



CONSOLIDATED REPORT FOR THE 3rd QUARTER OF 2018

**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

**Consolidated REPORT for the 3rd quarter of 2018
According to the F.S.A. Regulation No. 5/2018**

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

The total market value on 6.11.2018 is of 44.557.716 Lei

The value of a RMAH share is of 0,42 Lei. (on 06.11.2018)

1. Significant events to report

During the period 01.01.2018 – 30.09.2018, 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 2018

During the period 01.01.2018 – 30.09.2018 the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2018 (Lei)	Evolution 2018/2017 (%)
1.	Net sales of goods *	243.487.219	331.142.486	+ 35,99
2.	Other operating revenues	2.962.835	3.718.734	+ 25,51
3.	Total operating revenues	246.450.054	334.861.220	+ 35,87
4.	Total operating costs *	242.941.459	331.757.256	+ 36,56
5.	Operating result	3.508.595	3.103.964	- 11,53
6.	Financial result	120.046	- 33.314	- 127,75
7.	Gross result	3.628.641	3.070.650	- 15,38

* Including commercial discounts granted/received

A repartition of net sales of goods by segment of activity is presented as follows:

Lei

REMEDIA Pharmacies	70.088.100	21,17%
Distribution	177.771.917	53,68%
Distribution of Hospitals & Clinics	66.175.195	19,98%
Other operations	17.107.274	5,17%
Total	331.142.486	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 30.09.2018 were not audited by the independent financial auditor.

4. Economic-financial indicators 30.09.2018

LIQUIDITY AND WORKING CAPITAL	FR	FRDL
Current liquidity (Current assets / Current debts)	1,20	1,01
Current assets	32.167.288	227.477.501
Current debts	26.744.149	224.255.942
Degree of indebtedness (Borrowed capital / Equity x 100)	0%	1,56%
Borrowed capital*	0	64.219
Equity	42.009.341	4.104.055
Turnover speed for client debit items (Average customer balance / turnover*180)	46 days	109 days
Average customer balance	12.171.675	125.475.740
Net turnover	71.698.110	309.432.005
Turnover speed of stocks (average stock/net COGS)*180	67 days	51 days
Average stock	13.674.897	53.804.624
Net COGS	54.846.307	287.516.512

* 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. As compared to the same period of last year, the indicator positively evolved for FR (from 1,1) and has slightly degraded for FRDL (from 1,02).

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. As compared to the same period of last year, the indicator positively evolved (from 4,24%). 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. The dynamics of this indicator was for FR the following: 28 days for 9 months in 2017, 28 days in the 3rd quarter for 2017 and 45 days in the 3rd quarter of 2018. In the case of FRDL we have: 113 days for 9 months in 2017, 106 days in the 3rd quarter in 2017 and 108 days in the 3rd quarter of 2018.

4) The **days on hand** indicator value (67, 51 days respectively) can be considered

that falls within the activity specificity, exceeding the limit imposed by the internal procedures of the company (45 days) in the case of FR. In the case of FR, the indicator had the following evolution: 66 days in the first 9 months in 2017, 68 days in the 3rd quarter in 2017 and 70 days in the 3rd quarter of 2018. In FRDL we have: 36 days for 9 months in 2017, 38 days for the 3rd quarter of 2017 and 56 days for the 3rd quarter of 2018.

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

Valentin Norbert TARUS

Farmaceutica REMEDIA S.A.**STATEMENT OF GLOBAL RESULT - consolidated
ON SEPTEMBER 30st 2018**

