the management.

The Company applies rules with regard to the internal circuit and to the disclosure to third parties of documents and information regarding the issuer, allowing special importance to the information likely to influence the evolution of the market price of securities issued by it. The Company has adopted procedures for the purpose of identifying and appropriately settling potential conflicts of interest and ensuring procedural correctness (identification criteria for transactions with significant impact, transparency, objectiveness, non-competition criteria etc.).



10. ANNUAL REPORT ON CORPORATE GOVERNANCE (continued)

The Shareholders have a share in at the Company result based in their equity participation (respectively only up to the limit of the subscribed share capital).

Social and Environmental Responsibility

The Company has constant concerns with regard to Social and Environmental Responsibility, including multiple components, where an important part is represented by the information and education of the public and of patients. The Company has participated and gotten continuously involved in programs and campaigns focused on the importance of being aware of the risk factors and of regularly undergoing medical investigations.

At the same time, the Company allowed special importance to other components of the Social and Environmental Responsibility, such as pharmacovigilance, ethical conduct in performing the activity and in the relationships with professionals and organizations from the medical field, social dialogue and social welfare of employees, protection at work, acknowledgment of the diversity of values and opinions, fair professional assessment and career development, concern for industrial risk control, soil and natural resource protection, environmental and biodiversity protection, sustainability and reduction / elimination of carbon emissions through green energy consumption.

Additionally, the Company allows special importance to the transparency obligations, being fully committed to complying with applicable legal provisions and transparently disclosing the interactions with the healthcare professionals and healthcare organizations.

Code of Corporate Governance

The Company first adhered to the Code of Corporate Governance issued by the Bucharest Stock Exchange in 2010. In 2023, the Company continued to apply to a large extent the corporate governance principles provided by the Corporate Governance Code published by the Bucharest Stock Exchange on 22 September 2015, and where the Company deviates from the provisions of the Code, the "apply or explain" principle is applied, as shown below.

The Company has taken and will continue to take the professional, legal and administrative steps necessary for ensuring compliance with the provisions of the Code of Corporate Governance issued by the Bucharest Stock Exchange.

More details about the compliance with the principles and recommendations under the Code of Corporate Governance issued by the Bucharest Stock Exchange are presented in the corporate governance statement, which is a part of this annual report.

Code provisions	Complies	Does not comply or partially complies	Comments
Section A - Responsibilities			
A1 All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.		X	The main aspects related to the Board of Directors functioning /responsibilities are identified in the Company Articles of Incorporation published on the Company website in the dedicated Investor Relations section.
A2 Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.		X	The main aspects related to the conflict of interest' situations are identified and settled according to the current applicable local/group procedures (i.e. Conflict of Interest Policy, Code of Ethics). Moreover, the management of the conflict of interest process is performed by the Company's Compliance Officer function.



Code provisions	Complies	Does not comply or partially complies	Comments
A3 The Board of Directors or the Supervisory Board should have at least five members.	X		
A4 The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment and according to the other criteria in the Corporate Governance Code of the Bucharest Stock Exchange.	X		
A5 A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	X		
A6 Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	X		
A7 The company should appoint a Board secretary responsible for supporting the work of the Board.	X		
A8 The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.		X	Most of the members of the Board of Directors currently hold various management positions within the group proving solid skills and capabilities in their areas of competence. Their performance is regularly assessed as per the internal rules/policies.
A9 The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	X		
A10 The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.	X		
A11 The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		X	The company is in the Standard category.
Section B – Risk Management and Internal Control System			
B1 The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	X		
B2 The audit committee should be chaired by an independent non-executive member.	X		The Audit Committee, regardless of its structure, is chaired by the independent non-executive director.



Code provisions	Complies	Does not comply or partially complies	Comments
B3 Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.		X	The assessment of the internal control system is performed at Zentiva group level, based on the policies implemented at group level.
B4 The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.		X	All areas mentioned in the description of the recommendation are covered by the annual assessment performed by the dedicated country and group level internal control functions.
B5 The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.		X	The evaluation of conflicts of interest in transactions between the Company and the related parties is taken into account in the related internal documentation.
B6 The audit committee should evaluate the efficiency of the internal control system and risk management system.		X	The efficiency of the internal control and risk management systems is covered by the dedicated internal control function organized at group level.
B7 The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.		X	Application of statutory and generally accepted standards of internal auditing is monitored by the dedicated internal control function organized at group level.
B8 Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.		X	As a rule, the specific reports/ analyses performed by the relevant functions are communicated to the Board by the dedicated internal control function.
B9 No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	X		
B10 The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.		X	The Company applies transfer pricing policies in accordance with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and local Romanian legislation. All significant transactions are assessed by internal local and group experts to make sure that they are in line with external transfer pricing guidelines and regulations and internal transfer pricing policies. The advice/support from established external advisors is sought where necessary. The compliance with transfer pricing regulations in force ensures that the prices used in intercompany transactions are based on the arm's length principle. With respect to determining the appropriate arm's length return/margin, external databases are used to determine the return/margin earned by companies with similar functions, risks and assets. Significant transactions with affiliates are supported by documentation and recorded in the financial records of the Company. The Company cannot make any comment about the auditor's procedures. The Company prepares, in accordance with Law no. 24/2017 and Regulation no. 5/2018, reports regarding the significant transactions concluded during the relevant period. The report is subject to procedures undertaken by the Company external



Code provisions	Complies	Does not comply or partially complies	Comments
			auditors on which a report is prepared and submitted with FSA and is available on the Company website.
B11 The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	X		The internal audits are carried out by an independent third-party entity.
B12 To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.		X	The relevant functions are not formally integrated in/ subordinate to the structure of Board of Directors, being separately organized at group level.
Section C – Fair Rewards and Motivation			
C1 The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	X		The remuneration policy has been finalized, approved by the ordinary general meeting of shareholders and published on the Company's website. The remuneration of the members of the Board of Directors is subject to the approval of the Ordinary Shareholders General Meeting, being determined at an aggregate maximum level. The remuneration of the executive directors comprises a fixed monthly component and an annual bonus, while the remuneration of the independent director includes only a fixed monthly component, without other fixed or variable elements or components.
Section D – Building value through investors' relations			
D1 The company should have an Investor Relations function – indicating to the general public the person (s) responsible or the organizational unit. In addition to information required by legal provisions, the company should include on its website a section dedicated to Investor Relations, both in Romanian and English, with all relevant information of interest to investors, including:	X		The relevant information published on the dedicated Investor Relations section is disseminated also in English (i.e., the current reports, informative materials, resolutions of General Meetings). There is a designated person for investor relations.
D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures.	X		
D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions.		X	Information about the professional activity of the members of the Board is presented in the annual report and upon their nomination.
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports).	X		
D.1.4. Information related to general meetings of shareholders.	X		
D.1.5. Information on corporate events.	X		
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request.	X		
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	X		
D2 A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit.		X	Adoption and dissemination of a policy for the annual distribution of dividends or of other benefits to the shareholders will be subject of assessment by the



Code provisions	Complies	Does not comply or partially complies	Comments
The annual cash distribution or dividend policy principles should be published on the corporate website.			competent corporate bodies of the Company.
D3 A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.		X	Adoption and dissemination of a policy for the forecasts will be subject of assessment for the competent corporate bodies of the Company.
D4 The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	X		
D5 The external auditors should attend the shareholders' meetings when their reports are presented there.	X		
D6 The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	X		
D7 Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.		X	The accesses of consultants, experts, financial analysts or journalists in the Company Shareholders General Meeting will be allowed only upon prior invitation from the Chairman of the Board.
D8 The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	X		
D9 A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.		X	Organizing of such events will be assessed under the applicable internal principles.
D10 If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	X		



11. CONTINGENCIES

Legal claims

As at December 31, 2023, the Company is involved in several disputes, of which the most significant are listed below:

- The Company was involved in several disputes with the National Health Insurance House ("CNAS") following a challenge filed on the VAT paid, related to the clawback tax for the period Q1 2012 - Q4 2012, as well as on the method of calculating the individual consumption communicated for determining the clawback tax for the period Q1 2013 - Q3 2013 and Q1 2020, requesting the cancellation of the Notifications received from CNAS related to the previously mentioned periods. Currently, the Company is involved in a single litigation, which is ongoing against CNAS, namely- case file no. 7592/2/2020 - for Q2 2020, while the other 6 disputes in which the Company has been involved in the past were definitively settled as at the date of this Report.

*the trial in file no. 7592/2/2020 is suspended considering the Romanian Constitutional Court was requested to solve the exception of unconstitutionality of the phrase "*starting with the first quarter of 2020*" within paragraph 1 of art. 37 of GEO no. 77/2011. According to the Romanian law, the case was suspended on the merits and no appeal. As at December 31, 2023, the file registered with the Romanian Constitutional Court is still in the preliminary report phase.

Thus, so far, the Company has won in court the recovery of the VAT related to the clawback tax for the period Q1 2012 - Q4 2012 and for Q2 2013 - Q3 2013 (for Q1 2013, the Company's action was rejected in its entirety) and is investigating the possibilities of recovery or compensation with other tax obligations of the amounts thus recovered. For all these cases, the decisions of the court are final.

- In August 2019, ALPHA TRANSCORD SRL filed, through its judicial administrator, a summons against the Company. The case, had as subject matter a contractual obligation consisting in the binding of the Defendants, including the Company, to pay the amount of RON 2,262,332.27, related to the road transport services. On 9 November 2021 the court allowed the action in part and ordered the Defendant to pay the Claimant the amount of EUR 21,928.70 (excluding VAT), representing the value of the unpaid invoices. Also, the court ordered ALPHA TRANSCORD SRL to pay the amount of RON 72,655 as court costs to the Defendant.

Alpha Transcord filed an appeal against the above mentioned solution, on June 22, 2023.

At the court hearing held on 17 November 2023, the court maintained the solution of the first court.

This decision is pronounced on appeal and can be appealed (in Romanian, recurs) within 30 days from the communication of the decision's reasoning. On 31 December 2023, the decision's reasoning was not communicated to the Company.

The Company's management considers that the respective litigations will not significantly impact the Company's operations and financial position.

12. NON-FINANCIAL DECLARATION

In accordance with the legal provisions on disclosure of non-financial information, the Company will prepare a separate report that includes the information required to be included in the non-financial statement. This report will be published on the Company's website until 30 June 2024.



13. GOING CONCERN

These financial statements have been prepared on a going concern basis which assumes that the Company will continue its activity in the foreseeable future. To evaluate the applicability of this assumption, the local management analysed the forecasts of the future cash inflows.

As of 31 December 2023 the current assets of the Company exceed current liabilities by RON 937,379,807 (as of 31 December 2022, the current assets exceeded current liabilities by RON 758,666,203).

At the same date, the Company recorded a net profit for the year of RON 192,615,832 (2022: RON 99,465,204).

The Budget for 2024 prepared by the Company's management and approved by the Board of Directors indicates positive cash flows from the operating activities.

	Mn RON	B2024
Revenues		1,139.5
Expenses		<u>910.2</u>
Operating income		<u>229.2</u>

Management considers that the Company will be able continue the activity in the foreseeable future and therefore the going concern principle is reasonably applicable for the preparation of these financial statements.

14. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no subsequent events that would affect the financial statements of the Company as of December 31, 2023.

Simona Cocos
General Manager

Daniel Nitulescu
Chief Financial Officer



ZENTIVA

STATEMENT

The undersigneds hereby declare that, to the best of their knowledge, the financial statement for 2023 has been prepared in accordance with applicable accounting standards and provides an accurate and compliant representation of Zentiva SA's assets, liabilities, financial position, profit and loss statement.

The report of the Board of Directors presents in an accurate and complete manner information about Zentiva SA's activity and includes a fair assessment of its development and performances, as well as a description of the main risks and uncertainties specific to its activities.

The undersigneds assume responsibility for the preparation of the financial statements for the year 2023 and confirm that:

- a) the accounting methods used in preparing the annual financial statements are in accordance with the applicable accounting standards;
- b) the annual financial statements provide an accurate representation of the company's financial position, performance and all other information related to its activity;
- c) the legal entity mentioned above carries out its activity in conditions of continuity.

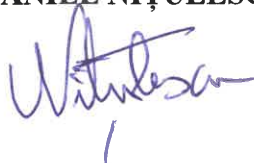
General Manager

SIMONA COCOȘ



CFO

DANIEL NIȚULESCU



ZENTIVA

ZENTIVA SA

50 Th. Pallady Blvd., 3rd district
 Registration number J40/363/1991
 CUI 336206
 fiscal attribute RO

Updated on 20 March 2023

ARTICLES OF INCORPORATION of ZENTIVA S.A. ("The Company")

Preamble:

We, the Shareholders of S.C. ZENTIVA S.A., have agreed to conclude these ARTICLES OF INCORPORATION, as a sole written document and as the deed issued for the updating of the ARTICLES OF INCORPORATION of S.C. ZENTIVA S.A., without thus creating a new trade company. As result, we have agreed that the initial ARTICLES OF INCORPORATION of the Company and the addenda concluded and registered to-date with the Trade Register Office near Bucharest Tribunal will be replaced by these ARTICLES OF INCORPORATION, made up of ten chapters and setting forth the following provisions:

Definitions:

The concepts of "involved parties", "persons acting jointly" and "significant shareholder", as well as any other specific concepts used hereunder shall be considered to have the meaning provided by Capital Market Law 297/2004, as further amended ("Law 297/2004"), by the regulations of the National Securities Commission ("NSC"), by Company Law 31/1990, republished, as further amended and completed ("Law 31/1990") and the other applicable legal provisions, except if otherwise provided hereunder.

Any references in the ARTICLES OF INCORPORATION to Capital Market Law 297/2004 and to Company Law 31/1990, republished, shall be replaced by the abbreviations defined in the Preamble.

CHAPTER I

NAME, LEGAL ORGANIZATION, REGISTERED OFFICE, TERM OF THE COMPANY

Art. 1 The name and emblem of the Company

1.1. The name of the Company is "ZENTIVA" S.A (according to the proof of name reservation no. 759216 as of 15.12.2005).

1.2. All documents, invoices, advertisements, publications as well any other documents issued by the Company, shall contain the name of the Company, legal form, headquarters, sole registration code and the fiscal attribute, as well as the share capital, mentioning the actual paid up capital, according to the last approved financial statement.

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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1.3. The Company has an emblem consisting in the name “ZeNTIVA”, as reserved at the Bucharest’s Trade Registry Office under the number 11.043 from 13.01.2006.

Art. 2 The legal form of the Company

The trade company “ZENTIVA” S.A. is a Romanian legal entity, being legally organized as a joint stock company admitted to trading on a regulated market according to the legal effectual provisions. The Company operates in accordance with the Romanian legal provisions regarding the issuers of securities, in accordance with the provisions of the Law 31/1990 and the provisions of these ARTICLES OF INCORPORATION.

Art. 3 The registered headquarters of the Company

3.1. The registered headquarters of the Company are located in Romania, Bucharest, 50 Theodor Pallady Str., 3rd district. The registered headquarters of the Company can be relocated to any address in Romania, based on the decision of the General Meeting of Shareholders, according to the legal provisions.

3.2. The Company, based on the resolutions of the General Meeting of Shareholders can establish branches, representative offices, agencies located in Romania and/or abroad.

Art. 4 The term of the Company

The term of the Company is unlimited, as of the date of the registration thereof with the Bucharest Trade Registry Office.

CHAPTER II

COMPANY'S OBJECT OF ACTIVITY

Art.5 Company's object of activity is:

5.1. The main field of activity of the Company is:

NACE 211 – Manufacture of basic pharmaceutical products.

5.2. The main activity of the Company is:

NACE 2120- Manufacture of Pharmaceutical Preparations.

5.3. The secondary activities of the Company are:

NACE 1089 – Manufacture of other food products n.e.c.

NACE 0240 - Support services to forestry

NACE 1721 – Manufacture of corrugated paper and paperboard and of containers of paper and paperboard

NACE 1729 - Manufacture of other articles of paper and paperboard

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NACE 1812 – Other printing
 NACE 1813 - Pre-press and pre-media services
 NACE 2059 – Manufacture of other chemical products n.e.c.
 NACE 2110 - Manufacture of basic pharmaceutical products
 NACE 2319 – Manufacture and processing of other glass, including technical glassware
 NACE 2611 - Manufacture of electronic components
 NACE 3250 – Manufacture of medical and dental instruments and supplies
 NACE 3312 - Repair of machinery
 NACE 3319 - Repair of other equipment
 NACE 3320 - Installation of industrial machinery and equipment
 NACE 3511 - Production of electricity
 NACE 3521 - Manufacture of gas
 NACE 3522 - Distribution of gaseous fuels through mains
 NACE 3523 Trade of gas through mains
 NACE 3831 Dismantling of wrecks
 NACE 3832 Recovery of sorted materials
 NACE 4321 Electrical installation
 NACE 4322 Plumbing, heat and air-conditioning installation
 NACE 4329 Other construction installation
 NACE 4511 Sale of cars and light motor vehicles
 NACE 4519 Sale of other motor vehicles
 NACE 4520 Maintenance and repair of motor vehicles
 NACE 4618 Agents specialised in the sale of other particular products
 NACE 4619 Agents involved in the sale of a variety of goods
 NACE 4636 Wholesale of sugar and chocolate and sugar confectionery
 NACE 4638 Wholesale of other food, including fish, crustaceans and molluscs
 NACE 4639 Non-specialised wholesale of food, beverages and tobacco
 NACE 4645 Wholesale of perfume and cosmetics
 NACE 4646 Wholesale of pharmaceutical goods
 NACE 4675 Wholesale of chemical products
 NACE 4676 Wholesale of other intermediate products
 NACE 4741 Retail sale of computers, peripheral units and software in specialised stores
 NACE 4742 Retail sale of telecommunications equipment in specialised stores
 NACE 4753 Retail sale of carpets, rugs, wall and floor coverings in specialised stores
 NACE 4759 Retail sale of furniture, lighting equipment and other household articles in specialised stores
 NACE 4764 Retail sale of sporting equipment in specialised stores
 NACE 4765 Retail sale of games and toys in specialised stores
 NACE 4771 Retail sale of clothing in specialised stores
 NACE 4773 Dispensing chemist in specialised stores
 NACE 4774 Retail sale of medical and orthopaedic goods in specialised stores
 NACE 4776 Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores
 NACE 4777 Retail sale of watches and jewellery in specialised stores
 NACE 4778 Other retail sale of new goods in specialised stores
 NACE 4779 Retail sale of second-hand goods in stores

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NACE 4939 Other passenger land transport n.e.c.
 NACE 4941 Freight transport by road
 NACE 4942 Removal services
 NACE 5210 Warehousing and storage
 NACE 5221 Service activities incidental to land transportation
 NACE 5224 Cargo handling
 NACE 5229 Other transportation support activities
 NACE 5320 Other postal and courier activities
 NACE 5811 Book publishing
 NACE 5812 Publishing of directories and mailing lists
 NACE 5813 Publishing of newspapers
 NACE 5814 Publishing of journals and periodicals
 NACE 5819 Other publishing activities
 NACE 5821 Publishing of computer games
 NACE 5829 Other software publishing
 NACE 5920 Sound recording and music publishing activities
 NACE 6010 Radio broadcasting
 NACE 6020 Television programming and broadcasting activities
 NACE 6190 Other telecommunications activities
 NACE 6201 Computer programming activities
 NACE 6202 Computer consultancy activities
 NACE 6203 Computer facilities management activities
 NACE 6209 Other information technology and computer service activities
 NACE 6311 Data processing, hosting and related activities
 NACE 6312 Web portals
 NACE 6420 Activities of holding companies
 NACE 6492 Other credit granting (intercompany operations)
 NACE 6820 Renting and operating of own or leased real estate
 NACE 6920 Accounting, bookkeeping and auditing activities; tax consultancy
 NACE 7010 Activities of head offices
 NACE 7021 Public relations and communication activities
 NACE 7022 Business and other management consultancy activities
 NACE 7111 Architectural activities
 NACE 7112 Engineering activities and related technical consultancy
 NACE 7120 Technical testing and analysis
 NACE 7311 Advertising agencies
 NACE 7312 Media representation
 NACE 7320 Market research and public opinion polling
 NACE 7490 Other professional, scientific and technical activities n.e.c.
 NACE 7711 Renting and leasing of cars and light motor vehicles
 NACE 7733 Renting and leasing of office machinery and equipment (including computers)
 NACE 7820 Temporary employment agency activities
 NACE 7830 Other human resources provision
 NACE 8020 Security systems service activities
 NACE 8110 Combined facilities support activities

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NACE 8211 Combined office administrative service activities
 NACE 8219 Photocopying, document preparation and other specialised office support activities
 NACE 8220 Activities of call centres
 NACE 8230 Organisation of conventions and trade shows
 NACE 8291 Activities of collection agencies and credit bureaus
 NACE 8299 Other business support service activities n.e.c.
 NACE 8560 Educational support activities
 NACE 9101 Library and archives activities
 NACE 9511 Repair of computers and peripheral equipment

CHAPTER III

REGISTERED SHARE CAPITAL SHARES

Art. 6 The registered share capital

6.1. The registered capital of the company ZENTIVA S.A. is of RON 69,701,704 and it consists of in kind and cash contributions.

6.2. The Company's share capital is divided into 697,017,040 nominal shares of RON 0.1 each.

6.3. The new structure of the fully subscribed and paid up share capital of the Company is the following:

- the shareholder Zentiva Group a.s., headquartered in Czech Republic, Prague 10, Dolní Měcholupy, 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.

Art. 7 The shares

The shares issued by the Company are nominal, indivisible, equal in value, dematerialised, freely negotiable and fully subscribed and paid up and shall be numbered by the Independent Registry company contracted by the Company for the purpose to maintain the shares evidence in the Shareholder's Registry.

Art. 8 The increase and the decrease of share capital

8.1 The increase of the share capital

8.1.1. Company's share capital can be increased based on the decision of the General Extraordinary Meeting of Shareholders, in accordance with the legal provisions in force and of the present ARTICLES OF INCORPORATION.

