



CONSOLIDATED REPORT 1st SEMESTER 2017

**of the Board of Administrators of
Farmaceutica REMEDIA SA**

Farmaceutica REMEDIA S.A.

Registered Office: Deva 330160, Str. Dorobantilor 43 Hunedoara
Branch office: Bucharest sector 4, Bld. Metalurgiei 78 Telephone/fax: +40 21 321 16 40
Telephone/fax: + 40 254 223 260 remedia@remedia.ro www.remedia.ro;
TRO J20/700/1991, CUI: R02115198; Share capital RON 10.608. 980
IBAN: RO 61 BTRL RON CRT 00G7133302 BANCA TRANSILVANIA Marriott Branch

CONSOLIDATED REPORT
1st SEMESTER 2017
according to the R.N.S.C. Regulation No. 1 / 2006
Date of the report 07.08.2017

Name of the commercial company : **Farmaceutica REMEDIA S.A.**

Subscribed share capital : 10.608.980 Lei
Paid-up share capital : 10.608.980 Lei
Registered office : **DEVA, Str. Dorobanților nr. 43, postal code 330160**

Tel./Fax. : **0254 22 32 60 / 0254 22 61 97**

No and date of registration with the Trade Register : **J20/700/25.07.1991**
Tax identification number : **RO2115198**

Securities : **RMAH shares**
(Registration certificate No. 1470/04.05.2009)

Type : **Common Nominative**
Date of registration : **17.03.1997**
Nominal value : **0,10 Lei**
Position in RNSC Register : **1636**
Total number : **106.089.800**
R.N.S.C. code of shares : **16368**

Lei

Registration	Date	Number of shares	Issue value
1	10.11.1999	3.370.107	337.010,70
2	06.09.2001	1.500.000	150.000,00
3	23.07.2003	42.402	4.240,20
4	05.01.2006	5.696.471	569.647,10
5	21.12.2007	87.905.969	8.790.596,90
6	08.04.2009	7.574.851	757.485,10
	TOTAL	106.089.800	10.608.980,00

The company is free for trading and is active at **the standard category of Bucharest Stock Exchange.**

The total market value as at 28.07.2017 is of 31.720.850,2 Lei

The value of a RMAH share was of 0,299 Lei. (on 28.07.2017)

1. General Information

The companies whose results were consolidated are Farmaceutica REMEDIA S.A. (FR) and Farmaceutica REMEDIA Distribution & Logistics S.R.L. (FRDL). Following the legislative enactments, starting with 01.01.2016, the wholesale distribution activities, as well as their related services were transferred from FR to FRDL, while FR will continue to operate the chain of 100 own pharmacies. FRDL is held 100 % by FR.

2. General description of the financial position and of the performances of the issuer and of its subsidiaries afferent to the 1st semester of 2017

Lei

Indicator	30.06.2017	30.06.2016	Variation %
FIXED ASSETS	38.997.103	40.043.272	-2,61
Intangible assets	7.789.832	8.170.301	-4,66
Tangible assets	30.455.103	30.749.759	-0,96
Financial assets	752.168	1.123.212	-33,03
CURRENT ASSETS	131.062.087	97.439.132	+34,51
Stocks	36.361.780	30.570.855	+18,94
Trade receivables*	83.194.993	53.419.555	+55,74
Other receivables	1.174.931	1.097.864	+7,02
Cash and bank	10.191.092	12.186.727	-16,38
Accrued expenses	139.291	164.131	-15,13
CURRENT LIABILITIES , out of which	127.114.752	96.247.445	+32,07
-suppliers	122.947.906	93.571.651	+31,39
-provisions	0	0	-
-bank loans**	0	0	-
LONG-TERM LIABILITIES	1.415.448	1.653.224	-14,38
- of which bank credits	0	0	
EQUITY CAPITAL	41.528.990	39.581.735	+4,92
share capital	10.608.980	10.608.980	-
capital premiums	757.485	757.485	-
reserves	28.057.758	28.150.603	-0,33
current result	1.317.395	177.294	+643,06
result carried forward	900.000	0	-
own shares	-112.628	-112.628	-

(*) including provisions for the depreciation of receivables

(**) The two companies (FR and FRDL) have a common total facility opened (credit line) of 3.200.000 EUR made available by Banca Transilvania.

On 30.06.2017, the two companies had constituted the following provisions:

Lei

Provisions for the depreciation of client receivables	3.577.171
Provisions for risks and expenses	0
Provisions for stocks depreciation	187.268
TOTAL PROVISIONS	3.764.439

Provisions for the depreciation of client receivables were constituted for balances older than 365 days, with zero or very low collection probability.

During the first semester of 2017, no new provisions were constituted, but provisions were reversed for the depreciation of receivables in the amount of 478.231 lei. The reversal of provisions did not influence the financial results of the period because the revenues were recorded to offset the removal of some clients with balance from the accounting records that were removed from the Trade Register by court order.

The consolidated financial result at the end of the 1st semester of 2017 indicates a **net profit of 1.317.395 Lei**.

Revenues from net sales of merchandise increased by 47,43 % as compared to the same period of last year, following the contribution brought by the increase in sales in the pharmacies opened in Bucharest, but especially following the increase in sales to other pharmacies of the Distribution division.

In what concerns total expenses, they have increased as compared to the same period of 2016 by 45,57%, below the recorded level of revenues (+46,81), as a result of strict cost control policy.

