



**AGGREGATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2017**

**IN ACCORDANCE WITH THE ACCOUNTING REGULATIONS
IN COMPLIANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (*IFRS*)**

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To the shareholders of Ropharma SA,
Brasov, România

ROPHARMA SA & ROPHARMA LOGISTIC SA
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2017
(in Ron, unless otherwise specified)

	Note	12/31/2016	3/31/2017	Δ	Δ %
Assets					
Non-current assets					
Tangible assets		59.282.945	58.357.913	(925.032)	-2%
Goodwill		11.613.659	11.613.659	0	0%
Intangible assets		13.292.020	13.291.817	(203)	0%
Investments in associated companies		20.297.057	20.297.057	(0)	0%
Real estate investments		22.460.054	24.234.244	1.774.190	8%
Total non-current assets		126.945.735	127.794.689	848.954	1%
Current Assets					
Inventories	3	78.963.016	75.154.861	(3.808.155)	-5%
Trade and other receivables	4	76.401.462	85.235.025	8.833.563	12%
Prepaid expenses		596.083	1.352.531	756.448	127%
Cash and cash equivalents	5	20.950.347	20.703.895	(246.452)	-1%
Total current assets		176.910.908	182.446.311	5.535.403	3%
Total Assets		303.856.643	310.241.000	6.384.357	2%
Equity and liabilities					
Equity					
Share capital		68.698.617	68.698.617	0	0%
Share premium		2.021.064	2.021.064	0	0%
Reserves		25.234.576	25.234.576	0	0%
Revaluation reserves		9.514.480	9.514.480	0	0%
Losses related to shares		(113.274)	(113.274)	0	0%
Retained profit		8.634.982	10.785.761	2.150.779	25%
Retained earnings		24.168.485	24.168.485	0	0%
Total equity		138.158.930	140.309.708	2.150.779	2%
Minority interest		272.589	352.054	79.465	29%
Long term liabilities					
Long term borrowings		4.912.319	4.307.744	(604.575)	-12%
Deferred tax		5.686.219	5.672.714	(13.505)	0%
Total long term liabilities	6	10.598.538	9.980.458	(618.080)	-6%
Current liabilities					
Current portion of long term borrowings	6	2.484.317	2.461.563	(22.754)	-1%
Overdraft	6	693.164	8.214.211	7.521.047	1085%
Trade and other payables	7	149.365.078	146.637.601	(2.727.477)	-2%
Other taxes and obligations regarding social securities	7	2.070.543	2.626.095	555.552	27%
Provisions		55.096	55.096	0	0%
Income tax liabilities		114.331	(46.989)	(161.320)	-141%
Prepaid income		0	3.257	3.257	
Finance lease		44.058	0	(44.058)	-100%
Total current liabilities		154.826.587	159.950.834	5.124.247	3%
Total liabilities		165.425.125	169.931.292	4.506.167	3%
Total equity and liabilities		303.856.643	310.241.000	6.384.358	2%

ROPHARMA SA & ROPHARMA LOGISTIC SA
INCOME STATEMENT
FOR 3 MONTHS 2017
(in Ron, unless otherwise specified)

	Note	3 m/2016	3 m/2017	Δ	Δ %
Operating income					
Net sales revenues	8	118.210.201	121.598.288	3.388.087	3%
Other income	9	759.782	859.290	99.507	13%
Total operating income		118.969.983	122.457.578	3.487.595	3%
Operating expenses					
Cost of sales		98.965.132	99.734.516	769.384	1%
Wages and salaries	10	10.319.861	12.334.788	2.014.927	20%
Advertising and publicity		171.066	153.189	(17.877)	-10%
(Gains) / losses on sale of non-current assets		(7.514)	(176.931)	(169.417)	2255%
External services		1.167.000	1.193.272	26.272	2%
Adjustments to current assets		(8.564)	(88.778)	(80.214)	937%
Depreciation		1.519.311	1.467.194	(52.117)	-3%
Other operating expenses	11	4.851.767	5.069.048	217.281	4%
Total operating expenses		116.978.058	119.686.297	2.708.240	2%
Operating result		1.991.926	2.771.281	779.355	39%
Financial income	12	383.856	93.416	(290.440)	-76%
Financial expenses	12	266.334	238.797	(27.536)	-10%
Net financial result	12	117.523	(145.382)	(262.904)	-224%
Profit/(loss) before tax		2.109.448	2.625.899	516.451	24%
Income tax		500.729	409.160	(91.569)	-18%
Deferred tax		(9.897)	(13.505)	(3.608)	36%
Net income/(loss) for the period		1.618.617	2.230.244	611.627	38%