8.1.2 The Company can increase its share capital, under the provisions of these ARTICLES OF INCORPORATION and of the legal provisions in force, by issuing new shares or increasing the nominal value (par value) of the existing shares in exchange of new contributions in cash or in kind or by incorporating the reserves (except for the legal reserves), as well as the benefits or issue premiums. The increase of the Share Capital can also be carried out by any other methods allowed by the law.

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8.1.3 Company's share capital can include only the competitive assets necessary for the performance of Company's object of activity. If the share capital increase is done by contributions in kind, the General Extraordinary Meeting of Shareholders shall appoint one or several independent experts to assess these contributions, in accordance with the legal provisions.

The number of shares to be allocated following the contribution in kind to the share capital will be determined as a ratio between the value of the contribution in kind, according to the above mentioned expertise report and the highest of the market value for one share, the value per share computed based on the accounting net assets or the nominal value (par value) of a share, according to the law.

8.1.4. The shareholders benefit from the right of first refusal for the subscription of the new shares issued for the increase of the share capital, within the limits of their contribution to Company's share capital.

8.1.5 The General Extraordinary Meeting of the Shareholders can bar the pre-emption right of the shareholders to the subscription of the new shares, if the following conditions are cumulatively met:

- in the presence of at least $\frac{3}{4}$ of the holders of the share capital;
- by the vote of the shareholders owning at least 75% of the rights to vote within the meeting.

Art 8.2 The decrease of the share capital

8.2.1 The General Extraordinary Meeting of the Shareholders shall decide on the decrease of the share capital of the Company. The share capital can be decreased due to well-grounded reasons and only up to the minimum limit stipulated by the law.

8.2.2. The decrease of the Share capital can be performed only after the elapse of two months as of the date when the resolution of the General Extraordinary Meeting is published in the Official Gazette of Romania.

Art. 9 The rights and obligations deriving from shares

9.1. Each subscribed and paid up share grants to its holder a voting right during the General Meeting of the Shareholders, the right to elect and to be elected in the management bodies of the Company, the right to participate to the distribution of the Company's profits, according to the provisions of these ARTICLES OF INCORPORATION and the legal provisions, as well as any other rights forthcoming from the ownership over the shares within the limits set forth by these ARTICLES OF INCORPORATION and as provided by the law.

9.2 The rights, benefits and obligations that result from any or all shares owned by a shareholder, shall be transferred in the same time with the transfer of the ownership right over the shares, according to the law.

9.3 Each shareholder undertakes to observe the provisions of these ARTICLES OF INCORPORATION.

9.4. Company's obligations are secured by the assets thereof and Company's shareholders will be held liable for the performance of Company's obligations only within the limits of the share capital subscribed.

9.5. The Company's patrimony may not be encumbered by debts or other personal liabilities of the shareholders.

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9.6 A creditor of a shareholder can formulate claims over that part of Company's profit distributed as dividends by the General Meeting of Shareholders or over the shareholder quota from the Company's assets following the liquidation procedure performed in accordance with the provisions of these ARTICLES OF INCORPORATION and the legal effectual provisions.

9.7 The shareholders must exercise their rights deriving from the shares in good faith and by observing the rights and legitimate interest of the other shareholders and the priority interest of the Company, otherwise being held liable for the inflicted damages.

9.8 The abusive use of the capacity of shareholder, following performance of unfair or fraudulent deeds (determined in accordance with the applicable law), which results in the restriction of the rights granted by the shares or damages inflicted to other shareholders is prohibited by the law and triggers the personal liability of the shareholders in accordance with the law.

Art. 10 Transfer of shares

10.1. Company's shares are indivisible.

10.2. When a nominal share falls into the indivisible ownership of several persons, the Independent Register Company in charge for the evidence of Company's shares is not obliged to register the ownership transfer until those persons appoint a sole representative for the purpose of exercising the right deriving from such nominal share.

As long as a share is indivisibly owned by several persons, those persons are jointly liable for the payment of such a share.

10.3. The partial or total assignment of the shares between shareholders or third parties shall be performed accordance with the Law no. 297/2004.

10.4. Company's shares may be traded according to the law, only on a regulated market designated by the General Meeting of Shareholders.

CHAPTER IV

GENERAL MEETING OF SHAREHOLDERS

Art 11. The General Meeting of Shareholders

11.1. The General Meeting of Shareholders is the supreme managing body of the Company having a general capacity to decide in respect to its activity and its economic, trade and development policy.

11.2 The General Meeting of Shareholders can be Ordinary and Extraordinary. The resolutions of the General Meeting of Shareholders are adopted according to the law and the provisions of these ARTICLES OF INCORPORATION and are mandatory for all shareholders.

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11.3. **The General Ordinary Meeting** will meet at least once a year, within at most 4 months after the end of the financial year for the following purposes:

- a) Debate, approve or modify the yearly financial statements approved by the Board of Directors, based on Directors' and Auditors' reports and establishes the value of the dividends and the deadline for their distribution,
- b) Identification of the shareholders eligible to receive dividends,
- c) Electing and revoking the directors, establishing their remuneration and the minimum value of the amount insured by the professional civil liability insurance, as well as the general limits for the remuneration of directors and managers, subject to the delegation of prerogatives for managing the Company;
- d) Appointment of the financial auditor as well of the authorised person to sign the services contract concluded with the auditor on behalf of the Company;
- e) Approval of directors' management report;
- f) Approval and amendment of the business plan, of the annual budget and the activity schedule of the Company, proposed for approval by the Directors ,
- g) Incorporation or dissolution of one or several of Company's subsidiaries, representative offices, agencies, or any other secondary establishments of the Company as well as the incorporation of Company's branches;
- h) Any other issue pertaining to its decisional competence.

11.4. **The General Extraordinary Meeting** shall be convened whenever necessary to make a decision related to:

- a. The change of Company's share capital
- b. The change of Company's object of activity
- c. The change of Company's organization form
- d. The relocation of Company's registered headquarters
- e. Merger with other companies or the division of the Company
- f. The anticipated dissolution of the company
- g. Issue of bonds
- h. The undertaking of long or short term loans whose value exceeds half of the accounting value of Company's assets as at the date of the execution of the relevant legal document;
- i. The approval of all legal instruments in connection with the acquisition, alienation, exchange or pledge of some of the immovable assets of the Company, whose value exceeds 20% of the value of the total immovable assets of the Company, considered individually, for each legal instrument, or cumulatively, during a financial year, minus the value of the receivables at the date of the execution of the relevant legal instrument;
- j. The approval of legal deeds concerning the rental of fixed assets of the Company for a period longer than 1 year, whose individual value exceeds 20% of the value of the total immovable assets of the Company, considered individually or cumulatively in relation to the same contracting party or to involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument.
- k. The approval of the association agreements concluded by the Company if they are concluded for a period longer than 1 year, whose value exceeds 20% of the value of the total immovable assets of the Company, considered individually or cumulatively in relation to the same contracting party or to involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument.
- l. The approval of any amendment to Company's ARTICLES OF INCORPORATION. In this case, prior to convening the General Extraordinary Meeting of Shareholders for the amendment of the ARTICLES OF INCORPORATION, the draft of the proposed amendments shall be sent to NSC and to securities market where the Company's shares are traded.

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m. Pass any other resolution that needs the approval of the General Extraordinary Meeting of Shareholders in order to be enforced.

Art 12. Convening of the General Assemblies

12.1. The General Meeting of Shareholders shall be convened by the Board of Directors, pursuant to the decision thereof and in observance of the law.

12.2. The Ordinary General Meeting is held at least once a year, according to the provisions stipulated at art. 11.3, as well as whenever is necessary to approve a resolution of its own competence, according to the legal provisions in force and of these ARTICLES OF INCORPORATION.

12.3. The Board of Directors has the obligation to convene the General Extraordinary Meeting of Shareholders upon the request of shareholders representing at least 10% of the share capital, upon the request of financial auditors or if, further to the occurrence of loss, the value of the net assets determined as the balance between the total assets and the total liabilities of the Company is less than half of Company's share capital.

12.4. The General Meeting of Shareholders shall be called as provided under and in observance of the publicity conditions provided by NSC regulations and by Law 31/1990.

Art 13. The organization of the General Meeting

13.1. Shareholders can attend and vote during the General Meeting in person or through a representative appointed based on a power-of-attorney granted for the purpose of that General Meeting as a written document given under private signature. The shareholders who do not hold the capacity of exercise as well as legal entities can be represented by their legal representatives who, in their turn, can grant a power-of- attorney to other persons for that general meeting. The company will make available to the shareholders the standard form of the power-of-attorney at least 5 days before the first convening of the General Meeting and the shareholders will submit the original powers-of-attorney at least 48 hours before the Meeting, under the sanction of losing the right to vote within that Meeting. The powers-of-attorneys shall be kept by the Company, which will be mentioned in the minutes.

13.2. The General Meeting of Shareholders will be chaired by the Chairman of the Meeting, who will be the Chairman of the Board of Directors or, in his absence, another member of the Board of Directors appointed by the latter. The Chairman of the Meeting will appoint a meeting secretary among the present shareholders and one or more technical secretaries.

13.3. The meeting secretary will draft a minute mentioning the issues debated and the decisions made, which minute will be signed by the Chairman of the Meeting and by the Secretary and will be kept in a special register the pages of which are marked by serial numbers, kept by the Board of Directors.

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Art 14. The exercise of the voting right during the General Meeting of Shareholders

14.1. The resolutions of the General Meeting of Shareholders are usually adopted by open vote.

14.2. Upon the proposal of the President of the General Meeting or of a group of attending shareholders (present whether personally or by representatives) holding at least $\frac{1}{4}$ of the registered share capital, secret voting may be decided upon.

14.3. The secret voting is mandatory for the election and revocation of the members of the Board of Directors and of the financial auditor and for making the decisions related to the activity and liability of the Directors.

14.4. The decisions of the Ordinary General Meeting are validly passed under the following conditions:

- at the first convening: the shareholders representing at least $\frac{1}{2}$ of Company's share capital need to be present and the decisions need to be made based on the favourable vote of the shareholders holding the absolute majority of the share capital present or represented within the meeting;
- upon the second convening: decisions can be made regardless of the share capital present/represented within the meeting, based on the favourable vote of the majority of the share capital present or represented within the meeting.

14.5. The decisions of the Extraordinary General Meeting of the Shareholders of the Company are validly made under the following conditions:

- at the first convening: shareholders representing at least $\frac{3}{4}$ of the share capital need to be present at the meeting, and decisions need to be made based on the favourable vote of the shareholders holding at least $\frac{1}{2}$ of the share capital, except for the case provided under Article 8.1.5. above;
- at the second convening: shareholders representing at least $\frac{1}{2}$ of the share capital need to be present and decisions need to be made based on the favourable vote of shareholders holding at least $\frac{1}{3}$ of the share capital, which, in the case of the decisions for the amendment of company's main object of activity, for the decrease or increase of the share capital, for the change of the legal form, for merger, spin-off or dissolution of the Company, cannot be less than two thirds of the voting rights held by the shareholders present or represented within the Meeting.

14.6. The resolutions of the General Meetings of Shareholders adopted within the limits of the law and of the ARTICLES OF INCORPORATION, are mandatory even for the non-attending shareholders or those shareholders voting against them.