Lei

Indicator	30.06.2017	30.06.2016	Variation %
Net sales of goods *	156.747.074	106.316.444	+47,43
Other operating revenues	2.110.806	1.504.807	+40,27
Financial revenues, out of which:	167.600	501.111	-66,55
- exchange rate differences	20.381	498.536	-95,91
TOTAL REVENUES	159.025.480	108.322.362	+46,81
Goods related expenses (net) **	137.789.171	90.851.267	+51,66
Personnel costs	12.051.420	9.821.017	+22,71
Other operating expenses, out of which:	7.427.299	6.910.911	+7,47
- expenses with provisions	0	0	-
- Revenues from provisions	478.231	100.000	+378,23
Financial expenses, out of which:	92.380	515.673	-82,09
- exchange rate differences	21.833	506.102	-95,69
TOTAL EXPENSES	157.360.270	108.098.868	+45,57
Income tax	347.815	46.200	+652,85
NET RESULT	1.317.395	177.294	+643,06

(*) Including commercial discounts granted

(**) Including commercial discounts received

Business segments were not stopped or alienated during the analysed period. A repartition of the sale of goods on activity segments is presented as follows:
Lei - 1st semester 2017

Farmacii REMEDIA	44.068.444	27,98%
Distribution of Pharmacies & KA	75.163.830	47,72%
Distribution of Hospitals & Private Clinics	32.937.261	20,91%
Other operations	5.212.909	3,31%
Other sales	111.974	0,08%
Total	157.494.418	100,00 %

Financial statements on 30.06.2017 are not audited.

3. Changes that affect the share capital and the administration of the commercial company.

On 30.06.2017, the structure of Farmaceutica REMEDIA S.A. shareholding was the following:

Shareholder	Shares owned	%
TARUS Valentin Norbert	70.555.514	66,5055
PAVEL Ionica - Mirela	17686319	16,6711
NATURAL PERSONS	8.173.139	7,7040
LEGAL PERSONS	9.674.828	9,1195
TOTAL	106.089.800	100,00

The nominal value of a share remained unmodified to 0,1 lei since 5.12.1996. The rights of securities holders with Farmaceutica REMEDIA S.A. are unmodified.

The company is free to trading and is active at the standard category of the Bucharest Stock Exchange.

Starting with 01.05.2017, Farmaceutica REMEDIA S.A. is managed by a Board of Administrators composed of 5 members and namely:

1. Chairman of the Board of Administrators: "TARUS" - Valentin Norbert TARUS e.U. by TARUS Valentin - Norbert, an Austrian citizen, born on 20.03.1952 in Deva, identified with identity card issued by the Republic of Austria under No. 10184374;
2. Member of the Board of Administrators: CHIRITA Zoe, a Romanian citizen, born on 07.10.1954 in Bucharest, identified with identity card series RD No. 597851, PIN 2541007400082;
3. Member of the Board of Administrators: BANCIU Mircea, a Romanian citizen, born on 31.03.1965 in Brad, identified with identity card series HD No. 741486, PIN 1650331200019;
4. Member of the Board of Administrators: BACIU Ioan, a Romanian citizen, born on 11.03.1975 in Bacau, identified with identity card series RD No. 834003, PIN 1750311044451;
5. Member of the Board of Administrators: CHIVU Corina-Andreea, a Romanian citizen, born on 08.09.1988 in Bucharest, identified with identity card series RD No. 812126, PIN 2880908450018;

The mandate of the Administrators expires on 30.04.2018.

4. Own shares

On 30.06.2017 Farmaceutica REMEDIA S.A held a number of 300.100 own shares.

5. Signatures

Chairman of the Board of Administrators

"TARUS" - Valentin Norbert TARUS e.U. by TARUS Valentin – Norbert

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30-Jun-17	30-Jun-16
Fixed assets	38,997,103	40,043,272
Tangible assets	25,041,458	26,103,424
Investment property	5,413,646	4,646,335
Software licenses	137,260	43,020
Pharmaceutical licenses	7,652,572	8,127,281
Participations held in group companies	286,520	286,520
Participations held in companies outside the group	8,316	8,316
Financial assets	457,332	828,376
Current assets	130,922,796	97,275,001
Stocks	36,361,780	30,570,855
Trade receivables	83,194,993	53,419,555
Other receivables	1,174,931	1,097,864
Cash and cash equivalents	10,191,092	12,186,727
Accrued expenses	139,291	164,131
TOTAL ASSETS	170,059,190	137,482,404
EQUITIES AND LIABILITIES		
Equities	41,528,990	39,581,734
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	28,057,758	28,150,603
Current profit or loss (result)	1,317,395	177,294
Reported result	900,000	0
Reported result- retreading	-312,229	-312,229
Profit or loss (result) carried forward	0	0
Own shares	-112,628	-112,628
Non-current liabilities	1,415,448	1,653,224
Financial lease liabilities	142,311	327,062
Provisions	0	116,596
Deferred tax liabilities	1,273,137	1,209,566
Current liabilities	127,114,752	96,247,446
Bank loans	0	0
Financial lease liabilities	18,419	12,731
Suppliers and other similar liabilities	122,947,906	93,571,651
Provisions	0	0
Current tax liabilities	155,698	1,347
Other current liabilities	3,992,730	2,661,717
Total liabilities	128,530,200	97,900,670
TOTAL EQUITY AND LIABILITIES	170,059,190	137,482,404