Mihai Miron
General Manager

Alin Rădășanu
Finance Manager

ROPHARMA SA & ROPHARMA LOGISTIC SA

KEY INDICATORS

FOR 3 MONTHS, AS OF MARCH 31 2017

	T1 2016/Dec 31 2016	T1 2017/Mar 31 2017	Δ	Δ %
I. LIQUIDITY RATIOS				
Current Ratio				
Current assets (A)	176.910.908	182.446.311	5.535.403	3%
Current liabilities (B)	154.826.587	159.950.834	5.124.247	3%
A/B	1,1	1,1		
Quick ratio				
Current assets (A)	176.910.908	182.446.311	5.535.403	3%
Inventories (B)	78.963.016	75.154.861	(3.808.155)	-5%
Current liabilities (C)	154.826.587	159.950.834	5.124.247	3%
(A-B)/C	0,6	0,7		
II. PROFITABILITY RATIOS				
EBITDA				
EBIT (A)	1.991.926	2.771.281	779.355	39%
Depreciation (B)	1.519.311	1.467.194	-52.117	-3%
A+B in Ron	3.511.237	4.238.475		
EBITDA				
EBITDA (A)	3.511.237	4.238.475	727.238	21%
Operating income (B)	118.969.983	122.457.578	3.487.595	3%
A/B in %	3,0%	3,5%		
Gross Margin				
Gross Margin (A)	19.245.069	21.863.772	2.618.703	14%
Net sales revenues (B)	118.210.201	121.598.288	3.388.087	3%
(A/B) * 100	16,3%	18,0%		
III. ACTIVITY RATIOS				
Non-current assets turnover				
Operating income (A)	118.969.983	122.457.578	3.487.595	3%
Non-current assets (B)	126.945.735	127.794.689	848.954	1%
(A/B) in number of times	0,9	1,0		
Days sales of inventories				
Average inventories (A)	78.963.016	75.154.861	(3.808.155)	-5%
Cost of sales	98.965.132	99.734.516	769.384	1%
(A/B) in days	72	68		
Days Sales outstanding				
Average receivables (A)	76.401.462	85.235.025	8.833.563	12%
Operating income (B)	118.969.983	122.457.578	3.487.595	3%
(A/B) in days	58	63		
IV. RISC RATIO				
Interest cover ratio				
EBIT (A)	1.991.926	2.771.281	779.355	39%
Net interest (B)	169.743	76.35	-93.393	-55%
(A+B)/B in number of times	12,7	37,3		

3. INVENTORIES

	31 December 2016	31 March 2017	Δ	Δ %
Inventories in Warehouses & Pharmacies	76.214.488	72.522.196	(3.692.292)	-5%
Transit inventories	2.528.368	1.933.002	(595.366)	-24%
Prepayments	31.997	501.639	469.642	1468%
Consumables	188.163	198.024	9.861	5%
Total	78.963.016	75.154.861	(3.808.155)	-5%

4. TRADE AND OTHER RECEIVABLES

	31 December 2016	31 March 2017	Δ	Δ %
Trade receivables	80,398,817	89,613,801	9,214,984	11%
Adjustment for trade receivables	(8,119,316)	(8,033,139)	86,177	-1%
Other receivables	4,277,542	4,381,847	104,305	2%
Adjustment for other receivables	(1,561,912)	(1,561,912)	(0)	0%
Total	74,995,131	84,400,596	9,405,465	13%
Employees receivables	22,602	42,755	20,153	89%
Other receivables from authorities	944,810	409,104	(535,706)	-57%
Prepayments	438,919	382,569	(56,350)	-13%
Grand Total	76,401,462	85,235,025	8,833,563	12%

5. CASH AND CASH EQUIVALENTS

	31 December 2016	31 March 2017	Δ	Δ %
Cash in banks	18.893.458	19.354.709	461.251	2%
Cash in hand	1.805.033	1.128.802	(676.231)	-37%
Cash equivalents	251.856	220.384	(31.472)	-12%
Total cash and cash equivalents	20.950.347	20.703.895	(246.452)	-1%

