



**INDIVIDUAL FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2018**

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

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To the shareholders of Ropharma SA,
Brasov, România

ROPHARMA SA
STATEMENT OF INDIVIDUAL FINANCIAL POSITION
AS OF MARCH 31, 2018
(in Ron, unless otherwise specified)

	Note	31 December 2017	31 March 2018	Δ	Δ %
Assets					
Non-current assets					
Tangible assets		57,853,145	57,117,846	(735,299)	-1%
Goodwill		11,613,659	11,613,659	0	0%
Intangible assets		14,898,378	16,522,086	1,623,708	11%
Investments in associated companies		20,405,057	20,405,057	(0)	0%
Real estate investments		32,683,069	37,793,606	5,110,537	16%
Total non-current assets		137,453,308	143,452,254	5,998,946	4%
Current Assets					
Inventories	3	38,704,178	38,994,363	290,185	1%
Trade and other receivables	4	59,200,447	63,765,783	4,565,336	8%
Prepaid expenses		551,281	1,019,947	468,666	85%
Cash and cash equivalents	5	6,745,725	4,459,912	(2,285,813)	-34%
Total current assets		105,201,631	108,240,005	3,038,374	3%
Total Assets		242,654,939	251,692,258	9,037,319	4%
Equity and liabilities					
Equity					
Share capital		68,698,617	68,698,617	0	0%
Share premium		2,021,064	2,021,064	0	0%
Reserves		25,230,165	25,230,165	(0)	0%
Revaluation reserves		11,843,435	11,843,435	0	0%
Losses related to shares		(113,274)	(113,274)	(0)	0%
Retained profit		6,093,430	1,661,109	(4,432,321)	-73%
Profit distribution		0	6,093,430	6,093,430	n/a
Retained earnings		31,549,911	31,549,911	0	0%
Total equity		145,323,348	146,984,457	1,661,109	1%
Long term borrowings					
Deferred tax		2,520,312	1,889,385	(630,927)	-25%
		6,628,084	6,565,064	(63,020)	-1%
Total long term liabilities	6	9,148,396	8,454,449	(693,947)	-8%
Current liabilities					
Current portion of long term borrowings		2,520,300	2,519,165	(1,135)	0%
Overdraft		1,322,708	1,985,950	663,242	50%
Trade and other payables	7	82,139,125	89,696,854	7,557,729	9%
Other taxes and obligations regarding social securities	7	1,930,500	1,471,823	(458,677)	-24%
Provisions		55,096	55,096	0	0%
Prepaid income		0	194,004	194,004	n/a
Income tax liabilities		215,466	330,459	114,993	53%
Total current liabilities		88,183,195	96,253,352	8,070,157	9%
Total liabilities		97,331,591	104,707,801	7,376,210	8%
Total equity and liabilities		242,654,939	251,692,258	9,037,320	4%

ROPHARMA SA
STATEMENT OF INDIVIDUAL FINANCIAL POSITION
AS OF MARCH 31, 2018
(in Ron, unless otherwise specified)

	<u>Note</u>	<u>Q1 2017</u>	<u>Q1 2018</u>	<u>Δ</u>	<u>Δ %</u>
Operating income					
Net sales revenues	8	84,004,816	89,986,528	5,981,712	7%
Other income	9	1,366,742	1,351,668	(15,075)	-1%
Total operating income		85,371,559	91,338,196	5,966,637	7%
Operating expenses					
Cost of sales		67,915,734	72,355,770	4,440,036	7%
Wages and salaries	10	9,837,362	10,877,836	1,040,474	11%
Advertising and publicity		143,247	213,749	70,502	49%
(Gains) / losses on sale of non-current assets		(176,931)	(558,895)	(381,964)	216%
External services		1,037,469	1,084,547	47,077	5%
Losses on trade receivables and sundry debtors		0	105,046	105,046	n/a
Adjustments to current assets		(86,177)	(117,514)	(31,337)	36%
Depreciation		1,163,846	1,128,567	(35,279)	-3%
Other operating expenses	11	4,176,323	4,297,000	120,676	3%
Total operating expenses		84,010,874	89,386,105	5,375,232	6%
Operating result		1,360,685	1,952,091	591,406	43%
Financial income	12	82,093	15,597	(66,496)	-81%
Financial expenses	12	143,900	39,140	(104,760)	-73%
Financial result	12	(61,807)	(23,543)	38,264	-62%
Profit before tax		1,298,878	1,928,548	629,669	48%
Income tax		255,319	330,459	75,140	29%
Deferred income tax		(65,689)	(63,020)	2,669	-4%
Net income for the period		1,109,248	1,661,109	551,861	50%