CONSOLIDATED STATEMENT OF GLOBAL RESULT

	30-Jun-17	30-Jun-16
Net turnover	157,973,604	107,080,119
Revenues from sales of goods	157,494,418	107,011,497
Trade discounts granted	-747,344	-695,053
Revenues from services rendered and rents	1,226,529	763,675
Other operating revenues	884,277	741,132
OPERATING REVENUES - TOTAL	158,857,880	107,821,251
Material expenses	139,670,647	92,863,670
Goods-related expenses	140,285,299	93,738,098
Trade discounts received	-2,496,128	-2,886,831
Raw materials and consumable expenses	1,183,598	1,186,817
Other material expenses	107,453	274,072
Energy and water expenses	590,425	551,514
Staff expenses	12,051,420	9,821,017
Salaries and compensations	9,204,022	7,395,277
Social insurance and protection expenses	2,127,126	1,741,605
Other staff expenses	720,272	684,135
Depreciation and provisions	378,312	243,582
Depreciations	349,199	342,181
Net provisions	-478,231	-100,000
Losses from receivables	507,344	1,401
Other operating expenses	5,167,511	4,654,926
Outsourcing expenses	4,343,155	4,175,117
Other duties, taxes and similar levies expenses	256,461	314,022
Other expenses	567,895	165,787
OPERATING EXPENSES - TOTAL	157,267,890	107,583,195
OPERATING RESULT	1,589,991	238,056
Financial revenues	167,600	501,111
Interest revenues	3,232	2,576
Revenues from exchange rate differences	20,381	498,535
Revenues from dividends	0	0
Other revenues (discounts pay in advance)	143,987	0
Other revenues	0	0
Financial expenses	92,380	515,673
Interest expenses	23,698	9,571
Expenses from exchange rate difference	21,833	506,102
Other financial expenses	46,849	0
	0	0
FINANCIAL RESULT	75,220	-14,562
	159,025,480	108,322,362
TOTAL REVENUES	157,360,270	108,098,868

GROSS RESULT	1,665,210	223,494
Income tax	347,815	46,200
TOTAL NET PROFIT, of which distributable	1,317,395	177,294
shareholders	1,317,395	177,294
GLOBAL RESULT FOR THE PERIOD - TOTAL, of which distributable	1,317,395	177,294
shareholders	1,317,395	177,294
Earning per shares (ron)		
- basic	0.0124	0.0017
- diluted	0.0124	0.0017

Statement of changes in equity (ron)

	Share capital	legale reserves	Reevaluation reserves	Other reserves	Share premium	Retained earnings	Current income	Own shares	TOTAL
Balance on January 01,2017	10,921,209	1,435,539	15,320,656	11,547,194	757,485	-290,122	1,253,325	-112,628	40,832,658
Transfer profit 2016 (FR) to retained earnings						227,613	-227,613		0
Profit distribution 2016 (FR) on dividends						-227,613			-227,613
Transfer profit 2016 (FRDL) to retained earnings						1,127,683	-1,127,683		0
Profit Distribution 2016 (FRDL)				227,683		-727,683			-500,000
Result 2017							1,317,395		1,317,395
Cost / Revenue Restated 2016							101,971		101,971
Transfer from reserves to dividends (FR)				-473,314					-473,314
Redistribution of dividends FRDL-> FR						477,893			477,893
Balance at 30.06.2017	10,921,209	1,435,539	15,320,656	11,301,563	757,485	587,771	1,317,395	-112,628	41,528,990

* Including account 129 for profit distribution

TREASURY FLOWS STATEMENT (RON)

	30-Jun-17
Cash flows from operating activities	
Collections from the sales of goods and the provision of services	161,574,504
Other cash inflows	1,235,157
Payments to suppliers of goods and services	-153,075,790
Payments to and on behalf of employees (including taxes on salaries)	-11,090,034
Payments of profit tax	-351,418
Payments of other taxes and fees	-5,628,595
Interests paid	-19,237
Collected interests (current account)	3,232
Other cash outflows	-2,204,711
Total operating cash flow	-9,556,892
Cash flow from investment activities	
Collections from the sale of long-term assets and financial investments	938,925
Collected interests (from deposits)	0
Collected dividends	0
Payments for the purchase of long-term assets	-8,919
Total cash flow from investments	930,006
Cash flow from financing activities	
Draw-downs of short-term loans	4,300,000
Reimbursement of short-term loans	-4,300,000
Net differences in the exchange rate	3,097
Financing received from shareholders	0
Reimbursements of long-term loans, including interest	0
Payments to shareholders (dividends)	-670
Payments of own shares	0
Total cash flow from financing	2,427
Total cash flow	-8,624,459
Cash at the beginning of the period	18,815,551
Cash at the end of the period	10,191,092

NOTES

NOTE 1 INFORMATION ABOUT THE COMPANY

Farmaceutica REMEDIA S.A. («the Company») is a company with registered office in Deva, str. Dorobantilor nr. 43, Hunedoara County, Romania.

It was established in 25 July 1991 as a commercial company with fully state-owned capital by reorganisation of Oficiul Farmaceutic Deva. On 13.10.2000, V.TARUS RoAgencies S.R.L. has purchased from FPS the majority shares package (55.802 %). In January 2006, Farmaceutica REMEDIA S.A. merged by absorption with V.TARUS RoAgencies S.R.L.

According to the law 95/2006 republished in August 2015, commercial companies can no longer carry out at the same time wholesale and retail activities of drugs. (Art. 800 paragraph 2). Thus, Farmaceutica REMEDIA S.A. transferred to Farmaceutica REMEDIA Distribution & Logistics S.R.L., **a company owned 100%**, the wholesale distribution activities of drugs (by a network of 8 warehouses) together with related activities (logistical services, recordings, promotion and marketing of drugs, etc.), keeping the operation of the chain of 100 pharmacies and local distribution offices.

