



CONSOLIDATED REPORT FOR THE 1ST 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 of the 1st quarter of 2017
According to the RNSC Regulation No. 1/2006
Date of the report: 10.05.2017

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 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 8.05.2017 is of 20.687.511 Lei

The value of a RMAH share is of 0,195 Lei. (on 08.05.2017)

1. Significant events to report

During the period 01.01.2017 – 31.03.2017, 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 1st quarter of 2017

During the period 01.01.2017 – 31.03.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

Crt. No.	Indicator	Realisations January-March 2017 (Lei)	Realisations January-March 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	74.586.564	50.356.459	+48,12%
2.	Other operating revenues	1.056.673	555.128	+90,35%
3.	Total operating revenues	75.643.237	50.911.587	+48,58%
4.	Total operating costs *	74.592.038	51.038.068	+46,15%
5.	Operating result	1.051.199	-126.481	
6.	Financial result	180.486	-22.647	
7.	Gross result	1.231.684	-149.128	

* Including commercial discounts granted/received

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.

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

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

3. Financial statements on 31.03.2017 were not audited by the independent financial auditor.

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	31.03.2017
Current liquidity (Current assets / Current debts)	1,03
Current assets	133.323.472
Current debts	129.777.224
Degree of indebtedness (Borrowed capital / Equity x 100)	9,28%
Borrowed capital	3.893.617
Equity	41.952.089
Turnover speed for client debit items (Average customer balance /turnover*90)	98 days
Average customer balance	82.500.000
Net turnover	75.620.848
Turnover speed of fixed assets (turnover/fixed assets)	1,91
Net turnover	75.620.848
Fixed assets	39.609.455

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. The indicator has slightly evolved from 1,02 on 31.03.2016 to 1,027 on 31.03.2017.

²⁾ **Degree of indebtedness** expresses the effectiveness of credit risk management, indicating potential financing, liquidity problems, with influences in honouring the assumed commitments. The indicator has strongly reversed from 0,64% on 31.03.2016 to 9,28% on 31.03.2017. 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, the specific of collecting receivables in the distribution of drugs and the transfer of wholesale activities by selling stocks to another company, we believe that the indicator evolution, from 100 days on 31.03.2016 to 98 days on 31.03.2017 is normal under the circumstances.

⁴⁾ **Turnover speed of fixed assets** expresses the effectiveness of the fixed assets management, by examining the turnover generated by a certain quantity of fixed assets. The indicator evolved in the last 12 months from 1,31 to 1,91 based on the increase of the net turnover.

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

Financial Director – Robert Mihail PELOIU

Farmaceutica REMEDIA S.A.
CONSOLIDATED STATEMENT OF GLOBAL RESULT
ON MARCH 31st 2017
(all the sums are expressed in RON unless otherwise specified)

	31-Mar-17	31-Mar-16
Net turnover	75,620,848	50,870,882
Revenues from sales of goods	74,895,430	50,727,856
Trade discounts granted	-308,866	-371,397
Revenues from services rendered and rents	1,034,284	514,423
Other operating revenues	22,389	40,705
OPERATING REVENUES - TOTAL	75,643,237	50,911,587
Material expenses	66,500,868	44,030,026
Goods-related expenses	66,172,258	43,986,519
Trade discounts received	-654,936	-1,008,809
Raw materials and consumable expenses	566,630	576,843
Other material expenses	44,826	146,530
Energy and water expenses	374,090	328,953
Staff expenses	5,730,408	4,593,407
Salaries and compensations	4,376,376	3,472,171
Social insurance and protection expenses	999,850	798,831
Other staff expenses	354,182	322,405
Depreciation and provisions	179,905	87,600
Depreciations	179,905	187,600
Net provisions	-357,010	-100,000
Losses from receivables	357,010	0
Other operating expenses	2,180,857	2,327,035
Outsourcing expenses	2,049,241	2,112,236
Other duties, taxes and similar levies expenses	94,682	195,673
Other expenses	36,933	19,126
OPERATING EXPENSES - TOTAL	74,592,038	51,038,068
OPERATING RESULT	1,051,199	-126,481
Financial revenues	225,021	45,987
Interest revenues	1,939	1,656
Revenues from exchange rate differences	12,028	44,331
Revenues from dividends	0	0
Other revenues (discounts pay in advance)	211,054	0
Other revenues	0	0
Financial expenses	44,535	68,634
Interest expenses	7,234	4,454
Expenses from exchange rate difference	10,154	64,180
Other financial expenses	27,148	0
FINANCIAL RESULT	180,486	-22,647
TOTAL REVENUES	75,868,258	50,957,574
TOTAL EXPENSES	74,636,573	51,106,702
GROSS RESULT	1,231,684	-149,128
Income tax	192,117	0
TOTAL NET PROFIT, of which distributable	1,039,567	-149,128
shareholders	1,039,567	-149,128
GLOBAL RESULT FOR THE PERIOD - TOTAL, of which distributable	1,039,567	-149,128
shareholders	1,039,567	-149,128