ROPHARMA SA
KEY INDICATORS
FOR 3 MONTHS, AS OF MARCH 31 2018

	Q1 2017 / 31 December 2017	Q1 2018 / 31 March 2018	Δ	Δ %
I. LIQUIDITY RATIOS				
Current Ratio				
Current assets (A)	105,201,631	108,240,005	3,038,374	3%
Current liabilities (B)	88,183,195	96,253,352	8,070,157	9%
A/B in number of times	1.2	1.1		
Quick ratio				
Current assets (A)	105,201,631	108,240,005	3,038,374	3%
Inventories (B)	38,704,178	38,994,363	290,185	1%
Current liabilities (C)	88,183,195	96,253,352	8,070,157	9%
(A-B)/C in number of times	0.8	0.7		
II. PROFITABILITY RATIOS				
EBITDA				
EBIT (A)	1,360,685	1,952,091	591,406	43%
Depreciation (B)	1,163,846	1,128,567	(35,279)	-3%
A+B in Ron	2,524,531	3,080,657		
EBITDA				
EBITDA (A)	2,524,531	3,080,657	556,127	22%
Operating income (B)	85,371,559	91,338,196	5,966,637	7%
A/B in %	3.0%	3.4%		
Gross Margin				
Gross Margin (A)	16,089,082	17,630,758	1,541,676	10%
Net sales revenues (B)	84,004,816	89,986,528	5,981,712	7%
(A/B) * 100	19.2%	19.6%		
III. ACTIVITY RATIOS				
Non-current assets turnover				
Operating income (A)	85,371,559	91,338,196	5,966,637	7%
Non-current assets (B)	137,453,308	143,452,254	5,998,946	4%
(A/B) in number of times	0.6	0.6		
Days sales of inventories				
Average inventories (A)	38,704,178	38,994,363	290,185	1%
Cost of sales	67,915,734	72,355,770	4,440,036	7%
(A/B) in number of days	51	49		
Days Sales outstanding				
Average receivables (A)	59,200,447	63,765,783	4,565,336	8%
Operating income (B)	85,371,559	91,338,196	5,966,637	7%
(A/B) in number of days	62	63		
IV. RISC RATIO				
Interest cover ratio				
EBIT (A)	1,360,685	1,952,091	591,406	43%
Interest expenses (B)	35,788	29,978	(5,810)	-16%
(A+B)/B in number of times	39.0	66.1		

3. INVENTORIES

	31 December 2017	31 March 2018	Δ	Δ %
Inventories in Warehouses & Pharmacies	38,450,632	38,642,194	191,562	0%
Transit inventories	23,821	38,176	14,355	60%
Prepayments	90,180	152,179	61,999	69%
Consumables	139,545	161,814	22,269	16%
Total	38,704,178	38,994,363	290,185	1%

4. TRADE AND OTHER RECEIVABLES

	31 December 2017	31 March 2018	Δ	Δ %
Trade receivables	63,540,345	67,403,913	3,863,568	6%
Adjustment for trade receivables	(7,668,633)	(7,551,119)	117,514	-2%
Other receivables	3,638,314	3,837,293	198,979	5%
Adjustment for other receivables	(883,347)	(883,347)	0	0%
Total trade receivables other than cash, classified as imprumuturi and receivables	58,626,679	62,806,741	4,180,062	7%
Employees receivables	36,440	24,039	(12,401)	-34%
Other receivables from authorities	412,036	511,465	99,429	24%
Prepayments	125,292	423,538	298,246	238%
Total	59,200,447	63,765,783	4,565,336	8%

5. CASH AND CASH EQUIVALENTS

	31 December 2017	31 March 2018	Δ	Δ %
Cash in banks	4,778,027	3,094,186	(1,683,841)	-35%
Cash in hand	1,961,805	1,363,227	(598,578)	-31%
Cash equivalents	5,893	2,499	(3,394)	-58%
Total	6,745,725	4,459,912	(2,285,813)	-34%

6. BORROWINGS

	31 December 2017	31 March 2018	Δ	Δ %
Long term borrowings				
Long term bank borrowings	2,520,312	1,889,385	(630,927)	-25%
Finance lease liabilities	-	-	-	
Total	2,520,312	1,889,385	(630,927)	-25%
Short term borrowings				
Current portion of long term bank borrowings	2,520,301	2,519,165	(1,136)	0%
Short term bank borrowings	1,322,709	1,985,950	663,241	50%
Total	3,843,010	4,505,115	662,105	17%
Total borrowings	6,363,322	6,394,501	31,179	0%