Thus, on 30.06.2017 Farmaceutica REMEDIA S.A. holds majority participations (100%) with the Farmaceutica REMEDIA Distribution & Logistics S.R.L. Company, former Sibmedica S.R.L. a company with suspended activity since 16.12.2013 and reactivated under the new name on 19.01.2015.

Following the change of the main activity object imposed by the laws above mentioned, the company was forced to buy back from the market (in 2015) a number of 300100 shares at a price of 0.3753 lei/share, a price established by an authorised assessor.

During the first semester of 2017, Farmaceutica REMEDIA S.A., did not participate in mergers.

During the same period, the company did not distribute assets of significant value. (buildings, lands, shares etc).

NOTE 2 BASES FOR DRAFTING THE FINANCIAL STATEMENTS

The financial statements of the company were drafted in compliance with the provisions of Order No. 1286/2012 for the approval of the Accounting regulations in compliance with the International Financial Reporting Standards (IFRS), adopted by the European Union, applicable to commercial companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications.

For the purpose of drafting these financial statements, in compliance with the legislative provisions in Romania, the functional currency of the company is considered to be the Romanian Leu (RON).

For all the periods until the year concluded on 31 December 2011, inclusive, the company prepared the financial statements in compliance with the Romanian Accounting Standards (RAS). The financial statements for the year concluded on 31 December 2012, are the first financial statements drafted in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements were drafted based on the historic cost, except for the buildings and lands which are assessed at their fair value (the market value determined by assessment by an expert evaluator). The historic cost is generally based on the fair value of the counterperformance carried out in exchange for the assets.

The company presents in the financial statements at the fair value all the asset and passive elements for which the assessment at the fair value is imposed, the methods used for its establishment being inventory and revaluation (IFRS 13).

The company does not have financial statements which would involve the use of other fair value estimation methods.

Certain amounts from the financial position statement, the global result statement, as well as from the explanatory notes were reclassified to ensure comparability between previous years and the current year.

Preparation of the IFRS financial statements involves the use by the management of professional judgments, estimations and hypotheses that may affect the application of the accounting policies and the reported value of assets, debts, incomes and expenses. Under these conditions, the actual results may differ from the estimated values. Estimates and hypotheses that are based on them are periodically reviewed. The review of accounting estimates is recognised during the period in which the estimate was reviewed and in the future periods affected. The following are critical professional judgments / reasoning which the Company management made with a significant impact on the values recognized in the financial statements:

- Lifespan of fixed assets
- Deferred taxes
- Provisions
- Segment reporting

The company holds participations in other companies, in one of them having the control over the financial and operational policies. An entity is consolidated if, based on the assessment of its relations with the Company, it is found that it is controlled by the Company.

The companies whose financial statements are consolidated are:

- Farmaceutica REMEDIA S.A.
- Farmaceutica REMEDIA Distribution & Logistics S.R.L.

Starting with 2012, for the class of tangible assets « Lands and buildings », the Company passed from the cost-based accounting model to the reassessment model.

The financial statements on 30.06.2017 were not audited by the independent financial auditor.

NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2017 – 30.06.2017 the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

Nr. Crt	Indicator	Realizari ian-iun 2017 (Lei)	Realizari ian-iun 2016 (Lei)	Evolutietie 2017/2016 (%)
1.	Net sales of goods *	156.747.074	106.316.444	+47,43
2.	Other operating revenues	2.110.806	1.504.807	+40,27
3.	Total operating revenues	158.857.880	107.821.251	+47,33
4.	Total operating costs *	157.267.890	107.583.195	+46,18
5.	Operating result	1.589.991	238.056	+567,91
6.	Financial result	75.220	-14.562	
7.	Gross result	1.665.210	223.494	+645,08

* Including commercial discounts granted/received

“Other operating revenues” nly comprise the following categories of revenues:

- logistic services
- rents
- clinical studies
- marketing services
- sales of assets
- other services

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

Economic-financial indicators
30.06.2017

Lei

LIQUIDITY AND WORKING CAPITAL	FR	FRDL
Current liquidity (Current assets / Current debts)	1,1	1,01
Current assets	27.023.878	119.490.677
Current debts	24.502.752	118.561.222
Degree of indebtedness (Borrowed capital / Equity x 100)	0%	10,98%
Borrowed capital	0	160.730
Equity	39.617.967	1.464.151
Turnover speed for client debit items (Average customer balance /turnover * 180)	30 days	118 days
Average customer balance	7.380.230	88.927.826
Net turnover	45.108.384	136.429.714
Turnover speed of stocks (average stock/ net COGS)*180	64 days	34 days
Stoc mediu	12.126.682	24.076.565
COGS net	34.006.021	126.681.364

*including financial leasing

Notes:

¹⁾ **Current liquidity** – indicator level reflects a good payment capacity, therefore a reduced risk for creditors, certifying that the companies are capable of covering their short-term liabilities based on receivables and cash availability.

²⁾ **Degree of indebtedness** expresses the effectiveness of credit risk management, indicating potential financing, liquidity problems, with influences in honouring the assumed commitments. In the case of FR, there is no risk, while for FRDL, the value of the indicator indicates a low risk. In the calculation of this indicator, the borrowed capital comprises both bank credits, and financial leasing debts.

³⁾ **Turnover speed for client debit items** expresses company effectiveness in collecting its receivables, respectively the number of days until the date on which debtors pay their debts to the company. Considering the dynamics of sales and the specific of collecting receivables in the distribution of drugs, we believe that the value of the indicator is normal for both companies, under the circumstances.