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

	30-Sep-18	30-Sep-17
Net turnover	333,240,853	245,414,568
Revenues from sales of goods	332,266,213	244,947,996
Trade discounts granted	-1,123,727	-1,460,777
Revenues from services rendered and rents	2,098,367	1,927,349
Other operating revenues	1,620,367	1,035,486
OPERATING REVENUES - TOTAL	334,861,220	246,450,054
Material expenses	299,013,718	216,361,890
Goods-related expenses	302,311,851	218,394,290
Trade discounts received	-6,957,127	-4,826,004
Raw materials and consumable expenses	2,523,371	1,853,563
Other material expenses	373,362	158,495
Energy and water expenses	762,260	781,546
Staff expenses	23,084,003	18,238,439
Salaries and compensations	20,822,347	14,702,718
Social insurance and protection expenses	652,937	3,201,206
Other staff expenses	1,608,719	334,515
Depreciation and provisions	474,291	556,950
Depreciations	586,305	527,688
Net provisions	-182,778	-594,426
Losses from receivables	70,764	623,688
Other operating expenses	9,185,245	7,784,180
Outsourcing expenses	8,144,385	6,731,152
Other duties, taxes and similar levies expenses	601,996	424,206
Other expenses	438,864	628,822
OPERATING EXPENSES - TOTAL	331,757,256	242,941,459
OPERATING RESULT	3,103,964	3,508,595
Financial revenues	100,157	270,933
Interest revenues	5,066	4,549
Revenues from exchange rate differences	45,985	31,636
Revenues from dividends	2,851	0
Discounts pay in advance	46,256	234,748
Other financial expenses	0	0
Financial expenses	133,472	150,887
Interest expenses	11,681	32,599
Expenses from exchange rate difference	56,476	51,289

Discounts encashment in advance	65,315	66,999
Other financial expenses	0	0
FINANCIAL RESULT	-33,314	120,046

TOTAL REVENUES	334,961,378	246,720,987
TOTAL EXPENSES	331,890,728	243,092,346

GROSS RESULT	3,070,650	3,628,641
Income tax	449,667	656,357
TOTAL NET PROFIT, of which attributable :	2,620,983	2,972,284
Company's shareholders	2,620,983	2,972,284
Minority interest		

Comprehensive income afferent to the period - total, of which attributable :	2,620,983	2,972,284
Company's shareholders	2,620,983	2,972,284
Minority interest		

President of the Board of Administration

"TARUS" - Valentin Norbert TARUS e.U.

Represented by

Valentin - Norbert TARUS

Farmaceutica REMEDIA S.A.

**STATEMENT OF FINANCIAL POSITION - consolidated
ON SEPTEMBER 30st 2018
(all the sums are expressed in RON unless otherwise specified)**

	30-Sep-18	30-Sep-17
ASSETS		
Fixed assets	38,593,278	38,993,549
Tangible asstes	25,059,812	25,068,832
Investment property	5,652,468	5,413,645
Software licenses	76,162	116,497
Pharmaceutical licenses	7,080,494	7,652,572
Participations held in group companies	289,520	286,520
Participations held in companies outside the group	5,316	8,316
Financial assets	429,506	447,167
Current assets	240,064,777	147,571,061
Stocks	89,034,548	46,231,934
Trade receivables	131,714,654	85,422,814
Other receivables	2,397,556	1,446,301
Cash and cash equivalents	16,918,019	14,470,012
Accrued expenses	302,462	237,477
TOTAL ASSETS	278,960,516	186,802,087
EQUITIES AND LIABILITIES		
Equities	46,105,612	43,183,879
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	28,786,159	28,057,758
Current profit or loss (result)	2,620,983	2,972,284
Reported result- retreading	3,444,632	900,000
Profit or loss (result) carried forward	-312,229	-312,229
	0	0
Own shares	-112,628	-112,628
Non-current liabilities	1,429,840	1,399,646
Financial lease liabilities	64,219	126,509
Provisions	0	0
Deferred tax liabilities	1,365,621	1,273,137
Current liabilities	231,425,064	142,218,562
Bank loans	0	0
Financial lease liabilities	0	5,141
Suppliers and other similar liabilities	227,533,359	138,712,225
Provisions	0	0
Current tax liabilities	42,197	310,514
Other current liabilities	3,849,507	3,190,682

Total liabilities	232,854,904	143,618,208
TOTAL EQUITY AND LIABILITIES	278,960,516	186,802,087

President of the Board of Administration

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

Valentin - Norbert TARUS

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2018

NOTE 1 INFORMATION ABOUT THE COMPANY

Farmaceutica REMEDIA S.A. («the Company») is a commercial company with registered office in Deva, No. 43 Dorobantilor Street, 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.