6. BORROWINGS

	31 December 2016	31 March 2017	Δ	Δ %
Long term borrowings				
Long term bank borrowings	4.912.319	4.307.744	(604.575)	-12%
Finance lease liabilities	-	-	-	
Total	4.912.319	4.307.744	(604.575)	-12%
Short term borrowings				
Current portion of long term bank borrowings	2.484.317	2.461.563	(22.754)	-1%
Short term borrowings	693.164	8.214.211	7.521.047	1085%
Finance lease liabilities	44.058	-	(44.058)	-100%
Total	3.221.539	10.675.774	7.454.235	231%
Total borrowings	8.133.858	14.983.517	6.849.659	84%

7. TRADE AND OTHER PAYABLES

	31 December 2016	31 March 2017	Δ	Δ %
Accounts payables	144,853,161	141,738,296	(3,114,865)	-2%
Suppliers for non-current assets	394,965	512,916	117,951	30%
Payroll and taxes	2,102,434	2,121,336	18,902	1%
Other liabilities	1,915,289	2,086,474	171,185	9%
Interest payables	1,052	7,778	6,726	639%
Total	149,266,901	146,466,800	(2,800,101)	-2%
Social security	2,070,543	2,626,095	555,552	27%
Dividends	7,518	7,518	-	0%
Prepayments received	90,660	163,284	72,624	80%
Grand total	151,435,622	149,263,696	(2,171,926)	-1%

8. NET SALES REVENUES

	T1 2016	T1 2017	Δ	Δ %
Retail sales	82.395.510	84.004.816	1.609.306	2%
Distribution sales	35.943.628	37.794.383	1.850.755	5%
Discounts granted	(128.937)	(200.911)	(71.974)	56%
Total	118.210.201	121.598.288	3.388.087	3%

9. OTHER INCOME

	T1 2016	T1 2017	Δ	Δ %
Rental	447.506	369.008	(78.498)	-18%
Services	56.789	231.609	174.821	308%
Other operating income	255.488	81.741	(173.746)	-68%
Total other income	759.782	682.359	(77.424)	-10%

10. WAGES AND SALARIES

	T1 2016	T1 2017	Δ	Δ %
Wages and salaries	7.996.622	9.376.306	1.379.684	17%
Luncheon vouchers	476.579	819.124	342.545	72%
Social security	1.846.660	2.139.358	292.698	16%
Total	10.319.861	12.334.788	2.014.927	20%

11. OTHER OPERATING EXPENSES

	T1 2016	T1 2017	Δ	Δ %
Consumables	930.709	937.532	6.823	1%
Rental	1.799.690	2.282.551	482.861	27%
Maintenance	369.510	238.914	(130.596)	-35%
Utilities	563.158	617.541	54.383	10%
Insurance	231.623	135.912	(95.712)	-41%
Protocol	93.464	90.328	(3.137)	-3%
Travel and accommodation	100.530	133.523	32.992	33%
Postal and telecommunications	97.653	105.303	7.649	8%
Bank fees and commissions	50.876	52.545	1.669	3%
Lawyer fees and related charges	108.867	59.700	(49.167)	-45%
Local taxes and other similar taxes	198.102	237.348	39.246	20%
Other operating expenses	307.583	177.851	(129.732)	-42%
Total	4.851.767	5.069.048	217.281	4%

12. FINANCIAL INCOME AND EXPENSES

	T1 2016	T1 2017	Δ	Δ %
Interest income	1.116	1.361	245	22%
Foreign exchange gain	382.740	92.055	(290.686)	-76%
Total financial income	383.856	93.416	(290.440)	-76%
Interest expense	122.531	49.421	(73.110)	-60%
Foreign exchange loss	96.590	162.448	65.857	68%
Other expenses related to financing	47.212	26.929	(20.283)	-43%
Total financial expenses	266.334	238.797	(27.536)	-10%
Net financial result	117.523	(145.382)	(262.904)	-224%

13. PERSONNEL

	31 December 2016	31 March 2017	Δ
Board of Administrators	10	10	0
Executive management	6	6	0
Counselors & Assistant Manager to the General Manager	13	13	0
Acquisitions	17	17	0
Sales	800	800	0
Logistic & Administrative & Auto	169	176	7
Marketing	10	10	0
Finance & Accounting	30	29	(1)
Quality	4	4	0
Legal	6	6	0
IT	9	10	1
HR	6	6	0
Internal audit	5	6	1
Total	1.085	1.093	8

We confirm that the aggregated financial statements are unaudited.

Mihai Miron
General Manager

Alin Rădășanu
Finance Manager