CHAPTER V

THE BOARD OF DIRECTORS

Art 15. Organization of the Board of Directors

15.1. The company is managed by the Board of Directors consisting of 5 (five) directors, Romanian or/and foreign citizens, elected by the General Meeting of Shareholders. The members of the Board of Directors may also hold the position of Company shareholders.

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15.2. Directors are elected for a 4 years' mandate and can be re-elected for new 4 years' mandates. The duration of directors' mandate can be changed by the decision of the General Meeting of Shareholders.

15.3. In case of vacancy of mandate of one or several directors, the Board of Directors will proceed to appointing provisional directors, until the Ordinary General Meeting of Shareholders which will appoint a final director for a duration equal to the period of time remaining until the expiry of the vacant mandate.

15.4. The members of the Board of Directors can be elected by cumulative vote procedure. Upon the request of a significant shareholder of the Company, the election of the Directors through the said procedure will become mandatory.

15.5. The Board of Directors is managed by a Chairman, a Romanian or foreign citizen, elected by the directors based on the majority vote of the directors.

15.6. The obligations and liabilities of the Directors are regulated by the rules applicable to mandates and, in addition, by the special rules applicable to the liabilities of the joint stock companies' Directors.

15.7. Directors will conclude a professional liability insurance policy for an insured amount whose minimum value whereof will be approved by the General Meeting.

Art.16 Board of Directors' Meetings

16.1. The Board of Directors will hold an Ordinary meeting at least once every three months and an Extraordinary meeting whenever necessary, at the Company headquarters or at another place provided in the notice to attend.

The meetings will be held by the physical presence of the directors at the place of the meeting or may be carried out by means of remote communication (e-mail, telephone, teleconferencing, videoconferencing, telefax).

16.2. The Board of Directors will be convened by the Chairman, unsolicited or upon the grounded request of at least two directors or of the General Manager, by any communication means likely to prove the reception of the notice to attend by the addressee: phone call followed by the written confirmation of the addressee, fax with confirmation of receipt, certified mail with confirmation of receipt, e-mail.

The notice to attend will indicate: the date, time and place of the meeting of the Board of Directors, the method of holding the meeting (physical presence or by distance communication means), as well as the agenda thereof.

If at least two of the directors oppose to holding the meeting of the Board of Directors by distance communication means, the meeting will be held by means of the physical participation of the directors. The opposition will be submitted within at most 2 business days as of the convening.

If the notice to attend to the meeting of the Board of Directors is sent, in accordance to this paragraph, less than 5 business days before the date established for holding the meeting, the documentation related to the issues registered on the agenda of board's meeting will be attached to the notice to attend, in full or excerpts thereof; in the other cases, the documents and information related to the issues on the agenda of the meeting shall be made available to the directors at least 5 business days before the date established for the meeting of the board.

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If all the members of the Board of Directors are present and agree to hold the meeting of the board and to make decisions, the convening formalities are no longer needed.

16.3. The meetings of the Board of Directors are chaired by the Chairman of the Board and, in his absence, by a member of the Board of Directors appointed by him. The chairman appoints a secretary either from among the members of the board or from outside the board.

16.4 The Board of Directors can validly deliberate in the presence of at least three members and can make decisions with a majority of at least half plus one of the present members. In case of a tie, the chairman of the Board of Directors will have the casting vote, except if he is also a manager of the Company.

16.5. At the meetings of the Board of Directors, its members can only be represented by another member of the Board of Directors, based on a power-of-attorney given as a written document under private signature. A member of the Board of Directors can only represent another member of the Board of Directors.

16.6. The members of the Board participating to the meeting by any means of communication allowing their identification: phone, teleconference, videoconference, telefax, are also considered as present at Board's meeting.

16.7. The debates of the Board of Directors are registered in the special register of minutes of the meetings of the Board of Directors, drafted in accordance with the legal provisions. The minutes shall be signed by the Chairman of the meeting, by at least one other director and by the meeting secretary and, upon request, by the other members of the Board of Directors who have participated to the debates.

16.8. The Board of Directors can delegate to one or more of its members some of its prerogatives granting them a special power of attorney for one or more specific operations. The Board of Directors will delegate the management of the Company, in accordance with the applicable legal provisions, to one or more managers appointed from among the members of the Board or outside it, who will hold the capacity of managers commissioned for management as provided under Article 143 of Law 31/1990, hereinafter referred to as Executive Managers. One of them will be appointed General Manager. If the managers are appointed from among the directors, they will be executive directors, while the other members of the Board will be non-executive directors. The number of non-executive directors will always exceed the number of executive directors in the Board.

16.9. The Company will be represented and validly bound in relations with third parties by the Board of Directors, through the Chairman thereof. The power of representation will be delegated by the Board of Directors, by observing the legal provisions.

16.10. The Board of Directors has the obligation to make available to the shareholders and to the financial auditor, upon their request, Company's registers drafted according to the law and to issue, upon their request and at their expense, excerpts from such registers.

16.11. The Chairman and the members of the Board of Directors shall be jointly or severally liable, as the case may be, towards the company, for the damages resulting as a consequence of committing offences or of deviating from the legal provisions and/or from the provisions of these ARTICLES OF INCORPORATION,, as well as for the errors in the management of the Company. In such situations, the Directors could be dismissed by the resolution of the General Meeting of Shareholders.

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16.12. The Company's trade union representatives can be invited to the meetings of the Board of Directors, where issues of professional, social or cultural interest for the employees are debated.

Art.17 Tasks of the Board of Directors

17.1 The Board of Directors has the following main tasks:

- a. Prepares and updates Company's registers according to the legal provisions;
- b. Hires and dismisses Company managers, establishing their rights and obligations;
- c. Appoints the Chairman of the Board;
- d. Contracts the Independent Registry which keeps the record of Company's shares;
- e. Approves the accounting as costs of the unrecoverable debts amounting to up to 0.5% of the turnover;
- f. Approves the write-off of the fixed assets;
- g. Approves the calculation system of fixed assets' depreciation as required by the law,
- h. Approves the research and development program and allocates the necessary financial resources;
- i. Approves the annual investment plan of the Company;
- j. Annually, within 4 months as of the end of the financial (accounting) year, submits for approval of the General Meeting of Shareholders Company's activity report, Company's annual financial statement drafted for the previous year in accordance with the specific regulations of the Ministry of Finance and NSC as well the draft of Company's activity programme and the budget project for the current year;
- k. Approves the conclusion of association agreements by the Company, by observing the exclusive competencies of the General Meeting of Shareholders in this respect.
- l. Other tasks established by the law in its competency.

17.2 The Directors are obliged to immediately report to NSC any legal document entered into by the Company and its Directors, employees, shareholders which control the Company, or entered by the Company and the persons related to the aforementioned, whose value represents at least the RON equivalent of 50,000 Euro.

The reports drafted according to this paragraph should mention any other information deemed necessary to identify the legal effects of such acts in respect to the financial situation of the Company.

17.3. Under the supervision of the Board of Directors, the Company will ensure all the necessary facilities and information in order to allow the shareholders to exercise the right granted by the shares held.

In this respect the Board of Directors has the obligation, according to the law, to:

- inform the shareholders on the call of the General Meeting of Shareholders, by observing the provisions of these ARTICLES OF INCORPORATION;
- inform the public on the distribution and payment of dividends, on the issuance of new shares, including on the distribution, subscription, conversion waiving operation;
- appoint a financial institution as payment agent of the Company, through which the shareholders may exercise their financial rights, except for the situation when the Company could provide these services by itself.

17.4. The Company, through its General Manager, will ensure that the reports provided under the law are drafted and sent to NSC and to the regulated market on which Company's shares are traded.

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CHAPTER VI

EXECUTIVE MANAGERS. TECHNICAL MANAGERS. MANAGEMENT COMPANY

Art.18 Executive Managers. Technical Managers. Management Company

18.1. The Board of Directors entrusts the management of the Company to one or several Executive Managers, according to Article 143 of Law 31/1990, among which one is appointed General Manager of the Company. The Executive Managers are granted the possibility to expressly mandate a part of such prerogatives to technical managers empowered as per the policies applicable at Company level. The performance of Company's operations can also be entrusted to a management company, upon the proposal of the General Manager, subject to the approval of the Board of Directors.

18.2. The General Manager and the other Executive Managers benefit from a general mandate for representing the Company in front of third parties observing the "Levels of Authority" internal procedure.

The Executive Managers can, in their turn, expressly delegate such prerogatives, within the limit of the next two levels of authority, observing the "Levels of Authority" internal procedure.

Company's technical managers will not be considered managers in the sense of Article 143 of Law 31/1990, but are only in charge with the performance of the activities. The technical managers are appointed based on the decision of the General Manager.

18.3. By concluding the Consultancy and Management Service Agreement with the Management Company, the latter and its representative or, as the case may be, the representatives appointed by the Management Company will acquire the capacity of manager within the Company. The relations between the Company and the management company and the representative thereof will be governed by the provisions of the consultancy and management service agreement and by the legal provisions.

CHAPTER VII

MANAGEMENT OF THE COMPANY

Art. 19 Financial auditor

19.1. The annual financial statements of the Company shall be audited by an external auditor, appointed by the General Meeting of Shareholders, according to the regulations regarding the financial audit.

19.2. The rights and obligations of the auditor shall be established by a services contract concluded between the Company and the auditor.

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ACTIVITY OF THE COMPANY

Art.20 The economic-financial year

The economic-financial year starts on January 1st and ends on December 31st of each year. The first financial year starts at the date the Company is registered and ends on the 31st of December of the same year.

Art.21 Financial records

The Company shall keep its accounting records in RON, shall annually draw up the financial statements according to the Romanian legislation in force.

Art.22 Calculation and distribution of profit

22.1. The profit or the loss of the Company shall be determined based on the annual financial statements drafted in accordance with the legal provisions and approved by the General Meeting of Shareholders. The Company shall annually allocate at least 5% of its profits for the reserve fund, up to a level equal with minimum 20% of the share capital. The General Meeting of Shareholders may decide to establish other reserve funds.

22.2. Out of the profit, the Company can establish funds allocated to modernization, research and development of new products, investments, repairs, and other destinations established by the General Meeting of Shareholders.

22.3. The distribution of the net profit shall be made in accordance with the legal regulations, subject to the approval of the General Meeting of Shareholders.

22.4. The shareholders entitled to collect dividends and other rights, subject to the resolutions of the General Meeting of Shareholders shall be identified by the General Meeting of Shareholders according to the legal provisions in force. This date should be at least 10 working days further to the date of the General Meeting of Shareholders.

Once the dividends are settled, the General Meeting of Shareholders will settle the date for their payment to the shareholders, which can not be more than 6 months since the date of the General Meeting of Shareholders.

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Chapter IX

CHANGE OF THE LEGAL FORM, DISSOLUTION, LIQUIDATION, DISPUTES

Art.23 Change of the legal form

The legal form of the Company may be changed subject to the decision of the General Meeting of Shareholders.

Art. 24 The dissolution of the Company

24.1. The Company will be dissolved in the following cases:

- a) The Incapacity to fulfil the main object of activity of the Company
- b) The cancellation (annulment) of the Company
- c) The bankruptcy and insolvency of the Company
- d) The decrease of the number of shareholders below the legal minimum number, if the remaining shareholders do not decide on the change of Company's legal form;
- e) As a consequence of a final, irrevocable and enforceable court decision;
- f) In any other circumstances according to the Law or the resolution of the General Meeting of Shareholders.