⁴⁾ The value of the **No. of storage days** indicator (64 days) can be considered that it falls within the specifics of the activity, exceeding the limit imposed by the internal procedures of the company (45 days) in the case of FR.

Farmaceutica REMEDIA S.A.

Chairman of the Board of Administrators
"TARUS" Valentin Norbert TARUS e.U.
by representative
Valentin Norbert TARUS

Financial Director
Robert PELOIU



UNCONSOLIDATED REPORT 1ST SEMESTER 2017

**of the Board of Administrators of
Farmaceutica REMEDIA SA**

Farmaceutica REMEDIA S.A.

Registered Office: Deva 330160, Str. Dorobantilor 43, Hunedoara County, Telephone/fax: + 40 254 223 260

Branch Office: Bucharest, 041836, sector 4, Bld. Metalurgiei 78, Telephone/fax: + 40 213 211 640

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UNCONSOLIDATED REPORT
1ST SEMESTER 2017
according to the R.N.S.C. Regulation No. 1 / 2006
Date of the report 07.08.2017

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 Total number : **106.089.800**
 R.N.S.C. code of shares : **16368**

Lei

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The value of a RMAH share was of 0,299 Lei. (on 28.07.2017)

1. General Information

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According to the law 95/2006 republished in August 2015, commercial companies can no longer carry out at the same time wholesale and retail activities of drugs. (Art. 800 paragraph 2). In this context, Farmaceutica REMEDIA S.A. transferred to Farmaceutica REMEDIA Distribution & Logistics S.R.L., **a company owned 100%**, the wholesale distribution activities of drugs (by a network of 8 warehouses) together with related activities (logistical services, recordings, promotion and marketing of drugs, etc.), keeping the operation of the chain of 100 pharmacies and local distribution offices.

Thus, on 30.06.2017, Farmaceutica REMEDIA S.A. holds majority participations (100%) with the Farmaceutica REMEDIA Distribution & Logistics S.R.L. Company, former Sibmediaca S.R.L., a company with suspended activity since 16.12.2013 and reactivated under the new name on 19.01.2015.

Following the change of the main activity object imposed by the laws above mentioned, the company was forced to buy back from the market (in 2015) a number of 300.100 shares at a price of 0.3753 lei/share, a price established by an authorised assessor.

In the first semester of 2017, Farmaceutica REMEDIA S.A. did not participate in mergers.

During the same period, the company recorded the pharmacy licence from Cluj Napoca following constant losses recorded by the pharmacy operating this licence.

2. **General description of the financial position and of the performances of the issuer and of its subsidiaries afferent to the 1st semester of 2017**

Lei

Indicator	30.06.2017	30.06.2016	Variation %
FIXED ASSETS	38.322.895	38.908.716	-1,50
Intangible assets	7.682.248	8.163.980	-5,90
Tangible assets	30.059.992	30.140.301	-0,27
Financial assets	580.655	604.435	-3,93
CURRENT ASSETS	27.070.961	33.014.284	-18,00
Stocks	12.252.089	9.237.774	+32,63
Trade receivables*	6.902.779	15.958.848	-56,75
Other receivables	176.890	580.861	-69,55
Cash and bank	7.692.120	7.097.162	+8,38
Accrued expenses	47.083	139.639	-66,28
CURRENT LIABILITIES, out of which	24.502.752	30.941.970	-20,81
Suppliers	22.068.990	29.393.022	-24,92
Provisions	0	0	1.
Bank loans**	0	0	2.
LONG-TERM	1.273.137	1.326.162	-3,99

LIABILITIES			
-of which bank credits	0	0	3.
EQUITY CAPITAL	39.617.967	39.654.869	-0,09
share capital	10.608.980	10.608.980	-
capital premiums	757.485	757.485	-
reserves	27.828.787	28.149.315	-1,14
current result	535.343	251.716	+112,68
result carried forward	0	0	4.
own shares	-112.628	-112.628	-

(*) including provisions for the depreciation of receivables

(**) The companies (FR and FRDL) have a common total facility opened (credit line) of 3.200.000 EUR made available by Banca Transilvania.

On 30.06.2017 the company had constituted the following provisions:

Lei

Provisions for the depreciation of client receivables	3.493.330
Provisions for risks and expenses	0
Provisions for stocks depreciation	0
TOTAL PROVISIONS	3.493.330

Provisions for the depreciation of client receivables were constituted for balances older than 365 days, with zero or very low collection probability. These provisions were constituted during the period 2009 – 2014.

During the first semester of 2017, no new provisions were constituted, but provisions were reversed for the depreciation of receivables in the amount of 478.231 lei. The reversal of provisions did not influence the financial results of the period because the revenues were recorded to offset the removal of some clients with balance from the accounting records that were removed from the Trade Register by court order.

The financial result at the end of the 1st semester of 2017 indicated a **net profit of 535.343 Lei.**

Revenues from net sales of merchandise increased by 5,4%, as compared to the same period of last year, following the contribution brought by the increase in sales in the pharmacies opened in Bucharest.

In what concerns total expenses, they have increased as compared to the same period of 2016 by 3,51%, below the recorded level of revenues, as a result of strict cost control policy.