On **01 January 2016**, Farmaceutica REMEDIA S.A. completed the transfer to Farmaceutica REMEDIA Distribution & Logistics S.R.L., **a company owned 100 %**, of wholesale drug distribution activities (by a network of 8 warehouses) together with related activities (logistics services, registration, promotion and marketing of medicines etc), maintaining the operation of the chain of 100 pharmacies and local distribution offices.

Although the legal provision on separation of activities has been abrogated, Farmaceutica REMEDIA has decided to keep the two legal entities.

In this context, on 30.09.2018 Farmaceutica REMEDIA S.A. held majority holdings (100%) at the Farmaceutica REMEDIA Distribution & Logistics S.R.L. company.

During the first 9 months of 2018, Farmaceutica REMEDIA S.A. did not participate in mergers.

During the same period, the company did not alienate assets of significant values (buildings, lands, shares etc) with the following exceptions:

- one of the two operating licenses for a pharmacy held at Alba-Iulia
- part (104.62 sqm) of a building held in Deva

NOTE 2 BASES FOR DRAFTING THE FINANCIAL STATEMENTS

The financial statements of the company were drafted in compliance with the provisions of Order No. 2844/2016 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

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2018

compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

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

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

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

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

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

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

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

The companies whose financial statements are consolidated are:

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

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

The consolidated financial statements on 30.09.2018 were not audited by the independent financial auditor.

Farmaceutica REMEDIA S.A. – Consolidated
financial statements concluded on 30.09.2018

NOTA 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2018 – 30.09.2018 the commercial company Farmaceutica REMEDIA S.A. recorded the following consolidated financial results:

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1.	Net sales of goods *	243.487.219	331.142.486	+ 35,99
2.	Other operating revenues	2.962.835	3.718.734	+ 25,51
3.	Total operating revenues	246.450.054	334.861.220	+ 35,87
4.	Total operating costs *	242.941.459	331.757.256	+ 36,56
5.	Operating result	3.508.595	3.103.964	- 11,53
6.	Financial result	120.046	- 33.314	- 127,75
7.	Gross result	3.628.641	3.070.650	- 15,38

* Including commercial discounts granted/received

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

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

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

**Economic-financial indicators
30.09.2018**

	Lei	
LIQUIDITY AND WORKING CAPITAL	FR	FRDL
Current liquidity (Current assets / Current debts)	1,20	1,01
Current assets	32.167.288	227.477.501
Current debts	26.744.149	224.255.942

Farmaceutica REMEDIA S.A. – Consolidated
financial statements concluded on 30.09.2018

Degree of indebtedness (Borrowed capital / Equity x 100)	0%	1,56%
Borrowed capital	0	64.219
Equity	42.009.341	4.104.055
Turnover speed for client debit items (Average customer balance /turnover *270)	46 days	109 days
Average customer balance	12.171.675	125.475.740
Net turnover	71.698.110	309.432.005
Turnover speed of stocks (average stock/ net COGS)*270	67 days	51 days
Average stock	13.674.897	53.804.624
COGS net	54.846.307	287.516.512

*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. As compared to the same period of last year, the indicator positively evolved for FR (from 1,1) and slightly degraded for FRDL (from 1,02).

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. As compared to the same period of last year, the indicator positively evolved (from 4,24%). 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. The dynamics of this indicator was for FR the following: 28 days for 9 months in 2017, 28 days in the 3rd quarter in 2017 and 45 days in the 3rd quarter in 2018. In the case of FRDL, we have: 113 days for 9 months in 2017, 106 days in the 3rd quarter in 2017 and 108 days in the 3rd quarter in 2018.

4) The value of the **Days on hand** indicator (67, 51 days respectively) can be considered that it falls within the specifics of the activity, exceeding the limit imposed by the internal procedures of the company (45 days) in the case of FR. In the case of FR, the indicator had the following evolution: 66 days in the first 9 months in 2017, 68 days in the 3rd quarter in 2017 and 70 days in the 3rd quarter in 2018. In FRDL, we have: 36 days for 9 months in 2017, 38 days for the 3rd quarter in 2017 and 56 days for the 3rd quarter in 2018.