7. TRADE AND OTHER PAYABLES

	31 December 2017	31 March 2018	Δ	Δ %
Trade liabilities	5,777,432	6,137,441	360,009	6%
Liabilities to group entities	70,054,913	77,628,121	7,573,208	11%
Suppliers for non-current assets	2,153,543	1,279,874	(873,669)	-41%
Payroll and taxes	1,915,906	1,930,266	14,360	1%
Other liabilities	2,207,435	2,672,595	465,160	21%
Interest payables	1,191	1,650	459	39%
Total liabilities less borrowings clasificate ca masurate la cost amortizat	82,110,420	89,649,946	7,539,526	9%
Social security	1,930,500	1,471,823	(458,677)	-24%
Dividends	7,518	7,518	-	0%
Prepayments received	21,187	39,390	18,203	86%
Total	84,069,625	91,168,677	7,099,052	8%

8. NET SALES REVENUES

	Q1 2017	Q1 2018	Δ	Δ %
Retail sales	84,004,816	88,792,102	4,787,286	6%
Cost-Volume-Result Programme	-	1,194,426	1,194,426	n/a
Total Sales	84,004,816	89,986,528	5,981,712	7%

ROPHARMA SA
NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR 3 MONTHS, AS OF MARCH 31 2018
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9. OTHER INCOME

	<u>Q1 2017</u>	<u>Q1 2018</u>	<u>Δ</u>	<u>Δ %</u>
Rental	367,923	313,336	(54,586)	-15%
Services	228,759	358,798	130,038	57%
Other operating income	770,061	679,534	(90,527)	-12%
Total	<u>1,366,743</u>	<u>1,351,668</u>	<u>(15,075)</u>	<u>-1%</u>

10. WAGES AND SALARIES

	<u>Q1 2017</u>	<u>Q1 2018</u>	<u>Δ</u>	<u>Δ %</u>
Wages and salaries	7,496,642	9,850,663	2,354,021	31%
Luncheon vouchers	630,285	618,704	(11,581)	-2%
Social security	1,710,435	186,841	(1,523,594)	-89%
Other social security expenses	-	221,628	221,628	n/a
Total	<u>9,837,362</u>	<u>10,877,836</u>	<u>1,040,474</u>	<u>11%</u>

11. OTHER OPERATING EXPENSES

	<u>Q1 2017</u>	<u>Q1 2018</u>	<u>Δ</u>	<u>Δ %</u>
Consumables	614,233	599,158	(15,075)	-2%
Rental	1,967,862	2,049,456	81,594	4%
Maintenance	225,746	223,217	(2,529)	-1%
Utilities	608,038	692,441	84,403	14%
Insurance	90,777	63,491	(27,286)	-30%
Protocol	77,783	104,969	27,186	35%
Travel and accommodation	82,675	97,874	15,199	18%
Postal and telecommunications	81,077	84,244	3,166	4%
Bank fees and commissions	41,976	52,763	10,787	26%
Lawyer fees and related charges	52,000	22,544	(29,456)	-57%
Local taxes and other similar taxes	226,068	222,165	(3,903)	-2%
Other operating expenses	108,088	84,678	(23,410)	-22%
Total	<u>4,176,323</u>	<u>4,297,000</u>	<u>120,676</u>	<u>3%</u>

12. FINANCIAL INCOME AND EXPENSES

	Q1 2017	Q1 2018	Δ	Δ %
Financial income				
Venituri din dobânzi	1,212	4,131	2,918	241%
Venituri din diferențe de curs valutar	80,881	11,466	(69,415)	-86%
Total	82,093	15,597	(66,496)	-81%
Financial expenses				
Interest expense	35,788	29,978	(5,810)	-16%
Foreign exchange loss	102,500	7,748	(94,752)	-92%
Other expenses related to financing	5,612	1,414	(4,198)	-75%
Total	143,900	39,140	(104,760)	-73%
Net financial result	(61,807)	(23,543)	38,264	-62%

13. PERSONNEL

	31 December 2017	31 March 2018	Δ
Board of Administrators	7	7	0
Executive management	3	3	0
Counselors & Assistant Manager to the General Manager	11	10	(1)
Sales	776	769	(7)
Logistic & Administrative & Auto	30	30	0
Marketing	11	13	2
Finance & Accounting	16	16	0
Quality	2	3	1
Legal	4	3	(1)
IT	10	10	0
HR	6	6	0
Internal audit	5	5	0
Total	881	875	(6)
 Average number of employees	 745	 726	 (19)

We confirm that the individual financial statements are unaudited.

Mihai Miron
CEO

Alin Rădășanu
CFO