Lei

Indicator	30.06.2017	30.06.2016	Variation %
Net sales of goods *	44.065.085	41.807.704	+5,40
Other operating revenues	1.890.192	1.842.110	+2,61
Financial revenues, out of which:	97.556	441.825	-77,92
2. exchange rate differences	2.800	440.688	-99,36
TOTAL	46.052.833	44.091.639	+4,45

REVENUES			
Goods related expenses (net) **	34.006.021	32.602.649	+4,30
Personnel costs	7.139.532	6.552.769	+8,95
Other operating expenses, out of which:	4.188.782	4.181.326	+0,18
3. expenses with provisions	0	0	4.
5. Revenues from provisions	478.231	100.000	+378,23
Financial expenses, out of which:	8.427	466.900	-98,20
6. exchange rate differences	203	461.014	-99,96
TOTAL EXPENSES	45.342.762	43.803.644	+3,51
Income tax	174.728	36.279	+381,62
NET RESULT	535.343	251.716	+112,68

(*) Including commercial discounts granted

(**) Including commercial discounts received

Business segments were not stopped or alienated during the analysed period. A repartition of the sale of goods on areas is presented as follows:

Lei – 1st semester 2017

West	23.350.824	52,99%
Bucharest	8.594.738	19,50%
Centre	6.761.311	15,34%
South/West	5.297.169	12,02%
Other sales	64.402	0,15%
Total	44.068.444	100,00 %

Financial statements on 30.06.2017 are not audited.

3. Changes that affect the share capital and the administration of the commercial company.

On 30.06.2017, the structure of Farmaceutica REMEDIA S.A. shareholding was the following:

Shareholder	Shares owned	%
TARUS Valentin Norbert	70.555.514	66,5055
PAVEL Ionica - Mirela	17.686.319	16,6711
NATURAL PERSONS	8.173.139	7,7040
LEGAL PERSONS	9.674.828	9,1195
TOTAL	106.089.800	100,00

The nominal value of a share remained unmodified to 0,1 lei since 5.12.1996. The rights of securities holders with Farmaceutica REMEDIA S.A. are unmodified.

The company is free to trading and is active at the standard category of the Bucharest Stock Exchange.

Starting with 01.05.2017, Farmaceutica REMEDIA S.A. is managed by a Board of Administrators composed of 5 members and namely:

1. Chairman of the Board of Administrators: "TARUS" - Valentin Norbert TARUS e.U. by TARUS Valentin - Norbert, an Austrian citizen, born on 20.03.1952 in Deva, identified with identity card issued by the Republic of Austria under No. 10184374;
2. Member of the Board of Administrators: CHIRITA Zoe, a Romanian citizen, born on 07.10.1954 in Bucharest, identified with identity card series RD No. 597851, PIN 2541007400082;
3. Member of the Board of Administrators: BANCIU Mircea, a Romanian citizen, born on 31.03.1965 in Brad, identified with identity card series HD No. 741486, PIN 1650331200019;
4. Member of the Board of Administrators: BACIU Ioan, a Romanian citizen, born on 11.03.1975 in Bacau, identified with identity card series RD No. 834003, PIN 1750311044451;
5. Member of the Board of Administrators: CHIVU Corina-Andreea, a Romanian citizen, born on 08.09.1988 in Bucharest, identified with identity card series RD No. 812126, PIN 2880908450018;

The mandate of the Administrators expires on 30.04.2018.

4. Own shares

On 30.06.2017 Farmaceutica REMEDIA S.A held a number of 300.100 own shares.

5. Signatures

Chairman of the Board of Administrators

"TARUS" - Valentin Norbert TARUS e.U. by TARUS Valentin - Norbert

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30-Jun-17	30-Jun-16
ASSETS		
Fixed assets	38,322,895	38,908,716
Tangible asstes	24,646,347	25,493,965
Investment property	5,413,646	4,646,335
Software licenses	29,676	36,699
Pharmaceutical licenses	7,652,572	8,127,281
Participations held in group companies	289,320	289,320
Participations held in companies outside the group	8,316	8,316
Financial assets	283,019	306,800
Current assets	27,023,878	32,874,645
Stocks	12,252,089	9,237,774
Trade receivables	6,902,779	15,958,848
Other receivables	176,890	580,861
Cash and cash equivalents	7,692,120	7,097,162
Accrued expenses	47,083	139,639
TOTAL ASSETS	65,393,856	71,923,000
EQUITIES AND LIABILITIES		
Equities	39,617,967	39,654,868
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	27,828,787	28,149,315
Current profit or loss (result)	535,343	251,716
Reported result	0	0
Reported result- retreading	-312,229	-312,229
Profit or loss (result) carried forward	0	0
Own shares	-112,628	-112,628
Non-current liabilities	1,273,137	1,326,162
Financial lease liabilities	0	0
Provisions	0	116,596
Deferred tax liabilities	1,273,137	1,209,566
Current liabilities	24,502,752	30,941,970
Bank loans	0	0
Financial lease liabilities	0	0
Suppliers and other similar liabilities	22,068,990	29,393,022
Provisions	0	0
Current tax liabilities	88,757	0
Other current liabilities	2,345,005	1,548,948
Total liabilities	25,775,889	32,268,132
TOTAL EQUITY AND LIABILITIES	65,393,856	71,923,000