Art.25 The liquidation of the Company

25.1 As a result of the dissolution, the Company will enter into the liquidation procedure.

25.2 One or more liquidators will perform the liquidation of the Company. At the date the liquidators are appointed, Directors' mandates cease thus no longer being entitled to act in the name of the Company.

25.3 The General Meeting of Shareholders appoints the Liquidators. The Court may appoint the liquidators if the shareholders do not agree upon their appointment.

25.4 Liquidators' activity is supervised by financial auditors.

25.5 Liquidators undertake all Directors' responsibilities. As soon as they are appointed, the liquidators alongside with the Directors, have to draw up an inventory, evaluate the assets of the Company, to draw up a balance sheet reflecting the exact status of Company's rights and obligations and sign all documents mentioned above.

25.6 The liquidators have the obligation to receive and to keep all records and assets of the Company, entrusted to them by the Directors and to keep a record containing all the liquidation operations in chronological order.

25.7 In order to fulfil the mandate entrusted by the General Meeting of Shareholders, the liquidators will take all the necessary steps in order to keep the pending activities of the Company in progress, will cash in all of Company's receivables, and shall pay Company's debts and will undertake any operations needed to liquidate the Company.

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25.8 Liquidators can represent the Company in front of the Court and may conclude transactions with the creditors.

25.9 The amounts of money obtained from liquidation shall be used with priority to pay privileged creditors and consequently the other creditors. The liquidators shall draw up the liquidation balance sheet and shall forward proposals for the distribution of the financial results (profits and losses) between the shareholders proportionally to their contribution to the Share capital.

25.10 After the liquidation process is concluded, the liquidators shall take all the measures in order to cancel the Company from the Trade Registry.

Art.26 Disputes

26.1. The Disputes generated by the contractual relationships of the Company with third parties, legal or natural persons, shall be settled, as the case may be, by the Arbitration Courts or the Courts mentioned in the contracts the dispute is related to or by competent Romanian Courts.

26.2. Solving of the labour conflicts between the Company and its employees, related to the conclusion, performance, amendment, suspension and termination of the individual employment agreements or, if the case may be, related to the collective labour agreements will be settled by the competent jurisdiction according to the Labour Code provisions.

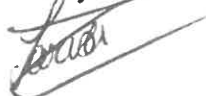
Chapter X

FINAL PROVISIONS

Art. 27 The provisions of these ARTICLES OF INCORPORATION shall be supplemented by the provisions of: the Romanian Commercial Code, the Law 31/1990, the Law 297/2004 regarding capital markets, and the regulations issued by NSC as well as by any other current legal applicable provisions.

These up-dated ARTICLES OF INCORPORATION was drawn up in 2 counterparts, today, 20 March 2023.

ZENTIVA SA
by Larisa Jurca
Attorney-in-fact



ZENTIVA

ZENTIVA SA
50 Theodor Pallady Blvd., sector 3
Registration number J40/363/1991 / CUI 336206
tax reference "RO"

Updated on 27 April 2023

ARTICLES OF INCORPORATION of ZENTIVA SA (the "Company")

Preamble:

We, the Shareholders of ZENTIVA S.A., have agreed to conclude these ARTICLES OF INCORPORATION, as a sole written document and as the deed issued for the updating of the ARTICLES OF INCORPORATION of ZENTIVA S.A., without thus creating a new trade company. As result, we have agreed that the initial ARTICLES OF INCORPORATION of the Company and the addenda concluded and registered to-date with the Trade Register Office near Bucharest Tribunal will be replaced by these ARTICLES OF INCORPORATION, made up of ten chapters and setting forth the following provisions:

Definitions:

The concepts of "involved parties", "persons acting jointly" and "significant shareholder", as well as any other specific concepts used hereunder shall be considered to have the meaning provided by Capital Market Law 297/2004, as further amended ("Law 297/2004"), by the regulations of the National Securities Commission ("NSC"), by Company Law 31/1990, republished, as further amended and completed ("Law 31/1990") and the other applicable legal provisions, except if otherwise provided hereunder.

Any references in the ARTICLES OF INCORPORATION to Capital Market Law 297/2004 and to Company Law 31/1990, republished, shall be replaced by the abbreviations defined in the Preamble.

CHAPTER I

NAME, LEGAL ORGANIZATION, REGISTERED OFFICE, TERM OF THE COMPANY

Art. 1 The name and emblem of the Company

1.1. The name of the Company is "ZENTIVA" S.A (according to the proof of name reservation no. 759216 as of 15.12.2005).

1.2. All documents, invoices, advertisements, publications as well any other documents issued by the Company, shall contain the name of the Company, legal form, headquarters, sole registration code and the fiscal attribute, as well as the share capital, mentioning the actual paid up capital, according to the last approved financial statement.

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tel: (+40) 21 304 71.29 - fax: (+40) 21.345 40.04

Trade Registry number: J40-363/1991 - Sole Registration Code: RO-336206 - IBAN: RO6511510448700041001RON in RON - BNE
Paribas - Bucharest Branch

ZENTIVA

1.3. The Company has an emblem consisting in the name “ZENTIVA”, as reserved at the Bucharest’s Trade Registry Office under the number 11.043 from 13.01.2006.

Art. 2 The legal form of the Company

The trade company “ZENTIVA” S.A. is a Romanian legal entity, being legally organized as a joint stock company admitted to trading on a regulated market according to the legal effectual provisions. The Company operates in accordance with the Romanian legal provisions regarding the issuers of securities, in accordance with the provisions of the Law 31/1990 and the provisions of these ARTICLES OF INCORPORATION.

Art. 3 The registered headquarters of the Company

3.1. The registered headquarters of the Company are located in Romania, Bucharest, 50 Theodor Pallady Str., 3rd district. The registered headquarters of the Company can be relocated to any address in Romania, based on the decision of the General Meeting of Shareholders, according to the legal provisions.

3.2. The Company, based on the resolutions of the Board of Directors, can establish branches, representative offices, agencies, working units and other secondary offices, as well as subsidiaries located in Romania and/or abroad.

Art. 4 The term of the Company

The term of the Company is unlimited, as of the date of the registration thereof with the Bucharest Trade Registry Office.

CHAPTER II COMPANY’S OBJECT OF ACTIVITY

Art.5 Zentiva SA’s object of activity is:

5.1. The main field of activity of the Company is:

NACE 211 – Manufacture of basic pharmaceutical products.

5.2. The main activity of the Company is:

NACE 2120- Manufacture of Pharmaceutical Preparations.

5.3. The secondary activities of the Company are:

NACE 1089 – Manufacture of other food products n.e.c.

NACE 0240 - Support services to forestry

NACE 1721 – Manufacture of corrugated paper and paperboard and of containers of paper and paperboard

NACE 1729 - Manufacture of other articles of paper and paperboard

NACE 1812 – Other printing

NACE 1813 - Pre-press and pre-media services

NACE 2059 – Manufacture of other chemical products n.e.c.

NACE 2110 - Manufacture of basic pharmaceutical products

NACE 2319 – Manufacture and processing of other glass, including technical glassware

NACE 2611 - Manufacture of electronic components

NACE 3250 – Manufacture of medical and dental instruments and supplies

NACE 3312 - Repair of machinery

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NACE 3319 - Repair of other equipment
NACE 3320 - Installation of industrial machinery and equipment
NACE 3511 - Production of electricity
NACE 3521 - Manufacture of gas
NACE 3522 - Distribution of gaseous fuels through mains
NACE 3523 Trade of gas through mains
NACE 3831 Dismantling of wrecks
NACE 3832 Recovery of sorted materials
NACE 4321 Electrical installation
NACE 4322 Plumbing, heat and air-conditioning installation
NACE 4329 Other construction installation
NACE 4511 Sale of cars and light motor vehicles
NACE 4519 Sale of other motor vehicles
NACE 4520 Maintenance and repair of motor vehicles
NACE 4618 Agents specialised in the sale of other particular products
NACE 4619 Agents involved in the sale of a variety of goods
NACE 4636 Wholesale of sugar and chocolate and sugar confectionery
NACE 4638 Wholesale of other food, including fish, crustaceans and molluscs
NACE 4639 Non-specialised wholesale of food, beverages and tobacco
NACE 4645 Wholesale of perfume and cosmetics
NACE 4646 Wholesale of pharmaceutical goods
NACE 4675 Wholesale of chemical products
NACE 4676 Wholesale of other intermediate products
NACE 4741 Retail sale of computers, peripheral units and software in specialised stores
NACE 4742 Retail sale of telecommunications equipment in specialised stores
NACE 4753 Retail sale of carpets, rugs, wall and floor coverings in specialised stores
NACE 4759 Retail sale of furniture, lighting equipment and other household articles in specialised stores
NACE 4764 Retail sale of sporting equipment in specialised stores
NACE 4765 Retail sale of games and toys in specialised stores
NACE 4771 Retail sale of clothing in specialised stores
NACE 4773 Dispensing chemist in specialised stores
NACE 4774 Retail sale of medical and orthopaedic goods in specialised stores
NACE 4776 Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores
NACE 4777 Retail sale of watches and jewellery in specialised stores
NACE 4778 Other retail sale of new goods in specialised stores
NACE 4779 Retail sale of second-hand goods in stores
NACE 4939 Other passenger land transport n.e.c.
NACE 4941 Freight transport by road
NACE 4942 Removal services
NACE 5210 Warehousing and storage
NACE 5221 Service activities incidental to land transportation
NACE 5224 Cargo handling
NACE 5229 Other transportation support activities
NACE 5320 Other postal and courier activities
NACE 5811 Book publishing
NACE 5812 Publishing of directories and mailing lists

CHAPTER III REGISTERED SHARE CAPITAL, SHARES

Art. 6 The registered share capital

6.1. The registered capital of the company ZENTIVA S.A. is of RON 69,701,704 and it consists of in kind and cash contributions.

6.2. The Company's share capital is divided into 697,017,040 nominal shares of RON 0.1 each.

6.3. The new structure of the fully subscribed and paid up share capital of the Company is the following:

- the shareholder Zentiva Group a.s., headquartered in Czech Republic, Prague 10, Dolní Měcholupy, 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.

Art. 7 The shares

The shares issued by the Company are nominal, indivisible, equal in value, dematerialised, freely negotiable and fully subscribed and paid up and shall be numbered by the Independent Registry company contracted by the Company for the purpose to maintain the shares evidence in the Shareholder's Registry.

Art. 8 The increase and the decrease of share capital

8.1 The increase of the share capital

8.1.1. Company's share capital can be increased based on the decision of the General Extraordinary Meeting of Shareholders, in accordance with the legal provisions in force and of the present ARTICLES OF INCORPORATION.

8.1.2 The Company can increase its share capital, under the provisions of these ARTICLES OF INCORPORATION and of the legal provisions in force, by issuing new shares or increasing the nominal value (par value) of the existing shares in exchange of new contributions in cash or in kind or by incorporating the reserves (except for the legal reserves), as well as the benefits or issue premiums. The increase of the Share Capital can also be carried out by any other methods allowed by the law.