President of the Board of Administration

Financial Director

"TARUS" - Valentin Norbert TARUS e.U.

Robert - Mihail PELOIU

Represented by

Valentin - Norbert TARUS

Farmaceutica REMEDIA S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ON MARCH 31st 2017
(all the sums are expressed in RON unless otherwise specified)

	31-Mar-17	31-Mar-16
ASSETS		
Fixed assets	39,609,455	38,934,414
Tangible assets	25,186,836	25,947,273
Investment property	5,413,646	4,646,335
Software licenses	148,865	43,485
Pharmaceutical licenses	8,100,539	7,575,471
Participations held in group companies	286,520	286,720
Participations held in companies outside the group	8,316	8,316
Financial assets	464,732	426,814
Current assets	133,323,472	88,343,543
Stocks	36,417,983	25,293,755
Trade receivables	79,914,569	50,359,267
Other receivables	1,361,805	929,843
Cash and cash equivalents	15,629,115	11,760,678
Accrued expenses	108,632	106,937
TOTAL ASSETS	173,041,559	127,384,894
EQUITIES AND LIABILITIES		
Equities	41,952,089	39,277,419
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	28,303,389	27,901,608
Current profit or loss (result)	1,039,567	-149,128
Reported result	1,355,296	271,102
Reported result - re-reading	-312,229	-312,229
Profit or loss (result) carried forward	0	0
Own shares	-112,628	-112,628
Non-current liabilities	1,312,245	1,441,183
Financial lease liabilities	39,109	115,021
Provisions	0	116,596
Deferred tax liabilities	1,273,137	1,209,566
Current liabilities	129,777,224	86,666,292
Bank loans	3,695,420	0
Financial lease liabilities	159,088	137,924
Suppliers and other similar liabilities	122,667,641	83,996,786
Provisions	0	0
Current tax liabilities	156,051	0
Other current liabilities	3,099,024	2,531,582
Total liabilities	131,089,469	88,107,475
TOTAL EQUITY AND LIABILITIES	173,041,559	127,384,894
President of the Board of Administration		
	Financial Director	
"TARUS" - Valentin Norbert TARUS e.U.		
Represented by	Robert - Mihail PELOIU	
Valentin - Norbert TARUS		

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 31.03.2017

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 31.12.2016 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 quarter 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

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 31.03.2017

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, within which it has 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.

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 31.03.2017 were not audited by the independent financial auditor.

