



CONSOLIDATED REPORT FOR THE 3rd QUARTER OF 2017

**Board of Administrators of
Farmaceutica REMEDIA S.A.**

Farmaceutica REMEDIA S.A.

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

Branch office: Bucharest, 041836, sector 4, Bld. Metalurgiei 78, Telefon/fax: + 40 213 211 640
remedia@remedia.ro, www.remedia.ro

Trade Register J20/700/1991, TIN: RO2115198; Share capital: RON 10.608.980

IBAN: RO33 RZBR 0000 0600 0266 5747, Raiffeisen Unirii, Bucharest

**Consolidated REPORT for the 3rd quarter of 2017
According to the RNSC Regulation No. 1/2006**

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 43, pc 330160**
Tel./fax.: **+40 254 223 260, +40 254 226 197**
No. and date of registration
with the Trade Register Office: **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 the RNSC Register: **1636**
Total number: **106.089.800**
RNSC code of shares: **16368**

Registration	Date	Number of shares	Issue value
1	10.11.1999	3.370.107	337.010.70 Lei
2	06.09.2001	1.500.000	150.000,00 Lei
3	23.07.2003	42.402	4.240,20 Lei
4	05.01.2006	5.696.471	569.647,10 Lei
5	21.12.2007	87.905.969	8.790.596,90 Lei
6	08.04.2009	7.574.851	757.485,10Lei
	TOTAL	106.089.800	10.608.980,00 Lei

Organised market on which securities are traded:
Bucharest Stock Exchange – Standard category
Total market value on 30.10.2017 is of 32.463.479 Lei
The value of a RMAH share is of 0,306 Lei. (on 30.10.2017)

1. Significant events to report

During the period 01.01.2017 – 30.09.2017, there were no significant events that would have a particular impact on the financial position of the company Farmaceutica REMEDIA S.A.

2. General description of the financial position and of the issuer's performances and of its branches afferent to the 3rd quarter of 2017

During the period 01.01.2017 – 30.09.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	243.487.219	172.690.600	+41,00
2.	Other operating revenues	2.962.835	2.136.603	+38,67
3.	Total operating revenues	246.450.054	174.827.203	+40,97
4.	Total operating costs *	242.941.459	174.479.516	+39,24
5.	Operating result	3.508.595	347.686	+1.009,13
6.	Financial result	120.046	-8.341	
7.	Gross result (profit)	3.628.641	339.345	+1.069,31

* Including commercial discounts granted/received

A repartition of the sales of goods per segments of activity is presented as follows:

Lei

REMEDIA Pharmacies	65.053.216	26,56%
Pharmacies Distribution	70.948.729	28,97%
Hospitals & Private Clinics Distribution	54.754.379	22,35%
Warehouses Distribution	45.202.504	18,45%
Other operations	8.761.355	3,58%
Other sales	227.813	0,09%
Total	244.947.996	100,00 %

"Other operating revenues" mainly comprise the following categories of revenues:

- collected rents
- marketing services
- assets sales
- logistic services
- other services

3. Financial statements on 30.09.2017 were not audited by the independent financial auditor.

Economic-financial indicators 30.09.2017

Lei

LIQUIDITY AND WORKING CAPITAL	FR	FRDL
Current liquidity (Current assets / Current debts)	1,1	1,02
Current assets	27.962.250	137.167.881
Current debts	24.864.231	134.838.000
Degree of indebtedness (Borrowed capital / Equity x 100)	0%	4,24%
Borrowed capital*	0	131.650
Equity	40.158.239	3.103.842
Turnover speed for client debit items (Average customer balance /turnover*180)	28 days	113 days
Average customer balance	6.886.661	90.527.182
Net turnover	66.709.763	215.918.032
Turnover speed of stocks (average stock/net COGS)*180	66 days	36 days
Average stock	12.274.290	26.313.565
Net COGS	50.357.922	199.429.737

*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 indicator value indicates a low risk. In the calculation of this indicator, the borrowed capital comprises both bank credits, and debts from the financial leasing.

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 a normal one for both companies, under the circumstances.