8.1.3 Company's share capital can include only the competitive assets necessary for the performance of Company's object of activity. If the share capital increase is done by contributions in kind, the General Extraordinary Meeting of Shareholders shall appoint one or several independent experts to assess these contributions, in accordance with the legal provisions.

The number of shares to be allocated following the contribution in kind to the share capital will be determined as a ratio between the value of the contribution in kind, according to the above mentioned expertise report and the highest of the market value for one share, the value per share computed based on the accounting net assets or the nominal value (par value) of a share, according to the law.

8.1.4. The shareholders benefit from the right of first refusal for the subscription of the new shares issued for the increase of the share capital, within the limits of their contribution to Company's share capital.

8.1.5 The General Extraordinary Meeting of the Shareholders can bar the pre-emption right of the shareholders to the subscription of the new shares, if the following conditions are cumulatively met:

- in the presence of at least $\frac{3}{4}$ of the holders of the share capital;

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- by the vote of the shareholders owning at least 75% of the rights to vote within the meeting.

Art 8.2 The decrease of the share capital

8.2.1 The General Extraordinary Meeting of the Shareholders shall decide on the decrease of the share capital of the Company. The share capital can be decreased due to well-grounded reasons and only up to the minimum limit stipulated by the law.

8.2.2. The decrease of the Share capital can be performed only after the elapse of two months as of the date when the resolution of the General Extraordinary Meeting is published in the Official Gazette of Romania.

Art. 9 The rights and obligations deriving from shares

9.1. Each subscribed and paid up share grants to its holder a voting right during the General Meeting of the Shareholders, the right to elect and to be elected in the management bodies of the Company, the right to participate to the distribution of the Company's profits, according to the provisions of these ARTICLES OF INCORPORATION and the legal provisions, as well as any other rights forthcoming from the ownership over the shares within the limits set forth by these ARTICLES OF INCORPORATION and as provided by the law.

9.2 The rights, benefits and obligations that result from any or all shares owned by a shareholder, shall be transferred in the same time with the transfer of the ownership right over the shares, according to the law.

9.3 Each shareholder undertakes to observe the provisions of these ARTICLES OF INCORPORATION.

9.4. Company's obligations are secured by the assets thereof and Company's shareholders will be held liable for the performance of Company's obligations only within the limits of the share capital subscribed.

9.5. The Company's patrimony may not be encumbered by debts or other personal liabilities of the shareholders.

9.6 A creditor of a shareholder can formulate claims over that part of Company's profit distributed as dividends by the General Meeting of Shareholders or over the shareholder quota from the Company's assets following the liquidation procedure performed in accordance with the provisions of these ARTICLES OF INCORPORATION and the legal effectual provisions.

9.7 The shareholders must exercise their rights deriving from the shares in good faith and by observing the rights and legitimate interest of the other shareholders and the priority interest of the Company, otherwise being held liable for the inflicted damages.

9.8 The abusive use of the capacity of shareholder, following performance of unfair or fraudulent deeds (determined in accordance with the applicable law), which results in the restriction of the rights granted by the shares or damages inflicted to other shareholders is prohibited by the law and triggers the personal liability of the shareholders in accordance with the law.

Art. 10 Transfer of shares

10.1. Company's shares are indivisible.

10.2. When a nominal share falls into the indivisible ownership of several persons, the Independent Register Company in charge for the evidence of Company's shares is not obliged to register the ownership transfer until those persons appoint a sole representative for the purpose of exercising the right deriving from such nominal share.

As long as a share is indivisibly owned by several persons, those persons are jointly liable for the payment of such a share.

10.3. The partial or total assignment of the shares between shareholders or third parties shall be performed in accordance with the Law no. 297/2004.

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Pariban - Bucharest Branch



10.4. Company's shares may be traded according to the law, only on a regulated market designated by the General Meeting of Shareholders.

CHAPTER IV

GENERAL MEETING OF SHAREHOLDERS

Art 11. The General Meeting of Shareholders

11.1. The General Meeting of Shareholders is the supreme managing body of the Company having a general capacity to decide in respect to its activity and its economic, trade and development policy.

11.2 The General Meeting of Shareholders can be Ordinary and Extraordinary. The resolutions of the General Meeting of Shareholders are adopted according to the law and the provisions of these ARTICLES OF INCORPORATION and are mandatory for all shareholders.

11.3. **The General Ordinary Meeting** will meet at least once a year, within at most 4 months after the end of the financial year for the following purposes:

- a) Debate, approve or modify the yearly financial statements approved by the Board of Directors, based on Directors' and Auditors' reports and establishes the value of the dividends and the deadline for their distribution;
- b) Identification of the shareholders eligible to receive dividends;
- c) Electing and revoking the directors, establishing their remuneration and the minimum value of the amount insured by the professional civil liability insurance, as well as the general limits for the remuneration of directors and managers, subject to the delegation of prerogatives for managing the Company;
- d) Appointment of the financial auditor as well of the authorised person to sign the services contract concluded with the auditor on behalf of the Company;
- e) Approval of directors' management report;
- f) Approval and amendment of the business plan, of the annual budget and the activity schedule of the Company, proposed for approval by the Directors;
- g) Any other issue pertaining to its decisional competence.

11.4. **The General Extraordinary Meeting** shall be convened whenever necessary to make a decision related to:

- a) The change of Company's share capital;
- b) The change of Company's object of activity;
- c) The change of Company's organization form;
- d) The relocation of Company's registered headquarters;
- e) Merger with other companies or the division of the Company;
- f) The anticipated dissolution of the company;
- g) Issue of bonds;
- h) The undertaking of long or short term loans whose value exceeds half of the accounting value of Company's assets as at the date of the execution of the relevant legal document;
- i) The approval of all legal instruments in connection with the acquisition, alienation, exchange or pledge of some of the immovable assets of the Company, whose value exceeds 20% of the value of the total immovable assets of the Company, considered individually, for each legal instrument, or cumulatively, during a financial year, minus the value of the receivables at the date of the execution of the relevant legal instrument;
- j) The approval of legal deeds concerning the rental of fixed assets of the Company for a period longer than 1 year, whose individual value exceeds 20% of the value of the total immovable assets of the Company, considered

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individually or cumulatively in relation to the same contracting party or to involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument;

k) The approval of the association agreements concluded by the Company if they are concluded for a period longer than 1 year, whose value exceeds 20% of the value of the total immovable assets of the Company, considered individually or cumulatively in relation to the same contracting party or to involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument;

l) The approval of any amendment to Company's ARTICLES OF INCORPORATION. In this case, prior to convening the General Extraordinary Meeting of Shareholders for the amendment of the ARTICLES OF INCORPORATION, the draft of the proposed amendments shall be sent to NSC and to securities market where the Company's shares are traded;

m) Pass any other resolution that needs the approval of the General Extraordinary Meeting of Shareholders in order to be enforced.

Art 12. Convening of the General Assemblies

12.1. The General Meeting of Shareholders shall be convened by the Board of Directors, pursuant to the decision thereof and in observance of the law.

12.2. The Ordinary General Meeting is held at least once a year, according to the provisions stipulated at art. 11.3, as well as whenever is necessary to approve a resolution of its own competence, according to the legal provisions in force and of these ARTICLES OF INCORPORATION.

12.3. The Board of Directors has the obligation to convene the General Extraordinary Meeting of Shareholders upon the request of shareholders representing at least 10% of the share capital, upon the request of financial auditors or if, further to the occurrence of loss, the value of the net assets determined as the balance between the total assets and the total liabilities of the Company is less than half of Company's share capital.

12.4. The General Meeting of Shareholders shall be called as provided under and in observance of the publicity conditions provided by NSC regulations and by Law 31/1990.

Art 13. The organization of the General Meeting

13.1. Shareholders can attend and vote during the General Meeting in person or through a representative appointed based on a power-of-attorney granted for the purpose of that General Meeting as a written document given under private signature. The shareholders who do not hold the capacity of exercise as well as legal entities can be represented by their legal representatives who, in their turn, can grant a power-of- attorney to other persons for that general meeting. The company will make available to the shareholders the standard form of the power-of-attorney at least 5 days before the first convening of the General Meeting and the shareholders will submit the original powers-of-attorney at least 48 hours before the Meeting, under the sanction of losing the right to vote within that Meeting. The powers-of-attorneys shall be kept by the Company, which will be mentioned in the minutes.

13.2. The General Meeting of Shareholders will be chaired by the Chairman of the Meeting, who will be the Chairman of the Board of Directors or, in his absence, another member of the Board of Directors appointed by the latter. The Chairman of the Meeting will appoint a meeting secretary among the present shareholders and one or more technical secretaries.

13.3. The meeting secretary will draft a minute mentioning the issues debated and the decisions made, which minute will be signed by the Chairman of the Meeting and by the Secretary and will be kept in a special register the pages of which are marked by serial numbers, kept by the Board of Directors.

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Art 14. The exercise of the voting right during the General Meeting of Shareholders

14.1. The resolutions of the General Meeting of Shareholders are usually adopted by open vote.

14.2. Upon the proposal of the President of the General Meeting or of a group of attending shareholders (present whether personally or by representatives) holding at least $\frac{1}{4}$ of the registered share capital, secret voting may be decided upon.

14.3. The secret voting is mandatory for the election and revocation of the members of the Board of Directors and of the financial auditor and for making the decisions related to the activity and liability of the Directors.

14.4. The decisions of the Ordinary General Meeting are validly passed under the following conditions:

- at the first convening: the shareholders representing at least $\frac{1}{2}$ of Company's share capital need to be present and the decisions need to be made based on the favourable vote of the shareholders holding the absolute majority of the share capital present or represented within the meeting;
- upon the second convening: decisions can be made regardless of the share capital present/represented within the meeting, based on the favourable vote of the majority of the share capital present or represented within the meeting.

14.5. The decisions of the Extraordinary General Meeting of the Shareholders of the Company are validly made under the following conditions:

- at the first convening: shareholders representing at least $\frac{3}{4}$ of the share capital need to be present at the meeting, and decisions need to be made based on the favourable vote of the shareholders holding at least $\frac{1}{2}$ of the share capital, except for the case provided under Article 8.1.5. above;
- at the second convening: shareholders representing at least $\frac{1}{2}$ of the share capital need to be present and decisions need to be made based on the favourable vote of shareholders holding at least $\frac{1}{3}$ of the share capital, which, in the case of the decisions for the amendment of company's main object of activity, for the decrease or increase of the share capital, for the change of the legal form, for merger, spin-off or dissolution of the Company, cannot be less than two thirds of the voting rights held by the shareholders present or represented within the Meeting.

14.6. The resolutions of the General Meetings of Shareholders adopted within the limits of the law and of the ARTICLES OF INCORPORATION, are mandatory even for the non-attending shareholders or those shareholders voting against them.

CHAPTER V

THE BOARD OF DIRECTORS

Art 15. Organization of the Board of Directors

15.1. The company is managed by the Board of Directors consisting of 5 (five) directors, Romanian or/and foreign citizens, elected by the General Meeting of Shareholders. The members of the Board of Directors may also hold the position of Company shareholders.

15.2. Directors are elected for a 4 years' mandate and can be re-elected for new 4 years' mandates. The duration of directors' mandate can be changed by the decision of the General Meeting of Shareholders.