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2018

NOTE 5

Reporting per activity segments

	Hospitals & Clinics	Distribution	Other distribution channels	REMEDIA Pharmacies	Services provided and rents	Other operations	TOTAL * 30.09.2018
Net turnover	66,175,195	177,771,917	17,107,274	70,406,704	1,779,763	0	333,240,853
Income from the sale of goods	66,185,755	178,603,907	17,388,451	70,088,100	0	0	332,266,213
Commercial discounts granted	-10,560	-831,990	-281,177	0	0	0	-1,123,727
Income from services provided and rents		0	0	318,604	1,779,763		2,098,367
Other operating income	0	0	0	0	0	1,620,367	1,620,367
OPERATING INCOME - TOTAL	66,175,195	177,771,917	17,107,274	70,406,704	1,779,763	1,620,367	334,861,220
Expenses with goods	60,885,811	164,016,138	16,843,156	54,846,306	0	-1,236,687	295,354,724
Expenses on goods	63,818,707	165,504,217	17,361,751	56,896,942	0	-1,269,766	302,311,851
Commercial discounts received	-2,932,896	-1,488,079	-518,595	-2,050,636	0	33,079	-6,957,127
Gross margin from the sale of goods	5,289,384	13,755,779	264,118	15,241,794	0	1,236,687	35,787,762
Other operating costs	3,294,505	12,706,316	586,190	17,881,007	440,945	1,493,569	36,402,532
Direct costs	906,515	5,034,267	2,537	13,870,048	380,597	1,493,569	21,687,533
Logistics costs	1,383,025	4,928,200	315,565	0	0	0	6,626,790
Indirect costs	1,004,965	2,743,849	268,088	4,010,959	60,348	0	8,088,209
OPERATING EXPENSES - TOTAL	64,180,316	176,722,454	17,429,346	72,727,313	440,945	256,882	331,757,256
Operating result	1,994,879	1,049,463	-322,072	-2,320,609	1,338,818	1,363,485	3,103,964
Financial result							-33,314
Gross result							3,070,650
Corporate tax							449,667

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2018

Net profit **2,620,983**

NOTE 6

MODIFICATIONS OF CAPITALS

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Share premiums	Retained earnings	Profit Distribution	Current result	Own shares	TOTAL
Balance as at 01.01.2018	10,921,209	1,513,611	15,995,597	11,301,563	757,485	587,771	-78,072	3,765,372	112,628	44,651,908
Profit transfer 2017 (FR) to retained earnings						1,212,684		1,212,684		0
Profit distribution 2017 (FR) to dividends						1,060,898				-1,060,898
2017(FR) to other reserves				151,786		-151,786				0
Profit distribution 2017 to the legal reserve (FR)							78,072	-78,072		0
Profit transfer 2017 (FRDL) to retained earnings						3,044,633		3,044,633		0
Profit distribution 2017(FRDL)										0
Result 2018								2,620,983		2,620,983
Retreatment of costs/revenues 2017								570,017		570,017
Transfer of reserves to dividends (FR)										0
Dividends retreatment FRDL->FR										-500,000
Revaluation of buildings and lands				-209,997						-209,997
Deferred tax				33,599						33,599
Balance as at 30.09.2018	10,921,209	1,513,611	15,819,199	11,453,349	757,485	3,132,404	0	2,620,983	112,628	46,105,612

Farmaceutica REMEDIA S.A. – Consolidated financial statements concluded on 30.09.2018