⁴⁾ The value of the **No. of storage days** (66 days) indicator can be considered to fall within the specifics of the activity, exceeding the limit imposed by the internal procedures of the company (45 days) in the case of FR.

Chairman of the Board of Administrators – „TARUS” – Valentin Norbert Tarus e.U.

Financial Director– Robert Mihail PELOIU

10.11.2017

Farmaceutica REMEDIA S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ON SEPTEMBER 30st 2017
(all the sums are expressed in RON unless otherwise specified)

	30-Sep-17	30-Sep-16
ASSETS		
Fixed assets	38,993,549	39,641,912
Tangible asstes	25,068,832	26,063,087
Investment property	5,413,646	4,646,335
Software licenses	116,497	58,001
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	447,168	452,372
Current assets	147,571,061	111,901,262
Stocks	46,231,934	31,606,311
Trade receivables	85,422,814	63,216,604
Other receivables	1,446,301	1,201,227
Cash and cash equivalentents	14,470,012	15,877,120
Accrued expenses	237,477	91,069
TOTAL ASSETS	186,802,087	151,634,243
EQUITIES AND LIABILITIES		
Equities	43,183,879	39,660,643
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	28,057,758	28,150,604
Current profit or loss (result)	2,972,284	234,095
Reported result	900,000	22,107
Reported result- retreading	-312,229	-312,229
Profit or loss (result) carried forward	0	0
Own shares	-112,628	-112,628
Non-current liabilities	1,399,645	1,608,156
Financial lease liabilities	126,509	281,994
Provisions	0	116,596
Deferred tax liabilities	1,273,137	1,209,566
Current liabilities	142,218,563	110,365,444
Bank loans	0	0
Financial lease liabilities	5,141	0

Suppliers and other similar liabilities	138,712,225	107,594,244
Provisions	0	0
Current tax liabilities	310,514	59,050
Other current liabilities	3,190,682	2,712,150
Total liabilities	143,618,208	111,973,600
TOTAL EQUITY AND LIABILITIES	186,802,087	151,634,243

President of the Board of Administration

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

Financial Director

Valentin - Norbert TARUS

Robert - Mihail PELOIU

Farmaceutica REMEDIA S.A.
CONSOLIDATED STATEMENT OF GLOBAL RESULT
ON SEPTEMBER 30st 2017

(all the sums are expressed in RON unless otherwise specified)

	30-Sep-17	30-Sep-16
Net turnover	245,414,568	174,045,315
Revenues from sales of goods	244,947,996	173,718,324
Trade discountes granted	-1,460,777	-1,027,724
Revenues from services rendered and rents	1,927,349	1,354,715
Other operating revenues	1,035,486	781,887
OPERATING REVENUES - TOTAL	246,450,054	174,827,202
Material expenses	216,361,891	151,959,895
Goods-related expenses	218,394,290	153,207,182
Trade discounts received	-4,826,004	-4,133,755
Raw materials and consumable expenses	1,853,563	1,772,564
Other material expenses	158,495	367,098
Energy and water expenses	781,546	746,806
Staff expenses	18,238,439	15,062,521
Salaries and compensations	14,702,718	12,075,306
Social insurance and protection expenses	3,201,206	2,645,299
Other staff expenses	334,515	341,916
Depreciation and provisions	556,950	424,447
Depreciations	527,688	523,043
Net provisions	-594,426	-100,000
Losses from receivables	623,688	1,404
Other operating expenses	7,784,180	7,032,653
Outsourcing expenses	6,731,152	6,302,412
Other duties, taxes and similar levies expenses	424,206	537,444
Other expenses	628,823	192,797
OPERATING EXPENSES - TOTAL	242,941,459	174,479,516
OPERATING RESULT	3,508,595	347,686
Financial revenues	270,933	540,637
Interest revenues	4,549	3,745
Revenues from exchange rate differences	31,636	536,892
Revenues from dividends	0	0
Other revenues (discounts pay in advance)	234,747	0
Other revenues	0	0