15.3. In case of vacancy of mandate of one or several directors, the Board of Directors will proceed to appointing provisional directors, until the Ordinary General Meeting of Shareholders which will appoint a final director for a duration equal to the period of time remaining until the expiry of the vacant mandate.

15.4. The members of the Board of Directors can be elected by cumulative vote procedure. Upon the request of a

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significant shareholder of the Company, the election of the Directors through the said procedure will become mandatory.

15.5. The Board of Directors is managed by a Chairman, a Romanian or foreign citizen, elected by the directors based on the majority vote of the directors.

15.6. The obligations and liabilities of the Directors are regulated by the rules applicable to mandates and, in addition, by the special rules applicable to the liabilities of the joint stock companies' Directors.

15.7. Directors will conclude a professional liability insurance policy for an insured amount whose minimum value whereof will be approved by the General Meeting.

Art.16 Board of Directors' Meetings

16.1. The Board of Directors will hold an Ordinary meeting at least once every three months and an Extraordinary meeting whenever necessary, at the Company headquarters or at another place provided in the notice to attend.

The meetings will be held by the physical presence of the directors at the place of the meeting or may be carried out by means of remote communication (e-mail, telephone, teleconferencing, videoconferencing, telefax).

16.2. The Board of Directors will be convened by the Chairman, unsolicited or upon the grounded request of at least two directors or of the General Manager, by any communication means likely to prove the reception of the notice to attend by the addressee: phone call followed by the written confirmation of the addressee, fax with confirmation of receipt, certified mail with confirmation of receipt, e-mail.

The notice to attend will indicate: the date, time and place of the meeting of the Board of Directors, the method of holding the meeting (physical presence or by distance communication means), as well as the agenda thereof.

If at least two of the directors oppose to holding the meeting of the Board of Directors by distance communication means, the meeting will be held by means of the physical participation of the directors. The opposition will be submitted within at most 2 business days as of the convening.

If the notice to attend to the meeting of the Board of Directors is sent, in accordance to this paragraph, less than 5 business days before the date established for holding the meeting, the documentation related to the issues registered on the agenda of board's meeting will be attached to the notice to attend, in full or excerpts thereof; in the other cases, the documents and information related to the issues on the agenda of the meeting shall be made available to the directors at least 5 business days before the date established for the meeting of the board.

If all the members of the Board of Directors are present and agree to hold the meeting of the board and to make decisions, the convening formalities are no longer needed.

16.3. The meetings of the Board of Directors are chaired by the Chairman of the Board and, in his absence, by a member of the Board of Directors appointed by him. The chairman appoints a secretary either from among the members of the board or from outside the board.

16.4 The Board of Directors can validly deliberate in the presence of at least three members and can make decisions with a majority of at least half plus one of the present members. In case of a tie, the chairman of the Board of Directors will have the casting vote, except if he is also a manager of the Company.

16.5. At the meetings of the Board of Directors, its members can only be represented by another member of the Board of Directors, based on a power-of-attorney given as a written document under private signature. A member of the Board of Directors can only represent another member of the Board of Directors.

16.6. The members of the Board participating to the meeting by any means of communication allowing their identification: phone, teleconference, videoconference, telefax, are also considered as present at Board's meeting.

16.7. The debates of the Board of Directors are registered in the special register of minutes of the meetings of the Board of Directors, drafted in accordance with the legal provisions. The minutes shall be signed by the Chairman of the meeting, by at least one other director and by the meeting secretary and, upon request, by the other members of the

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Board of Directors who have participated to the debates.

16.8. The Board of Directors can delegate to one or more of its members some of its prerogatives granting them a special power of attorney for one or more specific operations. The Board of Directors will delegate the management of the Company, in accordance with the applicable legal provisions, to one or more managers appointed from among the members of the Board or outside it, who will hold the capacity of managers commissioned for management as provided under Article 143 of Law 31/1990, hereinafter referred to as Executive Managers. One of them will be appointed General Manager. If the managers are appointed from among the directors, they will be executive directors, while the other members of the Board will be non-executive directors. The number of non-executive directors will always exceed the number of executive directors in the Board.

16.9. The Company will be represented and validly bound in relations with third parties by the Board of Directors, through the Chairman thereof. The power of representation will be delegated by the Board of Directors, by observing the legal provisions.

16.10. The Board of Directors has the obligation to make available to the shareholders and to the financial auditor, upon their request, Company's registers drafted according to the law and to issue, upon their request and at their expense, excerpts from such registers.

16.11. The Chairman and the members of the Board of Directors shall be jointly or severally liable, as the case may be, towards the company, for the damages resulting as a consequence of committing offences or of deviating from the legal provisions and/or from the provisions of these ARTICLES OF INCORPORATION, as well as for the errors in the management of the Company. In such situations, the Directors could be dismissed by the resolution of the General Meeting of Shareholders.

16.12. The Company's trade union representatives can be invited to the meetings of the Board of Directors, where issues of professional, social or cultural interest for the employees are debated.

Art.17 Duties of the Board of Directors

17.1 The Board of Directors has the following main duties:

- a. Prepares and updates Company's registers according to the legal provisions;
- b. Hires and dismisses Company managers, establishing their rights and obligations;
- c. Appoints the Chairman of the Board;
- d. Contracts the Independent Registry which keeps the record of Company's shares;
- e. Approves the accounting as costs of the unrecoverable debts amounting to up to 0.5% of the turnover;
- f. Approves the write-off of the fixed assets;
- g. Approves the calculation system of fixed assets' depreciation as required by the law,
- h. Approves the research and development program and allocates the necessary financial resources;
- i. Approves the annual investment plan of the Company;
- j. Annually, within 4 months as of the end of the financial (accounting) year, submits for approval of the General Meeting of Shareholders Company's activity report, Company's annual financial statement drafted for the previous year in accordance with the specific regulations of the Ministry of Finance and NSC as well the draft of Company's activity programme and the budget project for the current year;
- k. Approves the conclusion of association agreements by the Company, by observing the exclusive competencies of the General Meeting of Shareholders in this respect;
- l. Incorporation or dissolution of one or several of Company's subsidiaries, representative offices, agencies, or any other secondary establishments of the Company as well as the incorporation of Company's branches;

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m. Other tasks established by the law in its competency.

17.2 The Directors are obliged to immediately report to NSC any legal document entered into by the Company and its Directors, employees, shareholders which control the Company, or entered by the Company and the persons related to the aforementioned, whose value represents at least the RON equivalent of 50,000 Euro.

The reports drafted according to this paragraph should mention any other information deemed necessary to identify the legal effects of such acts in respect to the financial situation of the Company.

17.3. Under the supervision of the Board of Directors, the Company will ensure all the necessary facilities and information in order to allow the shareholders to exercise the right granted by the shares held.

In this respect the Board of Directors has the obligation, according to the law, to:

- i. inform the shareholders on the call of the General Meeting of Shareholders, by observing the provisions of these ARTICLES OF INCORPORATION;
- ii. inform the public on the distribution and payment of dividends, on the issuance of new shares, including on the distribution, subscription, conversion waiving operation;
- iii. appoint a financial institution as payment agent of the Company, through which the shareholders may exercise their financial rights, except for the situation when the Company could provide these services by itself.

17.4. The Company, through its General Manager, will ensure that the reports provided under the law are drafted and sent to NSC and to the regulated market on which Company's shares are traded.

Chapter VI

EXECUTIVE MANAGERS. TECHNICAL MANAGERS. MANAGEMENT COMPANY

Art.18 Executive Managers. Technical Managers. Management Company

18.1. The Board of Directors entrusts the management of the Company to one or several Executive Managers, according to Article 143 of Law 31/1990, among which one is appointed General Manager of the Company. The Executive Managers are granted the possibility to expressly mandate a part of such prerogatives to technical managers empowered as per the policies applicable at Company level. The performance of Company's operations can also be entrusted to a management company, upon the proposal of the General Manager, subject to the approval of the Board of Directors.

18.2. The General Manager and the other Executive Managers benefit from a general mandate for representing the Company in front of third parties.

The Executive Managers can, in their turn, expressly delegate such prerogatives, within the limit of the next two levels of authority, observing the "Levels of Authority" internal procedure.

Company's technical managers will not be considered managers in the sense of Article 143 of Law 31/1990, but are only in charge with the performance of the activities. The technical managers are appointed based on the decision of the General Manager.

18.3. By concluding the Consultancy and Management Service Agreement with the Management Company, the latter and its representative or, as the case may be, the representatives appointed by the Management Company will acquire the capacity of manager within the Company. The relations between the Company and the management company and the representative thereof will be governed by the provisions of the consultancy and management service agreement and by the legal provisions.



**CHAPTER VII
MANAGEMENT OF THE COMPANY**

Art. 19 Financial auditor

19.1. The annual financial statements of the Company shall be audited by an external auditor, appointed by the General Meeting of Shareholders, according to the regulations regarding the financial audit.

19.2. The rights and obligations of the auditor shall be established by a services contract concluded between the Company and the auditor.

**CHAPTER VIII
ACTIVITY OF THE COMPANY**

Art.20 The economic-financial year

The economic-financial year starts on January 1st and ends on December 31st of each year. The first financial year starts at the date the Company is registered and ends on the 31st of December of the same year.

Art.21 Financial records

The Company shall keep its accounting records in RON, shall annually draw up the financial statements according to the Romanian legislation in force.

Art.22 Calculation and distribution of profit

22.1. The profit or the loss of the Company shall be determined based on the annual financial statements drafted in accordance with the legal provisions and approved by the General Meeting of Shareholders. The Company shall annually allocate at least 5% of its profits for the reserve fund, up to a level equal with minimum 20% of the share capital. The General Meeting of Shareholders may decide to establish other reserve funds.

22.2. Out of the profit, the Company can establish funds allocated to modernization, research and development of new products, investments, repairs, and other destinations established by the General Meeting of Shareholders.

22.3. The distribution of the net profit shall be made in accordance with the legal regulations, subject to the approval of the General Meeting of Shareholders.

22.4. The shareholders entitled to collect dividends and other rights, subject to the resolutions of the General Meeting of Shareholders shall be identified by the General Meeting of Shareholders according to the legal provisions in force. This date should be at least 10 working days further to the date of the General Meeting of Shareholders.

Once the dividends are settled, the General Meeting of Shareholders will settle the date for their payment to the shareholders, which can not be more than 6 months since the date of the General Meeting of Shareholders.

**Chapter IX
CHANGE OF THE LEGAL FORM, DISSOLUTION, LIQUIDATION, DISPUTES**

Art.23. Change of the legal form

The legal form of the Company may be changed subject to the decision of the General Meeting of Shareholders.

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Art. 24. The dissolution of the Company

- 24.1. The Company will be dissolved in the following cases:
- a) The Incapacity to fulfil the main object of activity of the Company;
 - b) The cancellation (annulment) of the Company;
 - c) The bankruptcy and insolvency of the Company;
 - d) The decrease of the number of shareholders below the legal minimum number, if the remaining shareholders do not decide on the change of Company's legal form;
 - e) As a consequence of a final, irrevocable and enforceable court decision;
 - f) In any other circumstances according to the Law or the resolution of the General Meeting of Shareholders.
- 24.2. Dissolution of the Company determines the commencement of the liquidation procedure.