	Consolidated 9 months 2018
Cash flows from operating activities	
Collections from the sale of goods and from the provision of services	341,241,098
Other cash inflows	576,947
Payments to suppliers of goods and services	(298,453,434)
Payments to and on behalf of employees (incl. taxes on salaries)	(21,589,960)
Corporate tax payments	(758,374)
Payments to other taxes and fees	(11,080,339)
Paid interests	(9,291)
Collected interests (current account)	5,066
Other cash outflows	(2,988,171)
Total operating cash flow	6,943,543
Cash flow from investment activities	
Proceeds from the sale of long-term assets and financial investments	1,377,402
Collected interests (from deposits)	0
Collected dividends	2,851
Payments for the purchase of long-term assets	(485,532)
Total cash flow from investments	894,721
Cash flow from financing activities	
Short-term loan withdrawals	39,111,706
Repayment of short-term loans	(39,111,706)
Net foreign exchange differences	18,824
Funding received from shareholders	0
Repayments of long-term loans, including interest	0
Payments to shareholders (dividends)	(981,753)
Payments of own shares	0
Total cash flow from financing	(962,929)
Total cash flow	6,875,335
Cash at the beginning of the period	10,042,684
Cash at the end of the period	16,918,019

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

Valentin Norbert TARUS



UNCONSOLIDATED REPORT FOR THE 3rd QUARTER OF 2018

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

Farmaceutica REMEDIA S.A.

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

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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

**Unconsolidated REPORT for the 3rd quarter of 2018
according to the F.S.A. Regulation No. 5/2018**

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

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Paid-up share capital: 10.608.980 **Lei**
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(Registration certificate No. 1470/04.05.2009)
Type: **Common Nominative**
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Nominal value: **0,10 Lei**
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Total number: **106.089.800**
RNSC code of shares: **16368**

Registration	Date	Number of shares	Issue value
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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

The total market value on 6.11.2018 is of 44.557.716 Lei

The value of a RMAH share is of 0,42 Lei. (on 06.11.2018)

1. Significant events to report

During the period 01.01.2018 – 30.09.2018 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 2018

During the period 01.01.2018 – 30.09.2018, the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2018 (Lei)	Evolution 2018/2017 (%)
1.	Net sales of goods *	65.049.857	70.088.100	+ 7,75
2.	Other operating revenues	2.651.660	3.164.892	+ 19,36
3.	Total operating revenues	67.701.517	73.252.992	+ 8,2
4.	Total operating costs *	67.081.672	73.058.162	+ 8,91
5.	Operating result	619.845	194.830	- 68,57
6.	Financial result	628.525	2.067.926	+ 229,01
7.	Gross result (profit)	1.248.370	2.262.756	+ 81,26

* Including commercial discounts granted/received

Erosion of the operational result as compared to the same period of last year is based on two factors:

- Gross margin depreciation (net sales of goods increased by 7,75% while the net cost of the sold goods increased by 8,91%)
- Expenses with personnel that increased by 16,22%

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

- collected rents – 37,92 % from "other operating revenues"
- marketing services – 7,67 %
- assets sales – 48,12 %
- other services – 5,25 %

3. Financial statements on 30.09.2018 were not audited by the independent financial auditor.

4. Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	30.09.2018
Current liquidity (Current assets / Current debts)	1,20
Current assets	32.167.288
Current debts	26.744.149
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%
Borrowed capital	0
Equity	42.009.341
Turnover speed for client debit items (Average customer balance / turnover*270)	46 days
Average customer balance	12.171.675
Net turnover	71.698.110
Turnover speed of stocks (average stock balance/cogs)* 270	67 days
Stocks average balance	13.674.897
Net COGS	54.846.307

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 evolved positively as compared to the same period last year (from 1,1 to 1,2)

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 46 days is a normal one under the circumstances. The indicator evolution was the following: 28 days in the first 9 months of 2017, 28 days in the 3rd quarter of 2017 and 45 days in the 3rd quarter of 2018.

⁴⁾ The **days on hand** indicator value (67 days) can be considered that falls within the activity specificity, exceeding the limit imposed by the internal procedures of the company (45 days). The indicator reversed as compared to the same period last year (66 days). In the 3rd quarter of 2018, the indicator reached 70 days as compared to 68 days in the 3rd quarter of 2017.

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

Farmaceutica REMEDIA S.A.