Financial expenses	150,886	548,978
Interest expenses	32,599	14,229
Expenses from exchange rate difference	51,288	534,749
Other financial expenses	66,999	0
	0	0
FINANCIAL RESULT	120,046	-8,341
TOTAL REVENUES	246,720,987	175,367,839
TOTAL EXPENSES	243,092,346	175,028,494
GROSS RESULT	3,628,641	339,345
Income tax	656,357	105,250
TOTAL NET PROFIT, of which distributable	2,972,284	234,095
shareholders	2,972,284	234,095
GLOBAL RESULT FOR THE PERIOD - TOTAL, of which distributable	2,972,284	234,095
shareholders	2,972,284	234,095

President of the Board of Administration

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

Valentin - Norbert TARUS

Financial Director

Robert - Mihail PELOIU

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 30.09.2017 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 9 months of 2017, Farmaceutica REMEDIA S.A. did not participate in mergers.

During the same period, the company did not alienate assets of significant value. (buildings, lands, shares etc), except for the Pharmacy license from Cluj Napoca, license sold due to the poor results recorded over the last 3 years.

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

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2017

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 consolidated financial statements on 30.09.2017 were not audited by the independent financial auditor.

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2017

NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2017 – 30.09.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	243.487.219	172.690.600	+41,00
2.	Other operating revenues	2.962.835	2.136.603	+38,67
3.	Total operating revenues	246.450.054	174.827.203	+40,97
4.	Total operating costs *	242.941.459	174.479.516	+39,24
5.	Operating result	3.508.595	347.686	+1.009,13
6.	Financial result	120.046	-8.341	
7.	Gross result	3.628.641	339.345	+1.069,31

* Including commercial discounts granted/received

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

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

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

LIQUIDITY AND WORKING CAPITAL	FR	FRDL
Current liquidity (Current assets / Current debts)	1,1	1,02
Current assets	27.962.250	137.167.881
Current debts	24.864.231	134.838.000
Degree of indebtedness (Borrowed capital / Equity x 100)	0%	4,24%
Borrowed capital *	0	131.650
Equity	40.158.239	3.103.842
Turnover speed for client debit items (Average customer balance / turnover*270)	28 days	113 days
Average customer balance	6.886.661	90.527.182
Net turnover	66.709.763	215.918.032
Turnover speed of stocks (average stock/ net COGS)*270	66 days	36 days
Average stock	12.274.290	26.313.565
Net COGS	50.357.922	199.429.737

* including financial leasing

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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** (66 days) indicator can be considered to fall 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.

Financial Director
Robert PELOIU

by representative

Valentin Norbert TARUS



UNCONSOLIDATED REPORT FOR THE 3rd QUARTER OF 2017

**Board of Administrators of
Farmaceutica REMEDIA S.A.**

Farmaceutica REMEDIA S.A.

Registered office: Deva 330160, Str. Dorobantilor 43, Jud. Hunedoara, 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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Trade Register J20/700/1991, TIN: RO2115198; Share capital: RON 10.608.980

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**Unconsolidated REPORT for the 3rd quarter of 2017
According to the RNSC Regulation No. 1/2006**

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 43,
pc 330160**
Tel./fax.: **+40 254 223 260, +40 254 226 197**
No. and date of registration
with the Trade Register Office: **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 the RNSC Register: **1636**
Total number: **106.089.800**
RNSC code of shares: **16368**

Registration	Date	Number of shares	Issue value
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5	21.12.2007	87.905.969	8.790.596,90 Lei
6	08.04.2009	7.574.851	757.485,10 Lei
	TOTAL	106.089.800	10.608.980,00 Lei

Organised market on which securities are traded:

Bucharest Stock Exchange – Standard category

Total market value on 30.10.2017 is of 32.463.479 Lei

The value of a RMAH share is of 0,306 Lei. (on 30.10.2017)

1. Significant events to report

During the period 01.01.2017 – 30.09.2017, there were no significant events that would have a particular impact on the financial position of the company Farmaceutica REMEDIA S.A.