Art.25. The liquidation of the Company

- 25.1 As a result of the dissolution, the Company will enter into the liquidation procedure.
- 25.2 One or more liquidators will perform the liquidation of the Company. At the date the liquidators are appointed, Directors' mandates cease, thus no longer being entitled to act in the name of the Company.
- 25.3 The General Meeting of Shareholders appoints the Liquidators. The Court may appoint the liquidators if the shareholders do not agree upon their appointment.
- 25.4 Liquidators' activity is supervised by financial auditors.
- 25.5 Liquidators undertake all Directors' responsibilities. As soon as they are appointed, the liquidators along-side with the Directors, have to draw up an inventory, evaluate the assets of the Company, to draw up a balance sheet reflecting the exact status of Company's rights and obligations and sign all documents mentioned above.
- 25.6 The liquidators have the obligation to receive and to keep all records and assets of the Company, entrusted to them by the Directors and to keep a record containing all the liquidation operations in chronological order.
- 25.7 In order to fulfil the mandate entrusted by the General Meeting of Shareholders, the liquidators will take all the necessary steps in order to keep the pending activities of the Company in progress, will cash in all of Company's receivables, and shall pay Company's debts and will undertake any operations needed to liquidate the Company.
- 25.8 Liquidators can represent the Company in front of the Court and may conclude transactions with the creditors.
- 25.9 The amounts of money obtained from liquidation shall be used with priority to pay privileged creditors and consequently the other creditors. The liquidators shall draw up the liquidation balance sheet and shall forward proposals for the distribution of the financial results (profits and losses) between the shareholders proportionally to their contribution to the Share capital.
- 25.10 After the liquidation process is concluded, the liquidators shall take all the measures in order to cancel the Company from the Trade Registry.

Art.26 Disputes

- 26.1. The Disputes generated by the contractual relationships of the Company with third parties, legal or natural persons, shall be settled, as the case may be, by the Arbitration Courts or the Courts mentioned in the contracts the dispute is related to or by competent Romanian Courts.
- 26.2. Solving of the labour conflicts between the Company and its employees, related to the conclusion, performance, amendment, suspension and termination of the individual employment agreements or, if the case may be, related to the collective labour agreements will be settled by the competent jurisdiction according to the Labour Code provisions.



Chapter X
FINAL PROVISIONS

Art. 27 The provisions of these ARTICLES OF INCORPORATION shall be supplemented by the provisions of: the Law 31/1990, the Law 297/2004 regarding capital markets, and the regulations issued by NSC as well as by any other current legal applicable provisions.

These up-dated articles of incorporation was drawn up in 4 counterparts, today, 27 April 2023.

ZENTIVA SA

By: **Simona Cocos**, *in capacity as general manager/ attorney in fact*

Către: *Consiliul de Administrație al Zentiva S.A.
Bld. Theodor Pallady nr. 50, Sector
3, 032266, București, România* **To:** *Board of Directors of Zentiva S.A.
50 Theodor Pallady Bd., 3rd District,
032266, Bucharest, Romania*

În atenția: *Dnei. Simona Cocoș, Director
General și Președinte al Consiliului
de Administrație* **Attn:** *Mrs. Simona Cocoș, General Manager
and Chairman of the Board of Directors*

*Dlui. Petru Ursache, Secretar al
Consiliului de Administrație* *Mr. Petru Ursache, Secretary of the
Board of Directors*

Subiect: *Demisie din poziția mea de membru
al Consiliului de Administrație, al
comitetului de audit și al comitetului
de remunerare al Zentiva S.A.* **Subject:** *Resignation from my position of
Member of the Board of Directors,
member of the audit committee and
member of the remuneration committee
of Zentiva S.A.*

Data: 10 februarie 2023 **Date:** 10 February 2023

Subsemnatul, **Kevin Joseph Clifford**, cetățean britanic, născut la data de 9 noiembrie 1968, în Eastbourne, Anglia, având domiciliul (locuința principală) în 15 Keaver Drive, Frimley, Surrey, Regatul Unit, Gu16 8AB, identificat cu pașaport nr. 532272776, emis de IPS, la data de 17 septembrie 2015, valabil până la data de 17 septembrie 2025,

The undersigned, **Kevin Joseph Clifford**, British citizen, born on 9 November 1968, in Eastbourne, England, having the domicile (main residence) in 15 Keaver Drive, Frimley, Surrey, Gu16 8AB, United Kingdom, identified with Passport no. 532272776, issued by IPS on 17 September 2015, valid until 17 September 2025,

în calitate de membru al consiliului de administrație al **Zentiva SA**, o societate pe acțiuni organizată și funcționând în conformitate cu legislația din România, având sediul social în București, bd. Theodor Pallady nr. 50, Sector 3, România, înregistrată la Registrul Comerțului sub nr. J40/363/1991, cod unic de înregistrare 336206 (**Societatea**),

in my capacity as member of the board of directors of **Zentiva SA**, a joint-stock company, organized and existing under the laws of Romania, with registered office at 50 Theodor Pallady Blvd., Sector 3, Bucharest, Romania, registered with the Bucharest Trade Commercial Registry under no. J40/363/1991, Sole Registration Code 336206 (**the Company**),

prin prezenta demisionez din poziția de membru al consiliului de administrație al Societății, precum și din orice alte poziții deținute în Societate, precum membru în comitetul de audit și membru în comitetul de remunerare al Societății.

I hereby resign from my position of member of the board of directors of the Company, as well as from any other position held in the Company, such as member of the audit committee and member of the remuneration committee of the Company.

Prin prezenta, confirm și recunosc că nu am niciun drept și nicio pretenție prezentă sau viitoare împotriva Societății, a oricărui afiliat al acesteia sau a societăților asociate cu aceasta, decurgând din sau în orice mod în legătură cu

I hereby confirm and acknowledge that I have no present or future right or claim whatsoever against the Company, or any of its affiliates or associated companies, arising from or in any way related to my mandate as member of the board of directors of the

mandatul meu de membru al consiliului de administrație al Societății sau cu orice altă poziție deținută în Societate, pentru evitarea oricărui dubiu inclusiv, dar fără limitare, în legătură cu încetarea acestui mandat.

Company or with any other position held in the Company, for the avoidance of any doubt including, but not limited to, in relation to the termination thereof.

Orice putere de reprezentare și/sau de semnătură pe care le dețin în numele și pe seama Societății încetează de la data la care prezenta scrisoare de renunțare la mandat produce efecte.

Any representation and/or signature authority that I have in the name and on behalf of the Company ceases upon this resignation letter coming into effect.

Având în vedere faptul că mi-am îndeplinit atribuțiile decurgând din calitatea mea de membru al consiliului de administrație al Societății și din orice alte poziții deținute în Societate, aș aprecia dacă ați putea solicita ca acționarii Societății, în cadrul Adunării Generale anuale privind aprobarea situațiilor financiare pentru anul 2022, să îmi acorde descărcarea completă de gestiune în legătură cu îndeplinirea sarcinilor mele de membru al consiliului de administrație al Societății până la sfârșitul mandatului meu din cadrul Societății.

Considering that I have accomplished my duties arising from the capacity as member of the board of directors of the Company and from any other positions held in the Company, I would appreciate it if you could kindly request that the shareholders of the Company grant full discharge of liability arising from my mandate as member of the board of directors of the Company up to the end of my mandate within the Company, within the annual General Meeting of the Shareholders for the approval of the 2022 financial statements.

Această scrisoare de renunțare la mandat va produce efecte de la data de 10 februarie 2023.

This resignation letter shall be effective as of 10 February 2023.

Autorizez Societatea să întreprindă toate acțiunile legale necesare pentru depunerea și înregistrarea acestei demisii la Registrul Comerțului din București sau la orice altă autoritate unde este necesară această înregistrare.

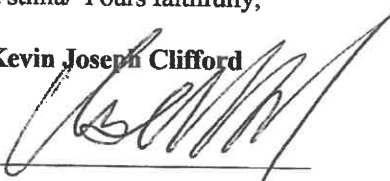
I hereby authorize the Company to take all legal actions required or necessary to file and register this resignation with the Bucharest Trade Registry or any other authority where such filing is required.

Prezenta scrisoare de renunțare la mandat, din data de 10 februarie 2023, este comunicată Societății și Societatea se poate baza pe această scrisoare

This resignation letter, dated 10 February 2023, is communicated to the Company and can be relied upon by it.

Cu stimă/ Yours faithfully,

Kevin Joseph Clifford



LIST of Company's Affiliates (entities within Zentiva group)

As of December 31, 2023

Company name	
AL	Zentiva Pharma Albania sh.p.k
AT	HERBST Trading GmbH
BA	Zentiva Pharma d.o.o.
BG	Zentiva Pharma Bulgaria EOOD
	Alvogen Pharma Trading Europe EOOD
	Zentiva Pivot EOOD
CY	ALVOGEN CYPRUS LIMITED
	RUTENGO INVESTMENTS LIMITED
CZ	Zentiva Group, a.s.
	Zentiva, k.s.
D	Zentiva Pharma GmbH
	Winthrop Arzneimittel GmbH
DK	Zentiva Denmark ApS
ES	Zentiva Spain, S.L.U.
F	Zentiva France
HR	Zentiva d.o.o.
HU	Rutengo Hungary Kft.
	Zentiva Pharma Kft
CH	Helvepharm AG
IN	Zentiva Private Limited
IT	Zentiva Italia S.r.l.
LU	AI Sirona (Luxembourg) Acquisition S.à r.l.

	AI Excalibur (Luxembourg) S.à r.l.
	Alvogen IPco S.à r.l. <i>(in liquidation)</i>
	Alvogen Balkans Luxembourg S.à r.l.
M	Alvogen Malta Operations ROW Holdings Ltd.
	Alvogen Malta Operations (ROW) Ltd.
MK	Zentiva Pharma Macedonia DOOEL Skopje
NL	Zentiva Netherlands B.V.
PL	Zentiva Polska Sp.z.o.o.
PT	Zentiva Portugal, Lda
RO	LaborMed-Pharma SA
	LaborMed Pharma Trading SRL
RS	Zentiva Pharma d.o.o
RU	Zentiva Pharma LLC
	Bittner Pharma LLC
SK	Zentiva, a.s.
	Zentiva International a.s.
SE	Zentiva Sweden AB
UA	Zentiva Ukraine LLC
UK	Zentiva Pharma UK Limited
	Creo Pharma Holdings Limited <i>(in liquidation)</i>
	Creo Pharma Limited <i>(in liquidation)</i>

LIST of legal entities that control the Company

Company name
Zentiva Group, a.s.
AI Sirona (Luxembourg) Acquisition S.à r.l.
AI Sirona(Luxembourg) Subco S.à.r.l.
AI Sirona (Luxembourg) Parent S.à.r.l.
AI Sirona & Cy S.C.A.
AI Sirona Midco & Cy S.C.A.
AI Sirona (Luxembourg) S.à.r.l.
AI Global Investments II & Cy S.C.A.
AI Sirona (Luxembourg) Holdings II S.à r.l.
AI Sirona (Luxembourg) Top Holding II S.à.r.l.
AI Sirona (Cayman) Limited
Advent Funds GPE VIII

The Company has no subsidiaries or entities under its controls.