STATEMENT OF GLOBAL RESULT - unconsolidated

ON SEPTEMBER 30st 2018

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

	30-Sep-18	30-Sep-17
Net turnover	71,698,110	66,709,763
Revenues from sales of goods	70,088,100	65,053,216
Trade discountes granted	0	-3,359
Revenues from services rendered and rents	1,610,010	1,659,906
Other operating revenues	1,554,882	991,754
OPERATING REVENUES - TOTAL	73,252,992	67,701,517
Material expenses	56,112,913	51,451,782
Goods-related expenses	56,896,943	51,115,474
Trade discounts received	-2,050,636	-757,552
Raw materials and consumable expenses	549,868	519,023
Other material expenses	247,925	60,718
Energy and water expenses	468,814	514,119
Staff expenses	12,416,944	10,683,738
Salaries and compensations	11,029,807	8,586,185
Social insurance and protection expenses	334,213	1,866,458
Other staff expenses	1,052,924	231,095
Depreciation and provisions	328,037	277,276
Depreciations	324,427	248,050
Net provisions	-60,783	-594,426
Losses from receivables	64,393	623,652
Other operating expenses	4,200,268	4,668,876
Outsourcing expenses	3,571,153	3,856,917
Other duties, taxes and similar levies expenses	338,290	307,794
Other expenses	290,825	504,165
OPERATING EXPENSES - TOTAL	73,058,162	67,081,672
OPERATING RESULT	194,830	619,845
Financial revenues	2,071,206	637,291
Interest revenues	2,383	3,954
Revenues from exchange rate differences	482	10,516
Revenues from dividends	2,002,851	500,000
Discounts pay in advance	65,490	122,821
Other financial expenses	0	0
Financial expenses	3,280	8,766
Interest expenses	0	0
Expenses from exchange rate difference	571	251
Discounts encashment in advance	2,709	8,515

Other financial expenses	0	0
FINANCIAL RESULT	2,067,926	628,525
TOTAL REVENUES	75,324,198	68,338,808
TOTAL EXPENSES	73,061,442	67,090,438
GROSS RESULT	2,262,756	1,248,370
Income tax	64,441	172,756
TOTAL NET PROFIT, of which attributable :	2,198,315	1,075,614
Company's shareholders	2,198,315	1,075,614
Minority interest		
Comprehensive income afferent to the period - total, of which attributable :	2,198,315	1,075,614
Company's shareholders	2,198,315	1,075,614
Minority interest		
Result per share (Lei)		
basic	0.0207	0.0101
diluted	0.0207	0.0101

President of the Board of Administration

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

Valentin - Norbert TARUS

Financial Director

Robert - Mihail PELOIU

Farmaceutica REMEDIA S.A.

**STATEMENT OF FINANCIAL POSITION - unconsolidated
ON SEPTEMBER 30st 2018**

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

ASSETS	30-Sep-18	30-Sep-17
Fixed assets	37,868,358	38,270,175
Tangible asstes	24,545,492	24,596,432
Investment property	5,652,468	5,413,645
Software licenses	11,603	27,885
Pharmaceutical licenses	7,080,494	7,652,572
Participations held in group companies	292,320	289,320
Participations held in companies outside the group	5,316	8,316
Financial assets	280,665	282,005
Current assets	32,167,288	27,962,250
Stocks	14,464,459	12,648,901
Trade receivables	11,873,945	6,807,453
Other receivables	350,927	235,469
Cash and cash equivalents	5,477,957	8,270,427
Accrued expenses	83,466	63,182
TOTAL ASSETS	70,119,112	66,295,607
EQUITIES AND LIABILITIES		
Equities	42,009,341	40,158,239
Share capital	10,921,209	10,921,209
Share premium	757,485	757,485
Reserves	28,557,189	27,828,788
Current profit or loss (result)	2,198,315	1,075,614
	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	1,365,621	1,273,137
Financial lease liabilities	0	0
Provisions	0	0
Deferred tax liabilities	1,365,621	1,273,137
Current liabilities	26,744,149	24,864,231
Bank loans	0	0
Financial lease liabilities		0
Suppliers and other similar liabilities	24,847,343	23,284,983
Provisions		0
Current tax liabilities	0	
Other current liabilities	1,896,807	1,579,248

Total liabilities	28,109,771	26,137,368
TOTAL EQUITY AND LIABILITIES	70,119,112	66,295,607

President of the Board of Administration

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

Valentin - Norbert TARUS

Financial Director

Robert - Mihail PELOIU

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 30.09.2018

NOTE 1 INFORMATION ABOUT THE COMPANY

Farmaceutica REMEDIA S.A. («the Company») is a commercial company with registered office in Deva, No. 43 Dorobantilor Street, 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.