2. General description of the financial position and of the issuer's performances and of its branches afferent to the 3rd quarter of 2017

During the period 01.01.2017 – 30.09.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	65.049.857	62.880.890	+3,45
2.	Other operating revenues	2.651.660	2.400.353	+10,47
3.	Total operating revenues	67.701.517	65.281.243	+3,71
4.	Total operating costs *	67.081.672	65.232.414	+2,83
5.	Operating result	619.845	48.829	+1.269,42
6.	Financial result	628.525	-18.137	
7.	Gross result (profit)	1.248.370	30.692	+4.067,41

* Including commercial discounts granted/received

The positive evolution of economic results as compared to the same period of last year was mainly due to the following causes:

- Slight increase in sales following the operationalization of pharmacies purchased in Bucharest
- Dividends received from FRDL (500.000 lei)
- Sale of assets (pharmacy license from Cluj and some vehicles) with an impact on the profit of over half a million lei.

"Other operating revenues" mainly comprise the following categories of revenues:

- collected rents – 46,93 %
- marketing services – 15,67%
- assets sales – 34,92%

3. Financial statements on 30.09.2017 were not audited by the independent financial auditor.

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	30.09.2017
Current liquidity (Current assets / Current debts)	1,1
Current assets	27.962.250
Current debts	24.864.231
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%
Borrowed capital	0
Equity	40.158.239
Turnover speed for client debit items (Average customer balance /turnover*270)	28 days
Average customer balance	6.886.661
Net turnover	66.709.763
Turnover speed of stocks (average stock/ net COGS)*270	66 days
Stocks average inventory	12.274.290
Net COGS	50.357.922

Notes:

¹⁾ **Current liquidity** – indicator level reflects a good payment capacity, therefore a reduced risk for creditors, certifying that the company is capable of covering its short-term liabilities based on receivables 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. The 0% value indicates that the company has no financing or liquidity problems. In the calculation of this indicator, the borrowed capital comprises both bank credits, and debts from the financial leasing.

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, the specific of collecting receivables in the distribution of drugs, we believe that the value of 44 days is a normal one under the circumstances.

⁴⁾ The value of the **No. of storage days** (66 days) indicator, increasing as compared to the first semester (64 days), can be considered to fall within the specifics of the activity, exceeding the limit imposed by the internal procedures of the company (45 days).

Chairman of the Board of Administrators – „TARUS” – Valentin Norbert Tarus e.U.

Financial Director – Robert Mihail PELOIU

10.11.2017

Farmaceutica REMEDIA S.A.
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
ON SEPTEMBER 30st 2017
(all the sums are expressed in RON unless otherwise specified)

	30-Sep-17	30-Sep-16
ASSETS		
Fixed assets	38,270,175	38,837,459
Tangible asstes	24,596,433	25,440,870
Investment property	5,413,646	4,646,335
Software licenses	27,885	38,555
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	282,005	286,782
Current assets	27,962,250	32,331,657
Stocks	12,648,901	11,223,527
Trade receivables	6,807,453	8,296,381
Other receivables	235,469	519,309
Cash and cash equivalentents	8,270,427	12,292,440
Accrued expenses	63,182	72,372
TOTAL ASSETS	66,295,607	71,241,488
EQUITIES AND LIABILITIES		
Equities	40,158,239	39,397,566
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	27,828,787	28,149,316
Current profit or loss (result)	1,075,614	-5,587
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	24,864,231	30,517,760
Bank loans	0	0
Financial lease liabilities		0

Suppliers and other similar liabilities	23,284,983	29,051,156
Provisions		0
Current tax liabilities	0	0
Other current liabilities	1,579,248	1,466,604
Total liabilities	26,137,368	31,843,922
TOTAL EQUITY AND LIABILITIES	66,295,607	71,241,488

President of the Board of Administration

"TARUS" - Valentin Norbert TARUS e.U.