Farmaceutica REMEDIA S.A. – Consolidated
financial statements concluded on 31.03.2017

NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2017 – 31.03.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

Nr. Crt.	Indicator	Realisations January-March 2017 (Lei)	Realisations January-March 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	74.586.564	50.356.459	+48,12%
2.	Other operating revenues	1.056.673	555.128	+90,35%
3.	Total operating revenues	75.643.237	50.911.587	+48,58%
4.	Total operating costs *	74.592.038	51.038.068	+46,15%
5.	Operating result	1.051.199	-126.481	
6.	Financial result	180.486	-22.647	
7.	Gross result	1.231.684	-149.128	

*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

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	31.03.2017
Current liquidity (Current assets / Current debts)	1,03
Current assets	133.323.472
Current debts	129.777.224
Degree of indebtedness (Borrowed capital /	9,28%

Farmaceutica REMEDIA S.A. – Consolidated
financial statements concluded on 31.03.2017

Equity x 100)	
Borrowed capital	3.893.617
Equity	41.952.089
Turnover speed for client debit items (Average customer balance /turnover*90)	98 days
Average customer balance	82.500.000
Net turnover	75.620.848
Turnover speed of fixed assets (turnover/fixed assets)	1,91
Net turnover	75.620.848
Fixed assets	39.609.455

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. The indicator has slightly evolved from 1,02 on 31.03.2016 to 1,027 on 31.03.2017.

2) **Degree of indebtedness** expresses the effectiveness of credit risk management, indicating potential financing, liquidity problems, with influences in honouring the assumed commitments. The indicator has strongly reversed from 0,64% on 31.03.2016 to 9,28% on 31.03.2017. 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, the specific of collecting receivables in the distribution of drugs and the transfer of wholesale activities by selling stocks to another company, we believe that the indicator evolution, from 100 days on 31.03.2016 to 98 days on 31.03.2017 is normal under the circumstances.

4) **Turnover speed of fixed assets** expresses the effectiveness of the fixed assets management, by examining the turnover generated by a certain quantity of fixed assets. The indicator evolved in the last 12 months from 1,31 to 1,91 based on the increase of the net turnover.

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 OF THE 1ST 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

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

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

Date of the report 10.05.2017

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 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
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5	21.12.2007	87.905.969	8.790.596,90 Lei
6	08.04.2009	7.574.851	757.485,10Lei
	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 8.05.2017 is of 20.687.511 Lei

The value of a RMAH share is of 0,195 Lei. (on 08.05.2017)

1. Significant events to report

During the period 01.01.2017 – 31.03.2017, 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 1st quarter of 2017

During the period 01.01.2017 – 31.03.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Crt. No.	Indicator	Realisations January- March 2017 (Lei)	Realisations January- March 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	22.738.124	20.555.053	+10,62%
2.	Other operating revenues	520.314	635.672	-18,15%
3.	Total operating revenues	23.258.438	21.190.725	+9,76%
4.	Total operating costs *	22.912.888	21.099.644	+8,59%
5.	Operating result	345.550	91.081	+279,39%
6.	Financial result	175.076	-43.027	
7.	Gross result (profit)	520.626	48.054	+983,42%

* 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:

- Sales growth following the operationalisation of pharmacies purchased in Bucharest. The increase was exclusively quantitative, the gross margin on the sale of goods remaining at the same level (22,59% on 31.03.2016 versus 22,57% on 31.03.2017)
- Reduction of operating costs (others than the cost of sold goods) as compared to the same period of last year when part of the new pharmacies of Bucharest was arranged and equipped.

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

- collected rents – 80,65 % from "other operating revenues"
- marketing services – 14,88%
- assets sales – 1,98%
- other services – 2,49%

3. Financial statements on 31.03.2017 were not audited by the independent financial auditor.

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	31.03.2017
Current liquidity (Current assets / Current debts)	1,09
Current assets	29.207.134
Current debts	26.649.775
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%
Borrowed capital	0
Equity	40.218.207
Turnover speed for client debit items (Average customer balance /turnover*90)	44 days
Average customer balance	11.328.175
Net turnover	23.236.751
Turnover speed of fixed assets (turnover/fixed assets)	0,6
Net turnover	23.236.751
Fixed assets	38.860.915

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. The indicator positively evolved as compared to the same period of last year (1,04).

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. The indicator value on 31.03.2016 was of 0,64%.

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⁾ **Turnover speed of fixed assets** expresses the effectiveness of the fixed assets management, by examining the turnover generated by a certain quantity of fixed assets. The indicator positively evolved in the last 12 months, from 0,55 to 0,6. Overall, the indicator shows us a poor use of the fixed assets.