On **01 January 2016**, Farmaceutica REMEDIA S.A. completed the transfer to Farmaceutica REMEDIA Distribution & Logistics S.R.L., **a company owned 100 %**, of wholesale drug distribution activities (by a network of 8 warehouses) together with related activities (logistics services, registration, promotion and marketing of medicines etc), maintaining the operation of the chain of 100 pharmacies and local distribution offices.

Although the legal provision on separation of activities has been abrogated, Farmaceutica REMEDIA has decided to keep the two legal entities.

In this context, on 30.09.2018 Farmaceutica REMEDIA S.A. held majority holdings (100%) at the Farmaceutica REMEDIA Distribution & Logistics S.R.L. company.

During the first 9 months of 2018, Farmaceutica REMEDIA S.A. did not participate in mergers.

During the same period, the company did not alienate assets of significant values (buildings, lands, shares etc) with the following exceptions:

- one of the two operating licenses for a pharmacy held at Alba-Iulia
- part (104.62 sqm) of a building held in Deva

NOTE 2 BASES FOR DRAFTING THE FINANCIAL STATEMENTS

The financial statements of the company were drafted in compliance with the provisions of Order No. 2844/2016 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.

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 30.09.2018

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 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 30.09.2018 were not audited by the independent financial auditor.

Farmaceutica REMEDIA S.A. – Unconsolidated
financial statements concluded on 30.09.2018

NOTE 3 SALES REVENUES AND OTHER OPERATING REVENUES

During the period 01.01.2018 – 30.09.2018 the commercial company Farmaceutica REMEDIA S.A. recorded the following financial results:

Crt. No.	Indicator	Realisations January-September 2017 (Lei)	Realisations January-September 2018 (Lei)	Evolution 2018/2017 (%)
1.	Net sales of goods *	65.049.857	70.088.100	+ 7,75
2.	Other operating revenues	2.651.660	3.164.892	+ 19,36
3.	Total operating revenues	67.701.517	73.252.992	+ 8,2
4.	Total operating costs *	67.081.672	73.058.162	+ 8,91
5.	Operating result	619.845	194.830	- 68,57
6.	Financial result	628.525	2.067.926	+ 229,01
7.	Gross result (profit)	1.248.370	2.262.756	+ 81,26

* Including commercial discounts granted/received

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

- collected rents – 37,92 % from “other operating revenues”
- marketing services – 7,67 %
- assets sales – 48,12 %
- other services – 5,25 %

NOTE 4 ECONOMIC-FINANCIAL INDICATORS

Economic-financial indicators

LIQUIDITY AND WORKING CAPITAL	30.09.2018
Current liquidity (Current assets / Current debts)	1,20
Current assets	32.167.288
Current debts	26.744.149
Degree of indebtedness (Borrowed capital / Equity x 100)	0,00%
Borrowed capital	0
Equity	42.009.341
Turnover speed for client debit items (Average customer balance /turnover *270)	46 days
Average customer balance	12.171.675
Net turnover	71.698.110
Turnover speed of stocks (average stocks balance/cogs)*270	67 days
Average stocks balance	13.674.897
COGS net	54.846.307