UNCONSOLIDATED STATEMENT OF GLOBAL RESULT

	30-Jun-17	30-Jun-16
Net turnover	45,108,384	42,908,894
Revenues from sales of goods	44,068,444	41,900,688
Trade discounts granted	-3,359	-92,984
Revenues from services rendered and rents	1,043,300	1,101,190
Other operating revenues	846,892	740,920
OPERATING REVENUES - TOTAL	45,955,277	43,649,814
Material expenses	34,781,823	33,596,302
Goods-related expenses	34,548,992	33,274,559
Trade discounts received	-542,971	-671,910
Raw materials and consumable expenses	338,745	395,750
Other material expenses	41,294	219,825
Energy and water expenses	395,763	378,078
Staff expenses	7,139,532	6,552,769
Salaries and compensations	5,409,865	4,912,326
Social insurance and protection expenses	1,251,679	1,159,699
Other staff expenses	477,988	480,744
Depreciation and provisions	197,085	214,198
Depreciations	168,008	312,797
Net provisions	-478,231	-100,000
Losses from receivables	507,308	1,401
Other operating expenses	3,215,895	2,973,475
Outsourcing expenses	2,541,049	2,532,794
Other duties, taxes and similar levies expenses	184,359	290,815
Other expenses	490,488	149,866
OPERATING EXPENSES - TOTAL	45,334,336	43,336,744
OPERATING RESULT	620,941	313,070
Financial revenues	97,556	441,825
Interest revenues	2,893	1,137
Revenues from exchange rate differences	2,800	440,688
Revenues from dividends	0	0
Other revenues (discounts pay in advance)	91,864	0
Other revenues	0	0
Financial expenses	8,427	466,900
Interest expenses	0	5,886
Expenses from exchange rate difference	203	461,014
Other financial expenses	8,224	0
	0	0
FINANCIAL RESULT	89,130	-25,075
TOTAL REVENUES	46,052,833	44,091,639
TOTAL EXPENSES	45,342,762	43,803,644

GROSS RESULT	710,071	287,995
Income tax	174,728	36279
TOTAL NET PROFIT, of which distributable	535,343	251,716
shareholders	535,343	251,716
GLOBAL RESULT FOR THE PERIOD - TOTAL, of which distributable	535,343	251,716
shareholders	535,343	251,716
Earning per shares (ron)		
- basic	0.0050	0.0024
- diluted	0.0050	0.0024

Statement of changes in equity (ron) - unconsolidated

	Share capital	legale reserves	Reevaluation reserves	Other reserves	Share premium	Retained earnings	Current income	Own shares	TOTAL
Balance on January 01,2017	10,921,209	1,434,979	15,320,656	11,546,467	757,485	-312,229	227,613	-112,628	39,783,552
Transfer profit 2016 to retained earnings						227,613	-227,613		0
Profit distribution 2016 on dividends						-227,613			-227,613
Result 2017							535,343		535,343
Transfer from reserves to dividends				-473,314					-473,314
Balance at 30.06.2017	10,921,209	1,434,979	15,320,656	11,073,153	757,485	-312,229	535,343	-112,628	39,617,968

* Including account 129 for profit distribution

TREASURY FLOWS STATEMENT (RON) – unconsolidated

Cash flows from operating activities	
Collections from the sales of goods and the provision of services	48,989,724
Other cash inflows	1,018,687
Payments to suppliers of goods and services	-49,853,524
Payments to and on behalf of employees (including taxes on salaries)	-6,404,563
Payments of profit tax	-49,905
Payments of other taxes and fees	-1,238,152
Interests paid	0
Collected interests (current account)	2,893
Other cash outflows	-2,024,915
Total operating cash flow	-9,559,755
Cash flow from investment activities	
Collections from the sale of long-term assets and financial investments	938,925
Collected interests (from deposits)	
Collected dividends	0
Payments for the purchase of long-term assets	-8,919
Total cash flow from investments	930,006
Cash flow from financing activities	
Draw-downs of short-term loans	0
Reimbursement of short-term loans	0
Net differences in the exchange rate	2,409
Financing received from shareholders	0
Reimbursements of long-term loans, including interest	0
Payments to shareholders (dividends)	-670
Payments of own shares	0
Total cash flow from financing	1,739
Total cash flow	-8,628,010
Cash at the beginning of the period	16,320,130
Cash at the end of the period	7,692,120

NOTES – unconsolidated

NOTE 1 INFORMATION ABOUT THE COMPANY

Farmaceutica REMEDIA S.A. («the Company») is a company with registered office in Deva, str. Dorobantilor nr. 43, Hunedoara County, Romania.

It was established in 25 July 1991 as a commercial company with fully state-owned capital by reorganisation of Oficiul Farmaceutic Deva. On 13.10.2000, V.TARUS RoAgencies S.R.L. has purchased from FPS the majority shares package (55.802 %). In January 2006, Farmaceutica REMEDIA S.A. merged by absorption with V.TARUS RoAgencies S.R.L.

According to the law 95/2006 republished in August 2015, commercial companies can no longer carry out at the same time wholesale and retail activities of drugs. (Art. 800 paragraph 2). Thus, Farmaceutica REMEDIA S.A. transferred to Farmaceutica REMEDIA Distribution & Logistics S.R.L., **a company owned 100%**, the wholesale distribution activities of drugs (by a network of 8 warehouses) together with related activities (logistical services, recordings, promotion and marketing of drugs, etc.), keeping the operation of the chain of 100 pharmacies and local distribution offices.

Thus, on 30.06.2017 Farmaceutica REMEDIA S.A. holds majority participations (100%) with the Farmaceutica REMEDIA Distribution & Logistics S.R.L. Company, former Sibmediaca S.R.L., a company with suspended activity since 16.12.2013 and reactivated under the new name on 19.01.2015.

Following the change of the main activity object imposed by the laws above mentioned, the company was forced to buy back from the market (in 2015) a number of 300100 shares at a price of 0.3753 lei/share, a price established by an authorised assessor.

During the first semester of 2017, Farmaceutica REMEDIA S.A., did not participate in mergers.

During the same period, the company did not distribute assets of significant value. (buildings, lands, shares etc).

