

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

	<b>30-Sep-17</b>	<b>30-Sep-16</b>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>38,270,175</b>	<b>38,837,459</b>
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
<b>Current assets</b>	<b>27,962,250</b>	<b>32,331,657</b>
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
<b>Accrued expenses</b>	<b>63,182</b>	<b>72,372</b>
<b>TOTAL ASSETS</b>	<b>66,295,607</b>	<b>71,241,488</b>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equities</b>	<b>40,158,239</b>	<b>39,397,566</b>
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
<b>Non-current liabilities</b>	<b>1,273,137</b>	<b>1,326,162</b>
Financial lease liabilities	0	0
Provisions	0	116,596
Deferred tax liabilities	1,273,137	1,209,566
<b>Current liabilities</b>	<b>24,864,231</b>	<b>30,517,760</b>
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)

	<b>30-Sep-17</b>	<b>30-Sep-16</b>
<b>Net turnover</b>	<b>66,709,763</b>	<b>64,499,896</b>
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	<b>991,754</b>	<b>781,347</b>
<b>OPERATING REVENUES - TOTAL</b>	<b>67,701,517</b>	<b>65,281,243</b>
<b>Material expenses</b>	<b>51,451,781</b>	<b>50,444,644</b>
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
<b>Staff expenses</b>	<b>10,683,738</b>	<b>9,920,842</b>
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
<b>Depreciation and provisions</b>	<b>277,276</b>	<b>305,648</b>
Depreciations	248,050	404,244
Net provisions	-594,426	-100,000
Losses from receivables	623,652	1,404
<b>Other operating expenses</b>	<b>4,668,877</b>	<b>4,561,280</b>
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
<b>OPERATING EXPENSES - TOTAL</b>	<b>67,081,672</b>	<b>65,232,414</b>
<b>OPERATING RESULT</b>	<b>619,845</b>	<b>48,829</b>
<b>Financial revenues</b>	<b>637,290</b>	<b>465,939</b>
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

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

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

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

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

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

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## 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

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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.**

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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**

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

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**Notes:**

<sup>1)</sup> **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.

<sup>2)</sup> **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.

<sup>3)</sup> **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.

<sup>4)</sup> 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).





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### Nota 5 – Note 5

Raportare pe segmente de activitate – Reporting on business segments

Regiunea Vest – West region

Regiunea Centru – Centre region

Regiunea București – Bucharest region

Regiunea Sud-Est – South-East region

Alte operațiuni – Other operations

Chirii spații/auto – Rents for spaces/auto

Servicii prestate – Provided services

Cifra de afaceri netă – Net turnover

Venituri din vânzarea mărfurilor – Revenues from the sale of goods

Reduceri comerciale acordate – Granted commercial discounts

Venituri din servicii prestate și chirii – Revenues from provided services and rents

Alte venituri din exploatare – Other operating revenues

Venituri din exploatare – total – Operating revenues – total

Cheltuieli cu mărfurile – Expenses with goods

Cheltuieli privind mărfurile – Expenses regarding goods

Reduceri comerciale primite – Received commercial discounts

Marja brută din vânzări de mărfuri – Gross margin from the sale of goods

Alte costuri din exploatare – Other operating costs

Costuri directe – Direct costs

Costuri logistică – Logistic costs

Costuri promovare – Promotion costs

Costuri indirecte – Indirect costs

Cheltuieli din exploatare – Operating expenses

Rezultat din exploatare – Operating result

Rezultat financiar – Financial result

Rezultat brut – Gross result

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