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 30.09.2018

NOTE 5	Reporting per activity segments							
	WEST Region	CENTER Region	BUCHAREST Region	SOUTH- EAST Region	Other operations	Spaces/auto rents	Provided services	TOTAL * 30.09.2018
Net turnover	35,780,034	10,651,305	15,951,510	7,965,572	58,283	1,200,013	91,274	71,697,991
Income from the sale of goods		10,606,260	15,866,031	7,921,639	58,283	0	0	70,088,100
Commercial discounts granted	0	0	0	0	0			0
Income from services provided and rents		45,045	85,479	43,933		1,200,013	91,274	1,609,891
Other operating income					1,615,783			1,615,783
OPERATING INCOME - TOTAL	35,780,034	10,651,305	15,951,510	7,965,572	1,674,066	1,200,013	91,274	73,313,774
Expenses on goods	27,772,869	8,078,209	12,754,147	6,180,299	60,782	0	0	54,846,306
Expenses on goods	28,754,111	8,324,549	13,309,589	6,447,868	60,825	0	0	56,896,942
Commercial discounts received	-981,242	-246,340	-555,442	-267,569	-43	0	0	-2,050,636
Gross margin from the sale of goods	7,863,018	2,528,051	3,111,884	1,741,340	-2,499	0	0	15,241,794
Other operating costs	7,478,476	2,243,529	5,923,318	2,235,684	268,874	120,145	2,605	18,272,631
Direct costs	5,486,526	1,674,173	4,902,874	1,804,590	268,874	86,688	63	14,223,788
Logistics costs	0	0	0	0	0	0	0	0
Promotion costs	714	219	714	238	0	0	0	1,885
Indirect costs	1,991,236	569,137	1,019,730	430,856	0	33,457	2,542	4,046,958
OPERATING EXPENSES - TOTAL	35,251,345	10,321,738	18,677,465	8,415,983	329,656	120,145	2,605	73,118,937
Operating result	528,689	329,567	-2,725,955	-450,411	1,344,410	1,079,868	88,669	194,837
Financial result								2,067,919
Gross result								2,262,756
Corporate tax								64,441

Farmaceutica REMEDIA S.A. – Unconsolidated financial statements concluded on 30.09.2018

Net profit **2,198,315**

NOTE 6 MODIFICATIONS OF CAPITALS

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Share premiums	Retained earnings	Current result	Profit distribution	Own shares	TOTAL
Balance as at 01.01.2018	10,921,209	1,513,051	15,995,597	11,073,153	757,485	-312,229	1,290,756	-78,072	-112,628	41,048,322
Profit transfer 2017 to retained earnings						1,212,684	-1,212,684			0
Profit distribution 2017 to dividends						1,060,898				-1,060,898
Profit distribution 2017 to other reserves				151,786		-151,786				0
Result 2018							2,198,315			2,198,315
Transfer of reserves to dividends										0
Profit distribution 2017 to the legal reserve							-78,072	78,072		0
Revaluation of buildings and lands			-209,997							-209,997
Deferred tax			33,599							33,599
Balance as at 30.09.2018	10,921,209	1,513,051	15,819,199	11,224,939	757,485	-312,229	2,198,315	0	-112,628	42,009,341

Farmaceutica REMEDIA S.A. – Unconsolidated
financial statements concluded on 30.09.2018

NOTE 7 STATEMENT OF TREASURY FLOWS (RON)

unconsolidated

	9 months 2018
Cash flows from operating activities	
Collections from the sale of goods and from the provision of services	80,049,320
Other cash inflows	370,646
Payments to suppliers of goods and services	(66,922,618)
Payments to and on behalf of employees (incl. taxes on salaries)	(11,538,329)
Corporate tax payments	(211,425)
Payments to other taxes and fees	(2,054,612)
Paid interests	0
Collected interests (current account)	2,383
Other cash outflows	(1,544,033)
Total operating cash flow	(1,848,667)
Cash flow from investment activities	
Proceeds from the sale of long-term assets and financial investments	1,377,402
Collected interests (from deposits)	0
Collected dividends	2,002,851
Payments for the purchase of long-term assets	(46,830)
Total cash flow from investments	3,333,423
Cash flow from financing activities	
Short-term loan withdrawals (including interests)	0
Repayment of short-term loans	0
Net foreign exchange differences	(48)
Funding received from shareholders	0
Repayments of long-term loans, including interest	0
Payments to shareholders (dividends)	(981,753)
Payments of own shares	0
Total cash flow from financing	(981,801)
Total cash flow	502,955
Cash at the beginning of the period	4,975,002
Cash at the end of the period	5,477,957

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

by representative
Valentin Norbert TARUS