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

Financial Director – Robert Mihail PELOIU

10.05.2017

Farmaceutica REMEDIA S.A.
UNCONSOLIDATED STATEMENT OF GLOBAL RESULT ON MARCH 31st 2017
(all the sums are expressed in RON unless otherwise specified)

	31-Mar-17	31-Mar-16
Net turnover	23,236,751	21,150,091
Revenues from sales of goods	22,738,125	20,641,194
Trade discounts granted	0	-86,142
Revenues from services rendered and rents	498,627	595,038
Other operating revenues	21,687	40,634
OPERATING REVENUES - TOTAL	23,258,438	21,190,725
Material expenses	18,022,732	16,473,797
Goods-related expenses	17,742,126	16,355,627
Trade discounts received	-136,577	-444,158
Raw materials and consumable expenses	164,834	205,504
Other material expenses	11,830	131,777
Energy and water expenses	240,519	225,046
Staff expenses	3,468,875	3,092,139
Salaries and compensations	2,627,029	2,326,096
Social insurance and protection expenses	602,014	537,260
Other staff expenses	239,832	228,783
Depreciation and provisions	86,118	85,514
Depreciations	86,118	105,514
Net provisions	-357,010	-100,000
Losses from receivables	357,010	0
Other operating expenses	1,335,164	1,448,194
Outsourcing expenses	1,255,028	1,258,968
Other duties, taxes and similar levies expenses	62,531	181,051
Other expenses	17,605	8,176
OPERATING EXPENSES - TOTAL	22,912,888	21,099,644
OPERATING RESULT	345,550	91,081
Financial revenues	181,165	5,250
Interest revenues	1,731	683
Revenues from exchange rate differences	409	4,567
Revenues from dividends	0	0
Other revenues (discounts pay in advance)	179,025	0
Other revenues	0	0
Financial expenses	6,089	48,277
Interest expenses	0	4,454
Expenses from exchange rate difference	124	43,823
Other financial expenses	5,965	0
	0	0
FINANCIAL RESULT	175,076	-43,027
TOTAL REVENUES	23,439,604	21,195,975
TOTAL EXPENSES	22,918,978	21,147,921
GROSS RESULT	520,626	48,054
Income tax	85,971	0
TOTAL NET PROFIT, of which distributable	434,655	48,054
shareholders	434,655	48,054
GLOBAL RESULT FOR THE PERIOD - TOTAL, of which	434,655	48,054
shareholders	434,655	48,054

President of the Board of Administration

Financial Director

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

Robert - Mihail PELOIU

Farmaceutica REMEDIA S.A.
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
ON MARCH 31st 2017
(all the sums are expressed in RON unless otherwise specified)

	31-Mar-17	31-Mar-16
ASSETS		
Fixed assets	38,860,915	38,857,896
Tangible assets	24,722,835	25,903,664
Investment property	5,413,646	4,646,335
Software licenses	32,136	37,229
Pharmaceutical licenses	8,100,539	7,575,471
Participations held in group companies	289,320	289,520
Participations held in companies outside the group	8,316	8,316
Financial assets	294,122	397,361
Current assets	29,207,134	47,406,476
Stocks	12,198,788	9,332,316
Trade receivables	7,587,749	30,053,007
Other receivables	281,978	563,491
Cash and cash equivalents	9,138,620	7,457,662
Accrued expenses	73,069	106,937
TOTAL ASSETS	68,141,118	86,371,309
EQUITIES AND LIABILITIES		
Equities	40,218,207	39,451,206
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	28,302,101	27,900,320
Current profit or loss (result)	434,655	48,054
Reported result	227,613	248,995
Reported result - re-reading	-312,229	-312,229
Profit or loss (result) carried forward	0	0
Own shares	-112,628	-112,628
Non-current liabilities	1,273,137	1,441,183
Financial lease liabilities	0	115,021
Provisions	0	116,596
Deferred tax liabilities	1,273,137	1,209,566
Current liabilities	26,649,775	45,478,920
Bank loans	0	0
Financial lease liabilities	0	137,924
Suppliers and other similar liabilities	25,066,928	43,896,723
Provisions	0	0
Current tax liabilities	49,905	0
Other current liabilities	1,532,942	1,444,273
Total liabilities	27,922,911	46,920,103
TOTAL EQUITY AND LIABILITIES	68,141,118	86,371,309

President of the Board of Administration

Financial Director

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

Robert - Mihail PELOIU

Valentin - Norbert TARUS

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 31.03.2017

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 31.12.2016 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 quarter 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

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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, within which it has 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.