Represented by

Financial Director

Valentin - Norbert TARUS

Robert - Mihail PELOIU

Farmaceutica REMEDIA S.A.
UNCONSOLIDATED STATEMENT OF GLOBAL RESULT
ON SEPTEMBER 30st 2017
(all the sums are expressed in RON unless otherwise specified)

	30-Sep-17	30-Sep-16
Net turnover	66,709,763	64,499,896
Revenues from sales of goods	65,053,216	62,984,593
Trade discountes granted	-3,359	-103,703
Revenues from services rendered and rents	1,659,906	1,619,006
Other operating revenues	991,754	781,347
OPERATING REVENUES - TOTAL	67,701,517	65,281,243
Material expenses	51,451,781	50,444,644
Goods-related expenses	51,115,474	49,976,588
Trade discounts received	-757,552	-895,180
Raw materials and consumable expenses	519,023	580,735
Other material expenses	60,718	281,912
Energy and water expenses	514,119	500,589
Staff expenses	10,683,738	9,920,842
Salaries and compensations	8,586,185	7,925,506
Social insurance and protection expenses	1,866,458	1,737,727
Other staff expenses	231,095	257,609
Depreciation and provisions	277,276	305,648
Depreciations	248,050	404,244
Net provisions	-594,426	-100,000
Losses from receivables	623,652	1,404
Other operating expenses	4,668,877	4,561,280
Outsourcing expenses	3,856,917	3,925,228
Other duties, taxes and similar levies expenses	307,794	475,336
Other expenses	504,166	160,716
OPERATING EXPENSES - TOTAL	67,081,672	65,232,414
OPERATING RESULT	619,845	48,829
Financial revenues	637,290	465,939
Interest revenues	3,954	1,998
Revenues from exchange rate differences	10,516	441,834
Revenues from dividends	500,000	22,107
Other revenues (discounts pay in advance)	122,821	0
Other revenues	0	0

Financial expenses	8,765	484,076
Interest expenses	0	5,886
Expenses from exchange rate difference	251	478,190
Other financial expenses	8,515	0
	0	0

FINANCIAL RESULT	628,525	-18,137
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TOTAL REVENUES	68,338,808	65,747,182
TOTAL EXPENSES	67,090,437	65,716,490

GROSS RESULT	1,248,370	30,692
Income tax	172,756	36,279
TOTAL NET PROFIT, of which distributable	1,075,614	-5,587
shareholders	1,075,614	-5,587

	0	0
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GLOBAL RESULT FOR THE PERIOD - TOTAL, of which distributable		
shareholders	1,075,614	-5,587
	1,075,614	-5,587

Earning per shares (ron)		
- basic	0.0101	-0.0001
- diluted	0.0101	-0.0001

President of the Board of Administration

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

Financial Director

Valentin - Norbert TARUS

Robert - Mihail PELOIU

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 30.09.2017

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 30.09.2017 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 three quarters of 2017, Farmaceutica REMEDIA S.A. did not participate in mergers.

During the same period, the company did not alienate assets of significant value. (buildings, lands, shares etc), except for the pharmacy license from Cluj Napoca, license sold due to the poor results recorded over the last 3 years.

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

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 30.09.2017

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 30.09.2017 were not audited by the independent financial auditor.

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements
concluded on 30.09.2017

NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2017 – 30.09.2017 the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	65.049.857	62.880.890	+3,45
2.	Other operating revenues	2.651.660	2.400.353	+10,47
3.	Total operating revenues	67.701.517	65.281.243	+3,71
4.	Total operating costs *	67.081.672	65.232.414	+2,83
5.	Operating result	619.845	48.829	+1.269,42
6.	Financial result	628.525	-18.137	
7.	Gross result (profit)	1.248.370	30.692	+4.067,41

* Including commercial discounts granted/received

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

- collected rents – 46,93 %
- marketing services – 15,67%
- sales of assets – 34,92%

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	30.09.2017
Current liquidity (Current assets / Current debts)	1,1
Current assets	27.962.250
Current debts	24.864.231
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%
Borrowed capital	0
Equity	40.158.239
Turnover speed for client debit items (Average customer balance /turnover)* 270	28 days
Average customer balance	6.886.661
Net turnover	66.709.763
Turnover speed of stocks (average stock balance / cogs)* 270	66 days
Average stock balance	12.274.290
Net COGS	50.357.922

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements
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Notes:

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.

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.

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.

⁴⁾ The value of the **No. of storage days** (66 days) indicator, increasing as compared to the first semester (64 days), can be considered to fall within the specifics of the activity, exceeding the limit imposed by the internal procedures of the company (45 days).