NOTE 2 BASES FOR DRAFTING THE FINANCIAL STATEMENTS

The financial statements of the company were drafted in compliance with the provisions of Order No. 1286/2012 for the approval of the Accounting regulations in compliance with the International Financial Reporting Standards (IFRS), adopted by the European Union, applicable to commercial companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications.

For the purpose of drafting these financial statements, in compliance with the legislative provisions in Romania, the functional currency of the company is considered to be the Romanian Leu (RON).

For all the periods until the year concluded on 31 December 2011, inclusive, the company prepared the financial statements in compliance with the Romanian Accounting Standards (RAS). The financial statements for the year concluded on 31 December 2012, are the first financial statements drafted in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements were drafted based on the historic cost, except for the buildings and lands which are assessed at their fair value (the market value determined by assessment by an expert evaluator). The historic cost is generally

based on the fair value of the counterperformance carried out in exchange for the assets.

The company presents in the financial statements at the fair value all the asset and passive elements for which the assessment at the fair value is imposed, the methods used for its establishment being inventory and revaluation (IFRS 13).

The company does not have financial statements which would involve the use of other fair value estimation methods.

Certain amounts from the financial position statement, the global result statement, as well as from the explanatory notes were reclassified to ensure comparability between previous years and the current year.

Preparation of the IFRS financial statements involves the use by the management of professional judgments, estimations and hypotheses that may affect the application of the accounting policies and the reported value of assets, debts, incomes and expenses. Under these conditions, the actual results may differ from the estimated values. Estimates and hypotheses that are based on them are periodically reviewed. The review of accounting estimates is recognised during the period in which the estimate was reviewed and in the future periods affected. The following are critical professional judgments / reasoning which the Company management made with a significant impact on the values recognized in the financial statements:

- Lifespan of fixed assets
- Deferred taxes
- Provisions
- Segment reporting

The company holds participations in other companies, in one of them having the control over the financial and operational policies.

Starting with 2012, for the class of tangible assets « Lands and buildings », the Company passed from the cost-based accounting model to the reassessment model.

The financial statements on 30.06.2017 were not audited by the independent financial auditor.

NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2017 – 30.06.2017 the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Nr. Crt.	Indicator	Realisations January-June 2017 (Lei)	Realisations January-June 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	44.065.085	41.807.704	+5,40%
2.	Other operating revenues	1.890.192	1.842.110	+2,61%
3.	Total operating revenues	45.955.277	43.649.814	+5,28%
4.	Total operating costs *	45.334.336	43.336.744	+4,61%
5.	Operating result	620.941	313.070	+98,34%
6.	Financial result	89.130	-25.075	
7.	Gross result (profit)	710.071	287.995	+146,56%

* Including commercial discounts granted/received

“Other operating revenues”, in 2017, y comprise the following categories of revenues:

- collected rents – 44,2 % from “other operating revenues”

- marketing services – 10,58%
- sales of assets – 42,28%

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	30.06.2017	30.06.2016
Current liquidity (Current assets / Current debts)	1,1	1,06
Current assets	27.023.878	32.874.645
Current debts	24.502.752	30.941.970
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%	0,00%
Borrowed capital	0	0
Equity	39.617.967	39.654.868
Turnover speed for client debit items (Average customer balance /turnover)*180	30 days	158 days
Average customer balance	7.380.230	37.724.544
Net turnover	45.108.384	42.908.894
Turnover speed of stocks (average stock balance /cogs)* 180	64 days	50 days
Average stock balance	12.126.682	92.225.036
COGS net	34.006.021	33.274.559
Notes:		
<p>1) Current liquidity – indicator level reflects a good payment capacity, therefore a reduced risk, certifying that the company is capable of covering its short-term liabilities based on receivables and cash availability.</p>		
<p>2) Degree of indebtedness expresses the effectiveness of credit risk management, indicating potential financing, liquidity problems, with influences in honouring the assumed commitments. There is no risk in this respect.</p>		
<p>3) Turnover speed for client debit items expresses company effectiveness in collecting its receivables, respectively the number of days until the date on which debtors pay their debts to the company.</p>		
<p>4) value of the No. of storage days indicator (64 days) can be considered that it falls within the specifics of the activity, exceeding the limit imposed by the internal procedures of the company.</p>		

Impozit pe profit – Income tax
Profit net – Net profit

*include sumele nealocate – includes unallocated amounts

Farmaceutica REMEDIA S.A.

Chairman of the Board of Administrators
“TARUS” Valentin Norbert TARUS e.U.

Financial Director
Robert PELOIU

by representative

Valentin Norbert TARUS

Statement officials of the company Farmaceutica Remedia SA reports 2017 first half

According to legal provisions on issuers and securities operations, the undersigned, as the person responsible within the company Farmaceutica Remedia SA my knowledge, declare the following:

1. Financial statements - individual and consolidated half-yearly accounts for the first half of 2017, prepared in accordance with applicable accounting standards, give a fair and accurate financial position and comprehensive income of the company Farmaceutica Remedia SA
2. Reports of the Board of Directors (individual and consolidated) comprise a proper analysis of the development and performance of the issuer and a description of the principal risks and uncertainties specific to the activity.

function	NAME
Chairman of the Board	„TARUS” – Valentin Norbert TARUS e.U., <i>reprezentat prin Valentin-Norbert TARUS</i>
Member of the Board, CEO	Zoe CHIRIȚĂ
Member of the Board, non-executive, independent	Mircea BANCIU
Member of the Board, non-executive, independent	Ioan BACIU
Member of the Board	Corina-Andreea CHIVU
CFO	Robert-Mihail PELOIU

Bucharest, 08.08.2017