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 31.03.2017 were not audited by the independent financial auditor.

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NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2017 – 31.03.2017, the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Nr. Crt.	Indicator	Realisations January-March 2017 (Lei)	Realisations January-March 2016 (Lei)	Evolution 2017/2016 (%)
1.	Net sales of goods *	22.738.124	20.555.053	+10,62%
2.	Other operating revenues	520.314	635.672	-18,15%
3.	Total operating revenues	23.258.438	21.190.725	+9,76%
4.	Total operating costs *	22.912.888	21.099.644	+8,59%
5.	Operating result	345.550	91.081	+279,39%
6.	Financial result	175.076	-43.027	
7.	Gross result (profit)	520.626	48.054	+983,42%

* Including commercial discounts granted/received

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

- collected rents – 80,65 % from “other operating revenues”
- marketing services – 14,88%
- active sales – 1,98%
- other services – 2,49%

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	31.03.2017
Current liquidity (Current assets / Current debts)	1,09
Current assets	29.207.134
Current debts	26.649.775
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%
Borrowed capital	0
Equity	40.218.207
Turnover speed for client debit items (Average customer balance /turnover*90)	44 days
Average customer balance	11.328.175

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Net turnover	23.236.751
Turnover speed of fixed assets (turnover/fixed assets)	0,6
Net turnover	23.236.751
Fixed assets	38.860.915

NOTA 5	Reporting on business segments							
	WEST	CENTRE	BUCHAREST	SOUTH-EAST	Other	Rents	Provided	TOTAL *
	region	region	region	region	operations	spaces / auto	services	31.03.2017
	12,134,94							
Net turnover	7	3,517,847	4,389,585	2,783,988	-14,867	419,618	642	23,231,760
Revenues from goods sold	12,105,318	3,506,702	4,361,974	2,774,008	-9,878			22,738,124
Granted commercial discounts					-4,989			-4,989
Revenues from provided services & rents	29,629	11,145	27,611	9,980		419,618	642	498,625
Other operating revenues					378,699			378,699
	12,134,94							
OPERATING REVENUES - TOTAL	7	3,517,847	4,389,585	2,783,988	363,832	419,618	642	23,610,459
Net COGS	9,265,166	2,608,395	3,473,653	2,173,286	-48,521	0	0	17,471,979
COGS	9,385,168	2,640,255	3,523,720	2,199,411	-6,427		0	17,742,127
Received commercial discounts	-120,002	-31,860	-50,067	-26,125	-42,094		0	-270,148
Gross margin from goods sold	2,840,152	898,307	888,321	600,722	33,654	0	0	5,261,156
Other operating costs	2,265,071	751,766	1,586,718	661,016	359,719	40,041	17	5,664,348
Direct costs	1,689,538	590,011	1,378,904	527,359	359,770	29,012	0	4,574,594
Logistics costs	25,249	7,312	9,112	5,795	-3		0	47,465
Promotion costs	0	0	0	0	0	0	0	0
Overhead costs	550,284	154,443	198,702	127,863	-48	11,029	17	1,042,289
	11,530,23							
OPERATING COSTS - TOTAL	7	3,360,161	5,060,371	2,834,302	311,198	40,041	17	23,136,327
Operating result	604,710	157,686	-670,786	-50,314	52,634	379,577	625	474,132
Financial result								46,494
Gross result								520,626
Income tax								85,971
Net profit								434,655

* includes unallocated amounts

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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